

The Exchange represents that RAES has the capacity to accommodate a RAES order limit size of up to 50 contracts in BAC, C, CD, COC, FRO, GP, LMG, LU, and QLH, both in terms of systems capacity as well as the market-making capacity of market-makers participating in RAES.

## 2. Statutory Basis

The proposed rule change is consistent with Section 6(b)<sup>6</sup> of the Act, in general, and furthers the objectives of Sections 6(b)(5)<sup>7</sup> and 6(b)(8)<sup>8</sup> of the Act in particular, in that it is designed to remove unnecessary burdens on competition, as well as remove impediments to, and perfect the mechanism of, a free and open market and a national market system, for the benefit of investors and the public interest.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition 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*

The Exchange neither solicited nor received written comments with respect to the proposed rule change.

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

Because the foregoing rule change constitutes a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule of the Exchange, it has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>9</sup> and subparagraph (f)(1) of the Rule 19b-4 thereunder.<sup>10</sup> At any time within 60 days of the filing of the 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,

LMG, LU, and QLH. Telephone conversation among Chris Hill, Attorney, CBOE, and Kenneth Rosen, Attorney, and Melinda Diller, Law Clerk, Commission, on September 1, 1999.

<sup>6</sup> 15 U.S.C. 78f(b).

<sup>7</sup> 15 U.S.C. 78f(b)(5).

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

<sup>9</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>10</sup> 17 CFR 240.19b-4(f)(1).

or otherwise in furtherance of the purposes of the Act.<sup>11</sup>

## IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549-0609. 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 in the Commission's Public Reference Room. Copies of such filing also will be available for inspection and copying at the principal office of the CBOE. All submissions should refer to File No. SR-CBOE-99-48 and should be submitted by October 12, 1999.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>12</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-41869; File No. SR-CHX-99-13]

### Self-Regulatory Organizations: Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Chicago Stock Exchange, Inc. Relating to Membership Dues and Fees

September 13, 1999.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice hereby is given that on August 27, 1999, the Chicago Stock Exchange, Inc. ("CHX" or "Exchange") filed with the Securities and Exchange Commission (the "Commission") the

<sup>11</sup> In reviewing this proposal, the Commission has considered the proposal's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

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

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

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

proposed rule change as described in Items I, II and III below, which Items have been prepared by the information. 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 Exchange proposes to amend its membership dues and fees schedule. Specifically, the "Technical Equipment" portion of the CHX fee schedule would be amended to incorporate uniform monthly charges for certain computer equipment that now is available for use by CHX members (*i.e.*, flat panel monitors) and to delete references to obsolete computer equipment. The text of the proposed rule change is available upon request from the Commission or the Office of the Secretary of the CHX.

### II. Self-Regulatory Organizations' Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received regarding the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange 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 the proposed rule change is to amend the CHX schedule of membership dues and fees. Specifically, the "Technical Equipment" portion of the CHX fee schedule would be amended to incorporate uniform monthly charges for certain computer equipment that now is available for use by CHX members (*i.e.*, flat panel monitors) and to delete references to obsolete computer equipment. The proposed amendment is intended solely to update the list of computer equipment itemized as "Technical Equipment" and does not impose new or additional charges on any member unless a member elects to augment existing trading floor workstation technology with new flat panel monitors.

## 2. Statutory Basis

The proposed rule change is consistent with Section 6(b)(4) of the Act<sup>3</sup> in that it provides for the equitable allocation of reasonable dues, fees and other charges among its members.

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

The Exchange does not believe that the proposed rule change will impose any inappropriate burden on competition.

### *(C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others*

No written comments were either solicited or received.

## 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)(ii) of the Act<sup>4</sup> and Rule 19b-4(f)(2)<sup>5</sup> thereunder.<sup>6</sup> At any time within 60 days of the filing of such 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 purpose of the Act.

## IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the foregoing is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. Copies of the submissions, 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

Room. Copies of such filings will also be available for inspection and copying at the principal office of the Exchange. All submissions should refer to File No. SR-CHX-99-13 and should be submitted by October 12, 1999.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>7</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-41862; File No. SR-DTC-99-16]

### Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing of Amendment and Order Granting Accelerated Approval of a Proposed Rule Change Relating to Implementation of the Profile Modification System Feature of the Direct Registration System

September 10, 1999.

On June 17, 1999, The Depository Trust Company ("DTC") filed with the Securities and Exchange Commission ("Commission") and on July 22, 1999, and August 31, 1999, as amended a proposed rule change (File No. SR-DTC-99-16) pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act").<sup>1</sup> Notice of the original proposal and first amendment were published in the **Federal Register** on June 23, 1999,<sup>2</sup> and on July 29, 1999,<sup>3</sup> respectively. The Commission received twenty-two comments in response to the proposed rule change.<sup>4</sup> The Commission

<sup>1</sup> 17 CFR 200.30-3(a)(12).

<sup>2</sup> 15 U.S.C. 78s(b)(1).

<sup>3</sup> Securities Exchange Act Release No. 41535 (June 17, 1999), 64 FR 33539 (July 23, 1999).

<sup>4</sup> Securities Exchange Act Release No. 41643 (July 22, 1999), 64 FR 41171 (July 29, 1999).

<sup>5</sup> Telephone conversation between Jerome J. Claire, John Cirrito, and Don Kittel, Securities Industry Association, with Robert Colby, Deputy Director, Division of Market Regulation, Securities and Exchange Commission (July 20, 1999). Letters from Vickie Dear, Department Leader, and Mark Leverenz, Principal, Edward Jones (July 6, 1999); Timothy J. Carlin, Senior Counsel, Wells Fargo & Company (July 13, 1999); Frank M. Ciavarella, First Vice President, Prudential Securities (July 13, 1999); Paul Morelli, First Vice President, The Cashiers' Association of Wall Street, Inc. (July 13, 1999); Robert Dietz, President, STA (July 14, 1999); Jerome J. Claire, Chair, SIA Operations Committee, and John Cirrito, Chair, SIA Subcommittee on DRS, SIA (July 15, 1999); William Talbot, Vice President, Pershing, (July 15, 1999); Eric D. Kamback, Senior Vice President, The Bank of New York (July 15, 1999); Fred Enriquez, President, Securities Operations Division (July 16, 1999); Kenneth F. Kaplan, Vice President and Chief Financial Officer,

is publishing this notice and order to solicit comments on the August 31, 1999, amendment from interested persons and to grant accelerated approval of the proposal.

## I. Description

The Direct Registration System ("DRS"), as developed by the DRS Committee,<sup>5</sup> is a facility that allows investors the ability to hold their securities on the issuer's books, through the issuer's transfer agent, rather than holding in street name or in certificated form.<sup>6</sup> Instructions to create investors' book-entry positions in DRS or to move those positions are transmitted through an electronic system. The DRS facility is administered by DTC and uses DTC's systems to effect DRS transactions.<sup>7</sup> The DRS Committee meets on a regular basis to discuss the on-going development of DRS and to form the policies, systems, and operational procedures needed to implement these developments.

The purpose of DTC's filing is to resolve an impasse that developed

Regal-Beloit Corporation (July 19, 1999); Patricia Trevino, Chair, Securities Industry Committee, American Society of Corporate Secretaries (July 19, 1999); Jerome J. Clair, Chair, SIA Operations Committee, and John Cirrito, Chair, SIA Subcommittee on DRS, SIA (August 11, 1999); Robert E. Smith, Assistant Corporate Secretary, Reliant Energy (August 11, 1999); Jason Korstange, Senior Vice President, TCF Financial Corporation (August 16, 1999); Scott A. Ziegler, Ziegler & Altman LLP (August 17, 1999); Joseph F. Spadaford, President of First Chicago Trust Division and Charles V. Rossi, President of Boston EquiServe Division, EquiServe (August 19, 1999); American Stock Transfer & Trust Company, The Bank of New York, ChaseMellon Shareholder Services, Continental Stock Transfer & Trust Company, EquiServe, First Union, Harris Trust & Savings Bank, Norwest Shareowner Services (August 20, 1999); Richard P. Randall, Vice President, Associate General Counsel, Assistant Corporate Secretary, Avery Dennison (August 23, 1999); Warren G. Andersen, Attorney and Assistant Secretary, General Motors Corporation (August 25, 1999); Thomas L. Montrone, President and Chief Executive Officer, Registrar and Transfer Company (August 26, 1999); Ian Yewer, President and Chief Operating Officer, American Securities Transfer and Trust, Inc. (August 30, 1999).

<sup>5</sup> The DRS Committee is an industry committee responsible for designing DRS. Its members include the Securities Transfer Association, the Securities Industry Association, the Corporate Transfer Agents Association, and DTC.

<sup>6</sup> For a history of DRS and a description of the original DRS concept, see Securities Exchange Act Release No. 35038 (December 1, 1994), 59 FR 63652 (concept release relating to the direct registration system) ("Concept Release"). As described in the Concept Release, DRS was determined to be a means to reducing systemic risk in the marketplace by reducing the timeframes for settling securities transactions. The Commission continues to believe DRS will be an important element in achieving a shorter settlement periods. Cf. Section 17A(e) of the Act.

<sup>7</sup> Securities Exchange Act Release No. 37931 (November 7, 1996), 61 FR 58600 (November 15, 1996) [File No. SR-DTC-96-15] (order relating to the establishment of DRS).

<sup>3</sup> 15 U.S.C. 78f(b)(4).

<sup>4</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>5</sup> 17 CFR 240.19b-4(f)(2).

<sup>6</sup> In reviewing the proposal, the Commission considered its impact on efficiency, competition and capital formation. 15 U.S.C. 78f(b).