

solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Below is the text of the proposed rule change. Proposed new language is italicized.

2280. Investor Education and Protection

(a) *Each member shall, with a frequency of not less than once every calendar year, provide in writing to each customer the following items of information.*

- (1) *NASD Regulation Public Disclosure Program Hotline Number*
- (2) *NASD Regulation Web Site Address*
- (3) *A statement as to the availability to the customer of an investor brochure that includes information describing the Public Disclosure Program*

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the commission, the NASD included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The NASD has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

During 1995, at the request of the Honorable Edward J. Markey, the General Accounting Office ("GAO") undertook a review of the effectiveness of the NASD's toll-free telephone information service used to disseminate information under the NASD Regulation Public Disclosure Program ("PDP"). In July 1996, the General Accounting Office issued a report of its review of the PDP. The report included a recommendation that NASD Regulation publicize and educate investors about the availability of information through the NASD Regulation PDP. Specifically, the report recommended that NASD Regulation:

[E]xplore other ways of publicizing the hotline to a wider audience of investors, such as including the hotline number on account-opening documents or account statements, making disciplinary-related information directly

available to investors through the Internet.

The Proposed amendment in new paragraph 2280(a) would require each member to provide to each customer, at least once annually on a written statement, the 800 telephone number for the PDP, the NASD Regulation Web Site Address, and the availability of an investor brochure that includes information describing the PDP. This proposal gives NASD members the flexibility to determine what kind of written statement is to be used. Some members may elect to include this information on customer account statements and some may elect to use another kind of publication.

The NASD believes that the proposed rule change is consistent with the provision of Sections 15A(b)(6) and 15A(i) of the Act in that the requirement that firms publish on a written statement to existing customer accounts, as least annually, the availability of information through the PDP is an important element in promoting the availability of the PDP information to investors.

B. Self-Regulatory Organization's Statement on Burden on Competition

The NASD does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participant, or Others

Written comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

At any time within 60 days of the filing of a rule change pursuant to Section 19(b)(3)(A) of the Act, the Commission may summarily abrogate the rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

Within 35 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

A. by order approve such proposed rule change, or

B. institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning SR-NASD-97-10. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, DC 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the NASD. All submissions should refer to the file number in the caption above and should be submitted by March 18, 1997.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority, 17 CFR 200.30-3(a)(12).

Margaret H. McFarland,

Deputy Secretary.

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[Release No. 34-38303; File No. SR-PHIL-96-18]

Self-Regulatory Organizations; Philadelphia Depository Trust Company; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to the Establishment of Fees Charged for Direct Registration System

February 18, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on November 6, 1996, Philadelphia Depository Trust Company ("Philadep") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which items have been prepared primarily by Philadep. The Commission is publishing this notice to solicit

¹ 15 U.S.C. 78s(b)(1) (1988).

comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The purpose of the proposed rule change is to establish Philadep's fee schedule for participants using direct registration system ("DRS") services.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, Philadep included statements concerning the purpose of and statutory basis for the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. Philadep has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.²

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

The purpose of the proposed rule change is to establish Philadep's fee schedule for DRS services. Philadep proposes to enable its participants to use Philadep's processing environment to account for certain investors' purchases and sales of securities according to the DRS procedures. Philadep will establish a limited participant category of participant which will be charged the following fees:

1. Limited Participant Accountholder Fee—\$225 per month
2. Deliver Order Transaction Processing Fee—\$.45 per transaction

Philadep participants receiving such a DRS delivery also will be charged \$.45 per transaction. In addition, when a transfer agent mails a transaction advice to the shareholder, the transfer agent's fee of \$.55 for mailing and handling the DRS transaction advice will be charged back to the participant directly by Philadep. Philadep will collect the advice fees and will periodically remit such fees to the transfer agent.

The proposed rule change complies with Section 17A of the Act in providing for equitable allocation of reasonable dues, fees, and other charges among participants.

B. Self-Regulatory Organization's Statement on Burden on Competition

Philadep does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

Comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing rule change establishes or changes a due, fee, or other charge imposed by Philadep, it has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act³ and Rule 19b-4(e)(2) thereunder.⁴ At any time within sixty days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Section, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filing will also be available for inspection and copying at Philadep. All submissions should refer to the File No. SR-Phil-96-18 and should be submitted by March 18, 1997.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁵

Margaret H. McFarland,
Deputy Secretary.

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[Release No. 34-38305; File No. SR-Philadep-96-23]

Self-Regulatory Organizations; The Philadelphia Depository Trust Company; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Consolidate and Restate Its Fee Schedule

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on December 23, 1996, the Philadelphia Depository Trust Company ("Philadep") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which items have been prepared primarily by Philadep. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The purpose of the proposed rule change is to consolidate and restate Philadep's schedule of fees and charges (Exhibit A).

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, Philadep included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule changes. The text of these statements may be examined at the places specified in Item IV below. Philadep has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.²

(A) Self-Regulatory Organization's Statement of the Purpose of and Statutory Basis for, the Proposed Rule Change

The purpose of the proposed rule change is to consolidate and restate

⁵ 17 CFR 200.30-3(a)(12) (1994).

¹ 15 U.S.C. 78s(b)(1).

² The Commission has modified the text of the summaries prepared by Philadep.

² The Commission has modified parts of these statements.

³ 15 U.S.C. 78q-1(b)(3)(A) (1988).

⁴ 17 CFR 240.19b-4(e)(2) (1994).