

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 provide 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.

¹⁴ 15 U.S.C. 78s(b)(2) (1988).

¹⁵ 17 CFR 200.30-3(a)(12) (1995).

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96-16292 Filed 6-25-96; 8:45 am]

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[Release No. 34-37317; File No. SR-NASD-95-40]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by National Association of Securities Dealers, Inc. Relating to PORTAL Market Pilot of Member's Reporting Obligations

June 17, 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 October 4, 1995 the National Association of Securities Dealers, Inc. ("NASD" or "Association") 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 NASD. On November 22, 1995, the NASD filed Amendment No. 1 to advise the Commission that the NASD's Board of Governors approved this rule filing to adopt a pilot of the PORTAL reporting requirements.¹ On June 12, 1996, the NASD filed Amendment No. 2 to revise a footnote to the proposed rule change.² Initially, this footnote stated that the investor status information requirement concerning 144A transactions in the U.S. private market would be satisfied if the member provided the requisite information with respect to the member's direct customer. The revision clarifies the circumstances in which the contra-party would be required to provide investor status information and affirms industry reliance on these representations in determining whether the buyer is a qualified institutional buyer ("QIB").³ The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

¹ See, letter from Suzanne E. Rothwell, Associate General Counsel, NASD, to Mark P. Barracca, Branch Chief, Division of Market Regulation, SEC, dated November 22, 1995.

² See, letter from Suzanne E. Rothwell, Associate General Counsel, NASD, to Elizabeth MacGregor, Branch Chief, Division of Market Regulation, SEC, dated June 12, 1996.

³ *Infra* note 16.

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

The NASD is proposing to amend Schedule I to the NASD By-Laws ("PORTAL Rules")⁴ that regulates The PORTAL Market to establish a pilot for one year for the reporting of the initial placement ("primary transactions") and secondary transactions in securities designated in the PORTAL Market as PORTAL securities.⁵ The pilot will apply to members of the NASD that are designated in the PORTAL Market as PORTAL dealers and PORTAL brokers⁶ and to other members of the NASD that transact business in PORTAL securities.

PORTAL dealers and PORTAL brokers will be required to provide a weekly transaction report to the PORTAL system of secondary market transactions in securities designated in the PORTAL Market. The weekly PORTAL transaction report by PORTAL dealers and PORTAL brokers of such secondary market transactions will include all trade report information and surveillance information as to the status of the investor⁷ and will be required to be submitted no later than the Friday of the following week with respect to the prior calendar week's transactions. PORTAL dealers and PORTAL brokers will also be required to submit a monthly PORTAL Surveillance Report to the PORTAL system that includes trade report and investor status information, but only with respect to primary market transactions in PORTAL securities.⁸ The monthly report will be required to be submitted by the tenth business day of the month with respect

⁴ In connection with the recent reorganization of the NASD Manual, The PORTAL Market Rules that were set forth in Schedule I to the NASD By-Laws are now set forth in the Rule 5300 series of the Market Rules. When adopted, the rule change proposed herein will be modified to comply with the new Manual form. See, NASD Notice to Members 96-24 (April 1996).

⁵ NASD Manual, Schedules to the By-Laws, Schedule I, Part II, Sec. 2 (CCH ¶ 1953 (outlining the requirements for the designation of securities in the PORTAL Market)).

⁶ NASD Manual, Schedules to the By-Laws, Schedule I, Part III, Secs. 8 and 9 (CCH ¶¶ 1962-1963 (setting forth the requirements for registration of an NASD member as a PORTAL dealer and PORTAL broker)).

⁷ "Investor status information" includes information on whether the contra-party was a QIB under Rule 144A, a non-QIB institution, or an individual or, alternatively, whether the transaction is to an offshore market or is into the U.S. public market.

⁸ NASD Manual, Schedules to the By-Laws, Schedule I, Part III, Secs. 4(a) and 6(b) (CCH ¶¶ 1958, 1960 (describing certain information required to be included in the weekly transaction report and the monthly Surveillance Report submitted to the NASD by PORTAL dealers and PORTAL brokers)).

to the primary offerings that occurred in the prior calendar month.

The NASD is not proposing to modify the current reporting requirements with respect to other NASD members who are not designated as PORTAL dealers and PORTAL brokers. Such members are required to submit by the fifth business day of each month a PORTAL Non-Participant Report that includes trade and investor status information with respect to primary and secondary market transactions that occurred in the prior month in which no PORTAL dealer or broker participated. It is anticipated that the PORTAL Non-Participant Report will be submitted in paper form.

The NASD will provide a report to the SEC analyzing the information generated from weekly transaction reports submitted by PORTAL dealers and PORTAL brokers during the first six months of the pilot to determine whether there is an identifiable group of securities that have sufficient liquidity and volume in the secondary market to permit some form of last sale or other display of transactions in order to enhance price discovery.⁹ With respect to the reporting of primary transactions submitted in the monthly PORTAL Surveillance Report, the NASD will review such reports to determine whether they provide sufficient support to the NASD's surveillance function to justify their continued submission. The pilot will also provide necessary surveillance of transactions in PORTAL securities.

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.

⁹ Because the PORTAL Non-Participant Report includes both primary and secondary market data, this data will not be used to develop statistics regarding secondary market trading in PORTAL securities.