

Joint Account. In no case would an early termination by less than all participating Funds be permitted if it would reduce the principal amount or yield received by other Funds participating in a particular Joint Account or otherwise adversely affect the other participating Funds. Each Fund participating in such Joint Account will be deemed to have consented to such sale and partition of the investments in such Joint Account.

For the SEC, by the Division of Investment Management, under delegated authority.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97-14354 Filed 6-2-97; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[File No. 5500-1]

Amquest International, Ltd.; Order of Suspension of Trading

May 30, 1997.

It appears to the Securities and Exchange Commission that there is a lack of current and accurate information concerning the securities of Amquest International, Ltd. ("Amquest" or the "Company"), a Florida based company which holds itself out to be part of an integrated system of companies for the provision of mortgage banking, investment and consumer credit services, because of questions regarding the accuracy of assertions by Amquest, and by others, in documents filed with the Commission and distributed to investors and market-makers of the stock of Amquest, concerning, among other things, Amquest's ownership of certain Brazilian "Rights" and other assets, the value of certain assets claimed by Amquest, the amount of income, if any, Amquest has generated, the acquisition by Amquest of certain entities, and the composition and involvement in Company affairs of Amquest's purported management.

The Commission is of the opinion that the public interest and the protection of investors require a suspension of trading in the securities of the above-listed company.

Therefore, it is ordered, pursuant to Section 12(k) of the Securities Exchange Act of 1934, that trading in the above-listed company is suspended for the period from 9:30 a.m. EDT, May 30, 1997 through 11:59 p.m. EDT, on June 12, 1997.

By the Commission.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97-14541 Filed 5-30-97; 11:21 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-38678; File No. SR-NASD-97-27]

Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Order Granting Approval to Proposed Rule Change To Decrease the Minimum Quotation Increment for Certain Securities Listed and Traded on The Nasdaq Stock Market to 1/16th of \$1.00

May 27, 1997.

I. Introduction

On April 17, 1997, the National Association of Securities Dealers, Inc. ("NASD" or "Association") submitted to the Securities and Exchange Commission ("SEC" or "Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to modify The Nasdaq Stock Market's ("Nasdaq") automated quotation system to permit Nasdaq securities whose bid is \$10 or higher to be quoted in increments as small as one-sixteenth of a dollar.

The proposed rule change was published for comment in the **Federal Register** on April 25, 1997.³ After the comment period expired, the Commission received a number of comment letters.⁴ This order approves the proposal.

II. Description

Presently, Nasdaq's automated quotation system is configured so that a market maker or electronic communications network ("ECN") can only enter a quote for a particular security in an increment of 1/8 of \$1 if the market maker's bid price in that security is equal to or greater than \$10. If a market maker's bid is less than \$10, it may enter quotes in increments of 1/32 of \$1. Nasdaq proposes to modify a system parameter in its automated quotation system to enable market

makers and ECNs to enter quotations in sixteenths for Nasdaq securities when their bid price is equal to or greater than \$10.

Nasdaq believes allowing Nasdaq market makers and investors to display their trading interest in these securities in sixteenths will enhance the transparency of the Nasdaq market, provide investors with a greater opportunity to receive better execution prices, facilitate greater quote competition, promote the price discovery process, contribute to narrower spreads, and enhance the capital formation process. Moreover, Nasdaq believes the proposed rule change is wholly consistent with, and in furtherance of, the important investor protection goals underlying the Order Execution Rules.⁵ Customer limit orders and orders entered into ECNs priced in sixteenths are currently rounded to the nearest eighth for public display.⁶ The proposal would allow all such orders to be publicly displayed at their actual price. By displaying these orders at their actual prices, Nasdaq believes the already substantial benefits provided by implementation of the Order Execution rules will be commensurately increased. Nasdaq also believes it is appropriate to reduce the minimum quotation increment for these securities in light of the SEC's decision to modify the phase-in schedule of the Order Execution Rules.⁷

III. Summary of Comments

As of May 22, 1997, the Commission received 111 comment letters concerning the proposed rule change.⁸

⁵ On August 28, 1996, the Commission adopted Rule 11Ac1-4, the "Limit Order Display Rule," and amendments to Rule 11Ac1-1, the "ECN Rule," to require over-the-counter ("OTC") market makers and exchange specialists to display certain customer limit orders, and to publicly disseminate the best prices that the OTC market maker or exchange specialist has placed in certain ECNs, or to comply indirectly with the ECN Amendment by using an ECN that furnishes the best market maker and specialist prices therein to the public quotation system (collectively, the "Order Execution Rules" or the "Rules"). See Securities Exchange Act Release No. 37619A (Sept. 6, 1996), 61 FR 48290 (Sept. 12, 1996).

⁶ In particular, orders to buy (sell) are rounded down (up) to the nearest eighth.

⁷ See Securities Exchange Act Release No. 38490 (Apr. 9, 1997), 62 FR 18514 (Apr. 16, 1997) (announcing the revised phase-in schedule, providing exemptive relief to accommodate the new schedule, and providing exemptive relief from compliance with the 1% requirement of the Quote Rule with respect to non-19c-3 securities.)

⁸ See letters to Jonathan G. Katz, Secretary, SEC, from Daniel J. Balber, dated May 12, 1997, Stephen S. Baldente, undated, Adam Bandel, undated, Laurence Bag, undated, Sayan Bhattacharyya, dated May 14, 1997, Jessica Brooks, dated May 16, 1997, Michael Broudo, dated May 14, 1997, John Bucci, dated May 15, 1997, David M. Burns, dated May 16,

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¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Securities Exchange Act Release No 38531 (Apr. 21, 1997), 62 FR 20233 (Apr. 25, 1997).

⁴ As of May 22, 1997, the Commission received 111 comment letters. These letters, as well as any others received after this order, may be found in the Commission's Public Reference Room in File No. SR-NASD-97-27.