

in that they are no longer applicable by their terms because the time periods have expired.

The Commission also notes that the proposal provides additional, technical amendments to the Plan consistent with the ITS's purpose of facilitating intermarket trading in exchange-listed equity securities.

#### IV. Conclusion

*It Is Therefore Ordered*, pursuant to Section 11A(a)(3)(B) of the Act,<sup>10</sup> that the amendment be, and hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>11</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 97-14689 Filed 6-4-97; 8:45 am]

BILLING CODE 8010-01-M

## SECURITIES AND EXCHANGE COMMISSION

### Agency Meetings; 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 meetings during the week of June 9, 1997.

An open meeting will be held on Monday, June 9, 1997, at 10:00 a.m., in Room 6059. A closed meeting will be held on Wednesday, June 11, 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 open meeting scheduled for Monday, June 9, 1997 at 10:00 a.m., in Room 6059, will be:

(1) The Commission will hear oral argument on appeal by Sharon M. Graham and Stephen C. Voss from an

administrative law judge's initial decision.

(2) The Commission will hear oral argument on appeal by Adrian C. Havill from an administrative law judge's initial decision.

The subject matter of the closed meeting scheduled for Wednesday, June 11, 1997 at 10:00 a.m., will be:

Institution and settlement of injunctive actions.

Institution and settlement of administrative proceedings of an enforcement nature.

Formal order of investigation.

Post oral argument discussion.

Opinion.

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: June 2, 1997.

**Jonathan G. Katz,**

*Secretary.*

[FR Doc. 97-14841 Filed 6-3-97; 1:40 pm]

BILLING CODE 8010-01-M

## SECURITIES AND EXCHANGE COMMISSION

[Release 34-38698; File No. 600-23]

### Self-Regulatory Organizations; Government Securities Clearing Corporation; Notice of Filing and Order Approving a Request for Extension of Temporary Registration as a Clearing Agency

May 30, 1997.

Notice is hereby given that on May 8, 1997, the Government Securities Clearing Corporation ("GSCC") filed with the Securities Exchange Commission ("Commission") an application pursuant to Section 19(a) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> requesting that the Commission grant GSCC full registration as a clearing agency or in the alternative extend GSCC's temporary registration as a clearing agency until such time as the Commission is able to grant GSCC permanent registration.<sup>2</sup> The Commission is publishing this notice and order to solicit comments from interested persons and to extend GSCC's temporary registration as a clearing agency until February 28, 1998.

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

<sup>2</sup> Letter from Sal Ricca, President and Chief Operating Officer, GSCC (April 11, 1997) ("Registration Letter").

On May 24, 1988, pursuant to Sections 17A(b) and 19(a) of the Act<sup>3</sup> and Rule 17Ab2-1 promulgated thereunder,<sup>4</sup> the Commission granted GSCC registration as a clearing agency on a temporary basis for a period of three years.<sup>5</sup> The Commission subsequently has extended GSCC's registration through May 31, 1997.<sup>6</sup>

GSCC provides clearance and settlement services for its members' transactions in government securities. GSCC offers its members services for next-day settling trades, forward settling trades, auction takedown activity, repurchase transactions, the multilateral netting of trades, the novation of netted trades, and daily marking-to-the-market. In connection with GSCC's clearance and settlement services, GSCC provides a centralized loss allocation procedure and maintains margin to offset netting and settlement risks.

At the time of GSCC's initial temporary registration, the Commission granted GSCC an exemption from compliance with the fair representation requirements in Section 17A(b)(3)(C) of the Act.<sup>7</sup> GSCC's current selection process for its board of directors permits any GSCC member to nominate candidates for election to the board and to vote for candidates so nominated.

However, the shareholder agreement requires the six directors be dealer participants, three directors be broker participants, and three directors be clearing agent bank participants.<sup>8</sup>

As part of GSCC's request for full clearing agency registration, GSCC states that it is finalizing a number of changes to its Shareholders Agreement and

<sup>3</sup> 15 U.S.C. 78q-1(b) and 78s(a).

<sup>4</sup> 17 CFR 240.17Ab2-1.

<sup>5</sup> Securities Exchange Act Release No. 25740 (May 24, 1988), 53 FR 19639.

<sup>6</sup> Securities Exchange Act Release Nos. 29067 (April 11, 1991), 56 FR 15652; 32385 (June 3, 1993), 58 FR 32405; 35787 (May 31, 1995), 60 FR 30324; 36508 (November 27, 1995), 60 FR 61719; and 37983 (November 25, 1996), 61 FR 64183.

<sup>7</sup> 15 U.S.C. 78q-1(b)(3)(C). GSCC had also received a temporary exemption from the membership requirements contained in Sections 17A(b)(3)(B) and 17A(b)(4)(B) (15 U.S.C. 78q-1(b)(3)(B) and 78q-1(b)(4)(B)). Subsequently, the Commission determined that GSCC is in compliance with such requirements. Securities Exchange Act Release No. 36508 (November 27, 1995), 60 FR 61719.

<sup>8</sup> In its order granting GSCC its initial temporary approval, the Commission stated that while the composition of GSCC's board of directors reasonably reflected GSCC's anticipated initial membership, the Commission believed that it would be appropriate to defer to a later date its determination of whether GSCC's process for selecting its board of directors assures participants fair representation. This decision was based on the fact that GSCC planned on expanding its services during the temporary registration period and on the uncertainty with regards to GSCC's future participant base.

<sup>10</sup> 15 U.S.C. 78k-1(a)(3)(B).

<sup>11</sup> 17 CFR 200.30-3(a)(29).

Bylaws as a result of GSCC management's review of its nomination and election process.<sup>9</sup> GSCC states that these changes are designed to make its nomination and election process more efficient and flexible while enhancing the degree of fair representation provided. GSCC anticipates distributing these changes to its shareholders for their approval and making the requisite rule filings with the Commission later this year. Therefore, the Commission will defer its decision on whether GSCC meets the fair representation requirement of Section 17A and should be granted permanent registration until GSCC submits its new selection procedures and the Commission has had an opportunity to evaluate them.

Interested persons are invited to submit written data, views, and arguments concerning the foregoing application. Such written data, views, and arguments will be considered by the Commission in granting registration or instituting proceedings to determine whether registration should be denied in accordance with section 19(a)(1) of the Act.<sup>10</sup> 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 amended application for registration and all written comments will be available for inspection at the Commission's Public Reference Room, 450 Fifth Street, NW., Washington, DC 20549. All submissions should refer to File No. 600-23 and should be submitted by June 26, 1997.

*It is Therefore Ordered* that GSCC's registration as a clearing agency (File No. 600-23) be and hereby is temporarily approved through February 28, 1998.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>11</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 97-14691 Filed 6-4-97; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-38700; File Nos. SR-AMEX-97-07, SR-BSE-96-11, SR-CBOE-97-12, SR-CHX-96-34, SR-CSE-97-03, SR-NASD-97-09, SR-NYSE-97-03, and SR-PSE-97-05]

### Self-Regulatory Organizations; Order Granting Approval to Proposed Rule Changes by the American Stock Exchange, Inc., Boston Stock Exchange, Inc., Chicago Board Options Exchange, Inc., Chicago Stock Exchange, Inc., Cincinnati Stock Exchange, Inc., National Association of Securities Dealers, Inc., New York Stock Exchange, Inc., and the Pacific Stock Exchange, Inc., and Notice of Filing and Order Granting Accelerated Approval to Amendment No. 1 to Proposed Rule Change by the National Association of Securities Dealers, Inc., to Amend Each Participant's Rules Concerning the Pre-Opening Application of the Intermarket Trading System

May 30, 1997.

#### I. Introduction

On December 10, 1996, December 19, 1996, January 29, 1997, January 31, 1997, February 10, 1997, February 11, 1997, and February 26, 1997, respectively, the Boston Stock Exchange Incorporated ("BSE"), the Chicago Stock Exchange, Incorporated ("CHX"), the Cincinnati Stock Exchange, Incorporated ("CSE"), the New York Stock Exchange, Incorporated ("NYSE"), the Americal Stock Exchange, Incorporated ("AMEX"), the Pacific Stock Exchange, Incorporated ("PSE"), the National Association of Securities Dealers, Incorporated ("NASD"), and the Chicago Board Options Exchange, Incorporated ("CBOE") (each individually referred to herein as a "Participant" and two or more collectively referred to as "Participants") submitted to the Securities and Exchange Commission ("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> proposed rule changes to enhance the operation of their respective Pre-Opening Applications<sup>3</sup>

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

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

<sup>3</sup> The Participants filed substantially similar proposed rule changes to amend their respective Intermarket Trading System ("ITS") Rules regarding the ITS Pre-Opening Application. The Commission notes that some of the proposed rule changes by the ITS Participants contain additional technical changes. In addition, the NASD is proposing to incorporate language into NASD Rule 5240 from the model Pre-Opening Application Rule contained as

by effectively including circuit breakers as a trading halt situation that will trigger the Pre-Opening Application.<sup>4</sup>

The proposed rule changes, together with the substance of the proposal, were published for comment in Securities Exchange Act Release No. 38285 (February 13, 1997) 62 FR 8065 (February 21, 1997). CBOE's proposed rule change was separately published for comment in Securities Exchange Act Release No. 38393 (March 12, 1997) 62 FR 13201 (March 19, 1997).<sup>5</sup> No comment letters were received in response to the proposals. The NASD subsequently filed Amendment No. 1 to the proposed rule change on February 14, 1997.<sup>6</sup>

#### II. Background and Description

The purpose of the proposed rule changes is to enhance the operation of each Participant's Pre-Opening Application by effectively including circuit breakers as a trading halt situation that will trigger the Pre-Opening Application. The Participants' Intermarket Trading System ("ITS") Pre-Opening Application rules contain basic definitions pertaining to ITS, prescribe the types of transactions that may be

Exhibit A to the ITS Plan that was previously inadvertently omitted. The PSE and CHX are proposing amendments to their respective Pre-Opening Application rules to add a footnote from the model Pre-Opening Application Rule regarding the definition of when a market in a security is considered opened or re-opened, for purposes of pre-opening responses. The language of each proposed rule change is on file at the Commission and at the principal offices of the various Participants. The file numbers for the rule filings are as follows: SR-AMEX-97-07; SR-BSE-96-11; SR-CBOE-97-12, SR-CHX-96-34; SR-CSE-97-03, SR-NASD-97-09; SR-NYSE-97-03; and SR-PSE-97-05.

<sup>4</sup> The respective Pre-Opening Application Rules that the Participants are proposing to amend are: AMEX, Rule 232; BSE, Chapter XXXI; CBOE, Rule 30.72; CHX, Article XX, Rule 39, CSE, Chapter 14, rules 14.1 and 14.3; NASD, Rules 5210, 5240 and 5250; NYSE, Rule 15; and PSE, Rule 5.20.

<sup>5</sup> The Philadelphia Stock Exchange's ("PHLX") proposed Pre-Opening Application rule filing (SR-PHLX-97-13) was published for comment separately, and is being approved in a separate order issued on the same day as this order. See Securities Exchange Act Release Nos. 38507 (April 14, 1997), 62 FR 19383 (April 21, 1997) (notice) and 38701 (May 30, 1997) (approval order).

<sup>6</sup> Amendment No. 1 adds language to NASD's Rule 5250(c), Pre-Opening Notification from Other Markets, that conforms the rule with corresponding Pre-Opening Application rules of other ITS Participant markets and with the ITS Plan. The last sentence of revised Rule 5250(c) states that "[i]n]o ITS/CAES Market Maker that has opened for trading or, with respect to a halt or suspension in trading initiated by another Participant Market, did not halt trading in the security reasonably contemporaneously with the Participant Market or resumed trading during such trading halt or suspension, shall respond to a pre-opening notification." See letter from Joan Conley, Corporate Secretary, NASD, to Katherine England, Assistant Director, Market Regulation, Commission, dated February 13, 1997 ("Amendment No. 1").

<sup>9</sup> Registration Letter, *supra* note 2.

<sup>10</sup> 15 U.S.C. 78s(a)(1).

<sup>11</sup> 17 CFR 200.30-3(a)(16).