

the proposed rule change as described in Items I, II and III below, which Items have been prepared by the self-regulatory organization.<sup>1</sup> 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 PSE proposes to amend its Schedule of Fees and Charges for Exchange Services by replacing the \$4,000 annual flat fee for Automated System Access Privilege ("ASAP") memberships with an ASAP annual fee based on a calculation of 20% of the average price of PSE membership sales in the three months immediately preceding the activation of ASAP membership or the annual renewal date of ASAP membership. Under the proposal, the minimum annual ASAP membership fee will be \$4,000.

#### 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

The PSE proposes to amend its Schedule of Fees and Charges for Exchange Services by replacing the

\$4,000 annual flat fee for ASAP memberships with an ASAP annual fee based on a calculation of 20% of the average price of PSE membership sales in the three months immediately preceding the activation of ASAP membership or the annual renewal date of ASAP membership. Under the proposal, the minimum annual ASAP membership fee will be \$4,000. The ASAP membership fee is a non-refundable, non-transferable fee. However, if the ASAP member becomes a regular member of the Exchange, the ASAP membership fee paid for the current year shall be subject to a rebate prorated to the date of the approval as a full member.<sup>2</sup> The PSE believes that basing the ASAP membership fee on the recent membership seat sales will provide a correlation between the fees for the ASAP membership program and the fees for leased memberships. Accordingly, the PSE believes that the proposed fee provides a more equitable distribution of fees and charges among PSE members.

The PSE 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)(4), in particular, in that the proposal provides for the equitable allocation of reasonable charges among the Exchange's members and other persons using its facilities.

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

The PSE 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

Written comments on the proposed rule change 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 the Exchange, it has become effective pursuant to Section 19(b)(3)(A) of the Act and subparagraph (e) of Rule 19b-4 under the Act. 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. 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 November 29, 1996.

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

Jonathan G. Katz,  
Secretary.

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[Release No. 34-37897; File No. SR-PSE-96-32]

#### Self-Regulatory Organizations; the Pacific Stock Exchange Incorporated; Order Granting Approval to Proposed Rule Change Relating to Its Rules on Telephone Solicitations

October 30, 1996.

On August 27, 1996, the Pacific Stock Exchange Incorporated ("PSE" 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")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to adopt new Rule 9.20(b) and to add a commentary thereunder with respect to

<sup>1</sup> The PSE has been charging the Automated System Access Privilege ("ASAP") membership fee noticed in this filing since 1994. According to the Exchange, the PSE's Board of Governors approved the current ASAP membership fee in March 1994 and the Exchange inadvertently failed to submit the ASAP membership fee change to the Commission. See Letter from Rosemary A. MacGuinness, Senior Counsel, PSE, to Anthony P. Pecora, Attorney, Division of Market Regulation ("Division"), Commission, dated June 7, 1996. Proposed fee changes must be submitted to the Commission and are effective upon filing with the Commission pursuant to Section 19(b)(3)(A) under the Act. Accordingly, the PSE's current ASAP membership fee became effective pursuant to Section 19(b)(3)(A) under the Act on September 6, 1996. The ASAP renewal fee as of October 1996 is \$28,188. See Letter from Rosemary A. MacGuinness, Senior Counsel, PSE, to Yvonne Fraticelli, Attorney, Division, Commission, dated October 15, 1996.

<sup>2</sup> See PSE Rule 1.14(d)(5), which also authorizes the PSE's Board of Governors to amend the fee at its discretion.

<sup>1</sup> 15 U.S.C. § 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

the meaning and administration of proposed Rule 9.20(b).

The proposed rule change was published for comment in Securities Exchange Act Release No. 37703 (Sept. 19, 1996), 61 FR 50527 (Sept. 26, 1996). No comments were received on the proposal.

#### I. Background

In 1994, an industry Task Force, comprised of representatives from industry regulatory and self-regulatory organizations, was formed to review broker-dealer telemarketing practices and compliance with the Telephone Consumer Protection Act of 1991 ("TCPA"), as well as with the FCC rules and regulations which implemented that law. The TCPA and FCC rules address telemarketing practices and the rights of telephone consumers. One of the requirements contained in this regulatory framework is that businesses, including broker-dealers, that make telephone solicitations to residential telephone subscribers institute written policies and have procedures in place for maintaining "do-not-call" lists.

#### II. Description of the Proposal

The proposed rule would require members and member organizations that engage in telephone solicitations to maintain a centralized list of persons who do not wish to receive telephone solicitations, and to refrain from making telephone solicitations to persons named on such list. The NYSE, NASD, the CBOE, and the AMEX also adopted similar rules.<sup>3</sup> The proposal also would add a commentary to serve as a reminder that members and member organizations are subject to compliance with the relevant Federal Communications Commission ("FCC") and Commission Rules relating to telemarketing practices.

#### III. Discussion

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, with the requirements of Section 6(b).<sup>4</sup> In particular, the Commission believes that the proposal is consistent with the Section 6(b)(5) requirements that the rules of an exchange be designed to

promote just and equitable principles of trade, to prevent fraudulent and manipulative acts, and, in general, to protect investors and the public, by addressing the practices of Exchange members and member organizations who make telemarketing calls. The purpose of the proposal is to prevent members and member organizations from engaging in manipulative acts, such as persistently calling investors who have expressed a desire not to receive telephone solicitations. The Commission believes that by requiring members and member organizations to maintain centralized do-not-call lists, members of the public who have indicated a desire not to receive telemarketing calls will be protected against abusive telemarketing practices. The Commission also believes that the proposed commentary reminds members and member organizations that they are subject to the requirements of the rules of the FCC and the Commission relating to telemarketing practices and the rights of telephone consumers.

#### IV. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>5</sup> that the proposed rule change (SR-PSE-96-32) is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>6</sup>

Jonathan G. Katz,

*Secretary.*

[FR Doc. 96-28699 Filed 11-7-96; 8:45 am]

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[Release No. 34-37918; File No. SR-Philadep-96-17]

#### **Self-Regulatory Organizations; Philadelphia Depository Trust Company; Notice of Filing and Order Granting Accelerated Approval on a Temporary Basis of a Proposed Rule Change To Appoint the Canadian Depository for Securities as a Correspondent Depository**

November 1, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on October 17, 1996, the Philadelphia Depository Trust Company ("Philadep") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared primarily by Philadep.

On October 28, 1996, Philadep filed an amendment to the proposed rule change to amend its procedures and to attach as an exhibit to its original filing a copy of the correspondent depository agreement.<sup>2</sup> On October 31, 1996, Philadep filed an amendment to the proposed rule change to make certain technical changes.<sup>3</sup> The Commission is publishing this notice and order to solicit comments from interested persons and to grant accelerated approval of the proposed rule change through April 30, 1997.

#### **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 allow Philadep to appoint The Canadian Depository for Securities Limited ("CDS") as Philadep's nonexclusive agent and custodian in receiving securities deposited by CDS-sponsored participants for delivery to Philadep. Currently, the West Canada Depository Trust Company ("WCDTC") serves as Philadep's correspondent depository.<sup>4</sup> On November 1, 1996, CDS will assume the operations of WCDTC and the West Canada Clearing Corporation ("WCCC"), WCDTC's affiliated clearing corporation.

#### **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 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.<sup>5</sup>

<sup>2</sup> Letter from J. Keith Kessel, Compliance Officer, Philadep, to Jerry Carpenter, Assistant Director, Division of Market Regulation ("Division"), Commission (October 28, 1996).

<sup>3</sup> Letter from J. Keith Kessel, Compliance Officer, Philadep, to Jerry Carpenter, Assistant Director, Division, Commission (October 31, 1996).

<sup>4</sup> Securities Exchange Act Release No. 36782 (January 26, 1996), 61 FR 3956 [File No. SR-Philadep-96-01] (order granting accelerated approval on a temporary basis of a proposed rule change to appoint the WCDTC as a correspondent depository); Securities Exchange Act Release No. 37383 (June 28, 1996), 61 FR 35292 [File No. SR-Philadep-96-09] (order granting accelerated approval on a temporary basis through December 31, 1996 of a proposed rule change seeking permanent approval of the designation of the WCDTC as a correspondent depository).

<sup>5</sup> The Commission has modified the text of the summaries prepared by Philadep.

<sup>3</sup> See Securities Exchange Act Release Nos. 35821 (June 7, 1995), 60 FR 31337 (approving File No. SR-NYSE-95-11); 35831 (June 9, 1995), 60 FR 31527 (approving File No. SR-NASD-95-13); and 36588 (Dec. 13, 1995), 60 FR 56624 (approving File No. SR-CBOE-95-63); and 36748 (Jan. 19, 1996), 61 FR 2556 (approving File No. SR-AMEX-96-01).

<sup>4</sup> 15 U.S.C. § 78s(b).

<sup>5</sup> 15 U.S.C. § 78f(b)(2).

<sup>6</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1) (1988).