portion of the assets held in a Joint Account on that day.

5. In order to assure that there will be no opportunity for any Participant to use any part of a balance of a Joint Account credited to another Participant, no Participant will be allowed to create a negative balance in any Joint Account for any reason, although each Participant would be permitted to draw down its entire balance at any time. Each Participant's decision to invest in a Joint Account would be solely at its option, and no Participant will be obligated to invest in the Joint Account or to maintain any minimum balance in the Joint Account. In addition, each Participant will retain the sole rights of ownership to any of its assets invested in the Joint Account, including interest payable on such assets invested in the Joint Account.

6. QCMI would administer the investment of cash balances in and operation of the Joint Accounts as part of its general duties under its advisory agreements with Participants and will not collect any additional or separate fees for advising any Joint Account.

7. The administration of the Joint Accounts would be within the fidelity bond coverage required by section 17(g) of the Act and rule 17g–1 thereunder.

8. The Boards of Trustees/Directors of the Funds (each a ''Board'' and collectively the ''Boards'') will adopt procedures pursuant to which the Joint Accounts will operate, which will be reasonably designed to provide that the requirements of this application will be met. Each of the Boards will make and approve such changes as they deem necessary to ensure that such procedures are followed. In addition, the Boards of each Fund will determine, no less frequently than annually, that the Joint Accounts have been operated in accordance with the proposed procedures and will only permit a Fund to continue to participate therein if it determines that there is a reasonable likelihood that the Fund and its shareholders will benefit from the Fund's continued participation.

9. Any Short-Term Investments made through the Joint Accounts will satisfy the investment criteria of all Participants in that investment.

10. QCMI and the custodian of each Participant will maintain records documenting, for any given day, each Participant's aggregate investment in a Joint Account and each Participant's *pro rata* share of each investment made through such Joint Account. The records maintained for each Participant shall be maintained in conformity with section 31 of the Act and the rules and regulations thereunder.

11. Every Participant in the Joint Accounts will not necessarily have its cash invested in every Short-Term Investment. However, to the extent that a Participant's cash is applied to a particular Short-Term Investment, the Participant will participate in and own its proportionate share of such Short-Term Investment, and any income earned or accrued thereon, based upon the percentage of such investment purchased with monies contributed by the Participant.

12. Short-Term Investments held in a Joint Account generally will not be sold prior to maturity except if: (a) QCMI believes the investment no longer presents minimal credit risks; (b) the investment no longer satisfies the investment criteria of all Participants in the investment because of a downgrading or otherwise; or (c) in the case of a repurchase agreement, the counterparty defaults. QCMI may, however, sell any Short-Term Investment (or any fractional portion thereof) on behalf of some or all Participants prior to the maturity of the investment if the cost of such transactions will be borne solely by the selling Participants and the transaction will not adversely affect other Participants participating in that Joint Account. In no case would an early termination by less than all Participants be permitted if it would reduce the principal amount or yield received by other Participants in a particular Joint Account or otherwise adversely affect the other Participants. Each Participant in a Joint Account will be deemed to have consented to such sale and partition of the investments in the Joint Account.

13. Short-Term Investments held through a Joint Account with a remaining maturity of more than seven days, as calculated pursuant to rule 2a–7 under the Act, will be considered illiquid and, for any Participant that is an open-end investment company registered under the Act, subject to the restriction that the fund may not invest more than 15% (or such other percentage as set forth by the SEC from time to time) of its net assets in illiquid securities, if QCMI cannot sell the instrument, or the Fund's fractional interest in such instrument, pursuant to the preceding condition.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96–16290 Filed 6–25–96; 8:45 am]

BILLING CODE 8010–01–M

[Release No. 34–37328; File No. SR–Amex–95–35]

Self-Regulatory Organizations; Order Granting Partial Approval to a Proposed Rule Change and Notice of Filing and Order Granting Accelerated Approval to Amendment No. 2 to the Proposed Rule Change by the American Stock Exchange, Inc., Relating to the Amex's Enforcement Authority Over Members' Transactions Effected on Other Options Exchanges

June 19, 1996.

On August 25, 1995, the American Stock Exchange, Inc. (''Amex'' or ''Exchange'') 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 amend Amex Rule 900(a), ''Applicability,'' to confirm the Exchange's enforcement authority over Amex members' options transactions effected on another options exchange.[3] the Amex subsequently filed Amendment Nos. 1[4] and 2[5] to the proposal.

Notice of the proposed rule change and Amendment No. 1 were published for comment and appeared in the Federal Register on October 20, 1995.[6]

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

[2] 17 CFR 240.19b–4 (1995).

[3] The proposal also included an amendment to Amex Rules 904, ''Position Limits,'' and 905, ''Exercise Limits,'' to require Amex members who trade non-Amex listed option contracts and who are not members of the exchange where the options are traded to comply with the option position and exercise limits set by the exchange where the transactions are effected. The Amex amended that portion of its proposal to indicate that the Exchange will apply the interpretations and policies of another exchange when applying that exchange's position and exercise limit rules to an Amex member's transactions on that exchange. *See* Letter from Claire McGrath, Managing Director and Special Counsel, Derivative Securities, Amex, to Michael Walinskas, Branch Chief, Derivatives Regulation, Office of Self-Regulatory Oversight, Division of Market Regulation (''Division''), Commission, dated September 19, 1995 (''Amendment No. 1'').

[4] *See* note 3, *supra.*

[5] In Amendment No. 2, the Amex modified the text of Amex Rule 900(a) to read as follows: ''The Rules in this Part V shall be applicable to (i) the trading on the Exchange of options contracts issued by the Options Clearing Corporation and the terms and conditions thereof; and (ii) the exercise and settlement, the handling of orders, and the conduct of accounts and other matters relating to option contracts dealt in by any member or member organization on any exchange.'' *See* Letter from Claire P. McGrath, Managing Director and Special Counsel, Derivative Securities, Amex, to Michael Walinskas, Branch Chief, Derivatives Regulation, Office of Self-Regulatory Oversight, Division, Commission, dated March 5, 1996 (''Amendment No. 2'').

[6] *See* Securities Exchange Act Release No. 36353 (October 10, 1995), 60 FR 54266.

No comments were received on the proposal. On December 8, 1995, the Commission approved the portion of the proposal (including Amendment No. 1) amending Amex Rules 904 and 905 regarding position and exercise limits.[7] This order approves the portion of the proposal amending Amex Rule 900(a) (including Amendment No. 2).

The proposed amendment of Amex Rule 900(a) reflects a determination by the Amex that further clarity was needed in the rule regarding the Amex's authority to take appropriate disciplinary action against Amex member firms trading on another exchange. In August 1994, the Commission set aside an Exchange disciplinary action taken against a registered representative of an Amex member firm who had been found guilty by an Exchange disciplinary panel of violating the Exchange's options suitability and discretionary trading rules (Amex Rules 923, ''Suitability,'' and 924 ''Discretionary Accounts,'') in connection with the trading on the Philadelphia Stock Exchange (''PHLX'') of Swiss Franc options listed on the PHLX.[8] In its August 1994 Order, the Commission stated that Amex Rules 923 and 924, as presently written, apply only to options transactions effected on the Amex, not to options transactions effected on another options exchange.

Subsequently, the Commission rejected the Exchange's request for reconsideration of that decision.[9] In its Order Denying Reconsideration, the Commission suggested that the Exchange could amend Amex Rule 900(a) to clarify the Amex's authority over a member's transactions on another options exchange. Accordingly, the Amex proposes to amend Amex Rule 900(a) to confirm and clearly specify the Exchange's enforcement authority over options transactions effected by Amex members on another exchange.

Specifically, Amex Rule 900(a), as amended, will provide that:

> The Rules in this Part V shall be applicable to (i) the trading on the Exchange of options contracts issued by the Options Clearing Corporation and the terms and conditions thereof; and (ii) the exercise and settlement, the handling of orders, and the conduct of accounts and other matters relating to option contracts dealt in by any member or member organization on any exchange.[10]

The Amex believes that the proposed rule change is consistent with Section 6(b) of the Act, in general, and furthers the objectives of Section 6(b)(5), in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, and to remove impediments to and perfect the mechanism of a free and open market and a national market system.

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange, and, in particular, the requirements of Sections 6(b)(5) and 6(b)(6)[11] in that it is designed to prevent fraudulent and manipulative acts and practices, to protect investors and the public interest, and to provide that the Amex's members are appropriately disciplined for violations of the Exchange's rules, by clarifying the scope of Part V, ''Rules Principally Applicable to Trading of Option Contracts,'' of the Amex's rules. Specifically, the proposed amendment to Amex Rule 900(a) states that the rules in Part V of the Amex's rules apply to (i) the trading on the Exchange of option contracts issued by the OCC and the terms and conditions thereof; and (ii) the exercise and settlement, the handling of orders, and the conduct of accounts and other matters relating to option contracts dealt in by an Amex or member organization on any exchange. The Commission believes that Amex Rule 900(a)(ii) strengthens the Amex's rules and provides for appropriate discipline of Amex members by indicating clearly that the Amex's rules governing the exercise and settlement, the handling of orders and the conduct of accounts and other matters relating to options apply to an Amex member's options transactions on other exchanges as well as to the member's options transactions on the Amex.

By clarifying the Amex's authority over a member's transactions on another exchange, the proposal will allow the Amex to discipline its members more effectively. Accordingly, the proposal protects investors and the public interest by extending the prohibitions and requirements of the options rules listed in Amex Rule 900(a)(ii) to include all exchange-traded options transactions entered into by Amex members, regardless of the exchange where the transactions occur. Thus, for example, if an Amex member violates Amex rules governing conduct of accounts through options transactions effected on another options exchange, Amex Rule 900(a)(ii) will allow the Amex to discipline that member for violating the Amex's rules governing the conduct of accounts, even though the member's options transactions were executed on another exchange.[12] In addition, the current proposal is consistent with the Amex's proposal to extend its disciplinary jurisdiction to include members' violations of the position and exercise limits of other options exchanges, which previously was approved by the Commission.[13]

The Commission finds good cause for approving Amendment No. 2 to the proposal prior to the thirtieth day after the date of publication of notice of filing thereof in the Federal Register. Specifically, Amendment No. 2 strengthens the Exchange's proposal by clarifying the text of Amex Rule 900(a). Accordingly, the Commission finds good cause for approving Amendment No. 2 to the proposed rule change on an accelerated basis and believes that the proposal, as amended, is consistent with Sections 6(b)(5) and 19(b)(2) of the Act.

Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning Amendment No. 2. 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, 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

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[7] *See* Securities Exchange Act Release No. 36567 (December 8, 1995), 60 FR 64463 (December 15, 1995 (''Position and Exercise Limit Order'').

[8] *See* Securities Exchange Act Release No. 34622 (August 31, 1995), 57 SEC Docket 1254 (''August 1994 Order'').

[9] *See* Securities Exchange Act Release No. 35658 (May 2, 1995), 59 SEC Docket 0620 (''Order Denying Reconsideration'').

[10] *See* Amendment No. 2, *supra* note 5.

[11] 15 U.S.C. 78f(b) (5) and (6) (1988 & Supp. V 1993).

[12] To discipline a member for violations of Amex rules in connection with over-the-counter derivatives, the Amex would charge the member with ''conduct inconsistent with just and equitable principles of trade'' under Article V, Section 4(h), ''Violation of Constitution, rules or resolutions—Inequitable conduct,'' of the Amex's Constitution, or with another generally applicable Amex rule. *See* Letter from Stephen L. Lister, Executive Vice President, Member Firm Regulation, Amex, to Michael Walinskas, Branch Chief, Derivatives Regulation, Office of Self-Regulatory Oversight, Division, Commission, dated May 7, 1996.

[13] *See* Position and Exercise Limit Order, *supra* note 7. *See also* Securities Exchange Act Release Nos. 36242 (September 18, 1995), 60 FR 49305 (September 22, 1995) (order approving File No. SR–CBOE–95–22); 36257 (September 20, 1995), 60 FR 50228 (September 28, 1995) (order approving File No. SR–PHLX–95–31); and 36350 (October 6, 1995), 60 FR 53654 (October 16, 1995) (order approving File No. SR–PSE–95–17).

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 at the Commission's Public Reference Section, 450 Fifth Street NW., Washington, DC. Copies of such filing will also be available for inspection and copying at the principal office of the above-mentioned self-regulatory organization. All submissions should refer to the file number in the caption above and should be submitted by [insert date 21 days after the date of this publication].

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,[14] that the portion of the proposed rule change (SR–Amex–95–35) relating to Amex Rule 900(a), as amended, is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[15]

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96–16230 Filed 6–25–96; 8:45 am]

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[Release No. 34–37342; File No. SR–CBOE–96–34]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Chicago Board Options Exchange, Inc. Relating to Pager Fees

June 20, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''), 15 U.S.C. 78s(b)(1), notice is hereby given that on June 3, 1996, the Chicago Board Options Exchange, Inc. (''CBOE'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'' or ''SEC'') 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 CBOE hereby gives notice that it is proposing to amend and/or establish certain Exchange fees relating to a replacement pager system.

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 this proposed rule change is to amend and/or establish various pager fees in light of the Exchange's replacement of an existing, Exchange-owned and -operated pager system (''existing system'') with a new pager system (''new system''). The Exchange will also own and operate the new system equipment. The new system will require members who desire pagers to own and use new pager units. Members may either trade in existing units and receive new units for a trade-in fee of $75.00, which is less than the cost of new pagers, or buy new pagers outright at the Exchange's then-current cost (the Exchange's cost currently is $275.00). There will not be a leasing option under the new system as there was under the existing system. The fee changes are being implemented by the Exchange pursuant to CBOE Rule 2.22 and will take effect at or about the time the new system becomes operational, expected to be later in 1996.

The Exchange will assess an annual maintenance fee under the new system, as it did under the old system. The maintenance fee of $80.00 per year will cover maintenance of the member-owned pagers as well as new system maintenance expenses to ensure that the new system's head-end equipment properly delivers signals to the members' pagers.

Upon receipt from the Federal Communications Commission of a license to use the new system's desired frequency, the Exchange will implement the new system fees by issuing a regulatory circular to the membership.

2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Act, in general, and furthers the objectives of Section 6(b)(4) of the Act in particular, in that it is designed to provided for the equitable allocation of reasonable dues, fees and other charges among CBOE members.

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

CBOE does not believe that the proposed rule change will impose any burden on competition.

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

No written comments were solicited or received with respect to the proposed rule change.

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

The foregoing rule change establishes or changes a due, fee, or other charge imposed by the Exchange and therefore has become effective pursuant to Section 19(b)(3)(A) of the Act and subparagraph (e) of Rule 19b–4 thereunder. At any time within 60 days of the filing of such 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 at 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 the CBOE. All submissions should refer to File No. SR–CBOE–96–34 and should be submitted by July 17, 1996.

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[14] 15 U.S.C. 78s(b)(2) (1988).

[15] 17 CFR 200.30–3(a)(12) (1995).