allocation of revenues on the basis of a 75% allocation to the basic accounting center and 25% to the index option accounting center. Because OPRA has not yet unbundled the index option service and has no current plans to do so, there is no specified portion of the system revenues derived from the index option service. When OPRA adopted the fixed allocations several years ago, the allocations reflected the relative market share at the time. However, the volume of index options has decreased relative to that of equity options, so that the current allocation formula no longer reflects the relative market share of index and equity options. Therefore, the amendment proposes to replace the existing allocation formula with a formula that is expressly based on current relative market share, so that as relative market share changes from time to time, it will no longer be necessary to amend the OPRA Plan in order to maintain a fair and appropriate allocation of these revenues. The proposed Plan amendment will change the allocations from a fixed basis to a relative market share basis until such time as OPRA might impose separate charges for access to information and facilities pertaining to index option securities.

## II. Solicitation of Comments

Pursuant to Rule 11Aa3–2(c)(3), the amendment is effective upon filing with the Commission. The Commission may summarily abrogate the amendment within 60 days of its filing and require refiling and approval of the amendment by Commission order pursuant to Rule 11Aa3–2(c)(2), if it appears to the Commission that such action is necessary or appropriate in the public interest; for the protection of investors and the maintenance of fair and orderly markets; to remove impediments to, and perfect the mechanisms of, a National Market System; or otherwise in furtherance of the purposes of the Exchange Act.

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 NW., Washington, DC 20549. Copies of the submission, all subsequent amendments, and 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 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 the filing will also be available at the principal offices of OPRA. All submissions should refer to File No. SR–OPRA–97–5 and should be submitted by December 29, 1997.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[2]

**Margaret H. McFarland,**

*Deputy Secretary.*

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BILLING CODE 8010–01–M

[2] 17 CFR 200.30–3(a)(29).

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## SECURITIES AND EXCHANGE COMMISSION

**[Release No. 34–39373; File No. SR–DTC–97–14]**

## Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing of a Proposed Rule Change Relating to Revisions to the Procedures for Running Call Lotteries on Issues of Book Entry Only Securities

November 28, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] notice is hereby given that on July 2, 1997, The Depository Trust Company (''DTC'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change (File No. SR–DTC–97–14) as described in Items I, II, and III below, which items have been prepared primarily by DTC. 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 amend DTC's procedures for running call lotteries for book-entry only (''BEO'') issues of securities. Under the revisions, DTC will run lotteries using its participants' positions as of the close of business on the day DTC announces the lottery instead of the call publication date.[2]

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

In its filing with the Commission, DTC 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 place specified in Item IV below. DTC has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.[3]

*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 revise DTC's call lottery procedures for BEO securities.[4] Currently, DTC's call lottery process allocates partially called securities[5] among participants having positions in the called securities based on the participants' positions on the call publication date.[6] Under the proposed rule change, DTC will run the call lotteries using participants' positions as of the close of business on the day DTC announces the call lottery. The proposed rule change does not set forth any other amendments to DTC's call lottery procedures.

DTC believes that changing its procedures solely for BEO securities will reduce the number of short positions without any adverse impact to

[1] 15 U.S.C. 78s(b)(1).

[2] A copy of DTC's proposed call lottery procedures is attached as Exhibit A to DTC's proposed rule change, which is available for inspection and copying at the Commission's Public Reference room or through DTC.

[3] The Commission has modified the text of the summaries prepared by DTC.

[4] For a discussion of DTC's call lottery process, refer to Securities Exchange Act Release Nos. 21523 (November 27, 1984), 49 FR 47352 (File No. SR–DTC–84–09) (filing and immediate effectiveness of proposed rule change); 30552 (April 2, 1992) 57 FR 12352 (File No. SR–DTC–90–02) (order temporarily approving a proposed rule change by the DTC relating to the establishment of a procedure to recall certain deliveries which have created short positions as a result of call lotteries); 35034 (November 30, 1994) 59 FR 63396 (File Nos. SR–DTC–94–08 and SR–DTC–94–09) (order granting temporary approval of proposed rule changes to establish procedures to recall certain deliveries which have created short positions as a result of call lotteries and rejected deposits); and 36651 (December 28, 1995) 61 FR 429 (File No. SR–DTC 95–21) (order granting accelerated permanent approval of a proposed rule change concerning short position reclamation procedures).

[5] The terms of certain issues allows the issuer to call part of the outstanding security for redemption at certain times during the issue's life. This type of security is referred to as a callable security. Callable securities are either preferred stock or bonds which the issuer is permitted or required to redeem before the stated maturity. Generally when an issuer calls a security, the issuer's trustee publishes notice that the issue has been called or in the case of registered securities, mails notice to the registered holders.

[6] The call publication date is the date on which the issuer gives notice of the redemption.

its participants because DTC believes that the publication date is less relevant to BEO securities than other types of securities. According to DTC, issuers of BEO securities generally do not publish partial call notices. Instead, the issuers inform DTC of the call notice because DTC is the securities' holder of record. DTC will then notify its participants. While an issuer may inform DTC of a publication date, DTC believes that this is done only for purposes of DTC's lottery and that the date has no real significance. As a result of the expected fewer short positions, DTC believes that its participants will save on depository charges which are 130 percent of the current market value of short positions. DTC's participants also will save on the costs associated with reconciling short positions and the costs associated with purchasing securities to cover short positions.

DTC believes that the proposed rule change is consistent with the requirements of the Section 17A(b)(3)(F) of the Act and the rules and regulations thereunder because it promotes efficiencies in the prompt and accurate clearance and settlement of securities transactions.

*(B) Self-Regulatory Organization's Statement on Burden on Competition*

DTC 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*

DTC has solicited participant comments on the proposed rule change. It has taken into account participant responses to earlier proposed alternatives to revising the call lottery procedures in developing this rule change. The Reorganization Division Inc. of the Securities Industry Association wrote DTC to express its support for revising the call lottery procedures for BEO securities.[7]

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

Within thirty-five 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 ninety 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 DTC 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 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 the principal office of DTC. All submissions should refer to the file number SR–DTC–97–14 and should be submitted by December 29, 1997.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.[8]

**Margaret H. McFarland,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

**[Release No. 34–39368; File No. SR–NYSE–97–32]**

## Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the New York Stock Exchange, Inc. Relating to Extension of the Pilot for Allocation Policy and Procedures

November 26, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on November 26, 1997, the New York Stock Exchange, Inc. (''NYSE'' or ''Exchange'') filed with the Securities and Exchange Commission (''SEC'' or ''Commission'') the proposed rule change as described in Items I, II and III below, which Items have been prepared by the self-regulatory organization. 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 proposed rule change extends the effectiveness of the pilot program relating to the Exchange's Allocation Policy and Procedures until January 16, 1998. The text of the proposed rule change is available at the Office of the Secretary, the NYSE, and at the Commission.

**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 self-regulatory organization 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 self-regulatory organization 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*

1. Purpose

The purpose of the proposed rule change is to extend the effectiveness of a pilot program relating to the Exchange's Allocation Policy and Procedures. The Exchange's Allocation Policy and Procedures are intended: (1) To ensure that securities are allocated in an equitable and fair manner and that all specialist units have a fair opportunity for allocations based on established criteria and procedures; (2) to provide an incentive for ongoing enhancement of performance by specialist units; (3) to provide the best possible match between specialist unit and security; and (4) to contribute to the strength of the specialist system.

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[7] Letter from Brad F. Lesowitz, President, Reorganization Division, Inc., Securities Industry Association to Donald F. Donahue, Executive Vice President, DTC (April 4, 1997). A copy of the letter is attached as Exhibit C to DTC's proposed rule change, which is available for inspection and copying at the Commission's Public Reference room or through DTC.

[8] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.