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(5 U.S.C. 552(a))

Dated at Rockville, Maryland, this 4th day of March 1997.

For the Nuclear Regulatory Commission.

**Bill M. Morris,**

*Director, Division of Regulatory Applications  
Office of Nuclear Regulatory Research.*

[FR Doc. 97-7180 Filed 3-20-97; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

### Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Pub. L. 94-409, that the Securities and Exchange Commission will hold the following closed meeting during the week of March 24, 1997.

A closed meeting will be held on Thursday, March 27, 1997, at 10:00 a.m.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the closed meeting. Certain staff members who have an interest in the matters may also be present.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552(b)(4), (8), (9)(A) and (10) and 17 CFR 200.402(a)(4), (8), (9)(i) and (10), permit consideration of the scheduled matters at the closed meeting.

Commissioner Johnson, as duty officer, voted to consider the items

listed for the closed meeting in a closed session.

The subject matter of the closed meeting scheduled for Thursday, March 27, 1997, at 10:00 a.m., will be:

Institution and settlement of injunctive actions.

Institution and settlement of administrative proceedings of an enforcement nature.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact: The Office of the Secretary at (202) 942-7070.

Dated: March 19, 1997.

**Jonathan G. Katz,**

*Secretary.*

[FR Doc. 97-7390 Filed 3-19-97; 3:39 pm]

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[Release No. 34-38409; File No. SR-Amex-97-02]

### Self-Regulatory Organizations; Order Granting Approval to Proposed Rule Change by American Stock Exchange, Inc., Relating to Amendments to Rules 103 and 950 Regarding Intra-day Trading

March 14, 1997.

#### I. Introduction

On January 22, 1997, 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")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to adopt provisions restricting intra-day trading.

The proposed rule change was published for comment in the **Federal Register** on February 12, 1997.<sup>3</sup> No comments were received on the proposal. This order approves the proposal.

#### II. Description of the Proposal

Presently, Rule 103(c) prohibits an Amex Floor member, with certain exceptions, from exercising discretion with respect to the choice of security to be bought or sold, the total amount of the security to be bought or sold, or whether the transaction shall be a purchase or sale. Currently, there are no provisions in Rule 103(c), or otherwise,

specifically governing the practice of intra-day trading. The term "intra-day trading" refers to the practice whereby a customer places orders on both sides of the market and attempts to profit by buying at the bid and selling at the offer.

The Exchange proposed to amend Rule 103 to add new intra-day trading provisions. These provisions will apply only when a Floor member simultaneously represents, for the same customer's account,<sup>4</sup> market or limit orders on both sides of a minimum variation market. Under the proposal, if a Floor member acquires a position on behalf of an intra-day trader's account, Rule 103(c)(2) will place certain restrictions on how the member can liquidate or cover that position during the same trading session. Specifically, the member will be required to obtain a new liquidating order (i.e., one entered subsequent to the acquisition of the contra-side position) from his or her customer. The new order must be time-recorded both upstairs and upon receipt on the Trading Floor.

Proposed Rule 103(c)(3) will require the Floor member to execute the liquidating order entered pursuant to Rule 103(c)(2) before he or she can execute any other order for the same account on the same side of the market as that liquidating order. Pursuant to proposed Commentary .01 to Rule 103, the new provisions will not apply, however, to the execution of: an order to liquidate or cover a position carried over from a previous trading session; a position assumed as part of a strategy relating to bona fide arbitrage; or a position assumed in reliance on the exemption for block positioners.

Proposed Commentary .02 sets forth examples of how the provisions of Rule 103(c)(2) and (3) will operate, while proposed Commentary .03 details the types of orders that a Floor member may handle simultaneously, without violating Rule 103's prohibition against a member choosing whether a transaction will be a purchase or sale.

#### III. Discussion

After careful review, 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. Specifically, the Commission believes the proposal is consistent with the requirements of Section 6(b)(5) of the Act.<sup>5</sup>

<sup>4</sup> For purposes of this Rule, an "account" would be deemed to be any account in which the same person or persons is directly or indirectly interested.

<sup>5</sup> 15 U.S.C. 78f(b)(5).

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

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

<sup>3</sup> Securities Exchange Act Release No. 38243 (February 5, 1997), 62 FR 6590.

The Commission believes the proposal is consistent with Section 6(b)(5) <sup>6</sup> because it is designed to promote just and equitable principles of trade and to help perfect the mechanism of a free and open market. As described above, these new changes are intended to address trading situations where a Floor member, representing at the same time buy and sell orders at the minimum variation for the same customer, may be perceived as having a time and place advantage over other market participants in that he or she may be able to trade for the same customer without leaving the Trading Crowd. By requiring the entry of a new liquidating order, the Commission believes the proposed rule will minimize any such perceived advantage.

In addition, the proposed rule change will conform the Exchange's rules to the rules of another exchange, which also restricts intra-day trading.<sup>7</sup>

#### IV. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>8</sup> that the proposed rule change (SR-Amex-97-02) is approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>9</sup>

**Jonathan G. Katz,**  
Secretary.

[FR Doc. 97-7192 Filed 3-20-97; 8:45 am]

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[Release No. 34-38404; File No. SR-DTC-97-03]

#### Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Modify the Receiver Authorized Delivery and Reclamation Procedures for Payment Orders

March 14, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on February 4, 1997, The Depository Trust Company ("DTC") filed with the Securities and Exchange Commission

("Commission") the proposed rule change (File No. SR-DTC-97-03) 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 modify DTC's Receiver Authorized delivery ("RAD") procedures and reclamation procedures with respect to payment orders.

#### 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 places 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.<sup>2</sup>

##### (A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

The purpose of the proposal is to modify DTC's RAD procedures and reclamation procedures with respect to payment orders. DTC proposes (1) To reduce the minimum bilateral RAD threshold for payment orders from \$15 million to \$1 million, (2) to modify a Participants Terminal System ("PTS") function (RADL) to enable a participant to set a different RAD limit for payment orders and deliver orders for each contra-participant, and (3) to allow only matched reclaims of payment orders with a value less than \$1 million to bypass risk management controls (*i.e.*, collateral monitor and net debit caps). DTC is proposing this rule change in order to reduce the risk to DTC and its participants of failure-to-settle situations.

In 1995, DTC modified its RAD procedures in preparation for the same-day funds settlement ("SDFS") conversion.<sup>3</sup> The modifications to RAD procedures established a \$15 million

minimum bilateral RAD limit one participant can impose on another participant. Under the modified procedure, the receiver of a payment order with a value of less than \$15 million generally does not have an opportunity to review and approve the transaction.<sup>4</sup> The RAD modifications were implemented to minimize the number of transactions subject to RAD and the related possibility for transaction blockage once all activities were converted to SDFS.

DTC also modified its reclamation procedures in preparation for the SDFS conversion and in conjunction with the modifications to RAD procedures to ensure that this policy did not cause undue burden on participants.<sup>5</sup> Under the modified reclamation procedures, a matched reclaim<sup>6</sup> of a payment order or deliver order with a settlement value less than \$15 million is currently not subject to risk management controls.

However, payment orders differ from deliver orders because payment orders are "money-only" transactions and do not involve securities. When a payment order is processed, the receiver of the payment order receives a settlement debit but does not receive any securities that could serve as collateral for the debit incurred. Similarly, if a payment order is reclaimed, the receiver of the reclamation incurs a debit without receiving offsetting securities as collateral. DTC has determined that there is more risk inherent in the reclamation of payment orders than in the reclamation of deliver orders because the reclamation of payment orders would more likely cause a participant's account to become undercollateralized. Therefore, DTC believes that a more conservative approach with respect to RAD procedures and reclamation procedures is appropriate for payment orders.

Under the proposed rule change, RAD procedures and reclamation procedures for payment orders will be modified as follows: (1) the minimum bilateral RAD threshold for payment orders will be reduced to \$1 million from \$15 million; (2) the PTS function (RADL) will be modified to enable a participant to set a different RAD limit for payment orders

<sup>4</sup> Original payment orders submitted between 3:00 p.m. and 3:20 p.m. are subject to RAD regardless of their settlement value.

<sup>5</sup> Securities Exchange Act Release No. 36476 (November 9, 1995), 60 FR 57728 [File No. SR-DTC-95-16] (notice of filing and order granting accelerated approval of a proposed rule change relating to the modification of DTC's reclamation procedures).

<sup>6</sup> A reclaim is deemed to be "matched" if its corresponding original delivery was processed on the current processing day or the preceding business day.

<sup>6</sup> *Id.*

<sup>7</sup> See New York Stock Exchange ("NYSE") Rule 95; Securities Exchange Act Release No. 34363 (July 13, 1994), 59 FR 36808 (July 19, 1994) (order approving the NYSE's amendments to Rule 95 which added intra-day trading provisions). The Commission incorporates by reference the discussion and analysis contained in the July 1994 Release.

<sup>8</sup> 15 U.S.C. 78s(b)(2).

<sup>9</sup> 17 CFR 200.30-3(a)(12).

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

<sup>2</sup> The Commission has modified the text of the summaries prepared by DTC.

<sup>3</sup> Securities Exchange Act Release No. 35720 (May 16, 1995), 60 FR 27360 [File No. SR-DTC-95-06] (order granting accelerated approval of a proposed rule change modifying DTC's SDFS system).