

changes made to this rule by the current rule filing.⁵

Finally, OCC Rule 614(m) concerning OCC's obligations to pledges under OCC's pledge program will be revised to make clear that certain provisions of this rule which relate to the 1977 version of Articles 8 and 9 will apply only if the 1977 version of the UCC is otherwise applicable.

OCC believes the proposed rule change is consistent with the purposes and requirements of Section 17A of the Act⁶ because it will promote the protection of investors by enhancing OCC's ability to safeguard the securities and funds in its possession or subject to its control.

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

OCC does not believe that the proposed rule change will impose any burden on competition.

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

Written comments were not and are not intended to be solicited by OCC with respect to the proposed rule change and none were received.

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

Within thirty-five days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to ninety days of such date if it finds such longer period to be appropriate and

publishes its reasons for so finding or (ii) as to which OCC consents, the Commission will:

(a) By order approve such proposed rule change or

(b) Institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. Persons making written submission should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. 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 in the Commission's Public Reference Room, 450 Fifth Street, NW., Washington, DC 20549. Copies of such filings will also be available for inspection and copying at the principal office of OCC. All submissions should refer to the file number SR-OCC-96-01 and should be submitted by April 15, 1996.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁷

Margaret H. McFarland,

Deputy Secretary.

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[Release No. 34-36984; File No. SR-PSE-96-02]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change and Amendment No. 1 to the Proposed Rule Change by the Pacific Stock Exchange, Inc., Relating to the Composition of the Exchange's Options Listing Committee

March 18, 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 January 16, 1996, the Pacific Stock Exchange, Inc. ("PSE" or "Exchange") 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 self-regulatory organization.¹ 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

Currently, Commentary .01 to PSE Rule 11.10(d) provides that the OLC shall be comprised of (i) four floor brokers; (ii) five market makers or lead market makers; and (iii) one member of the PSE or a general partner or officer of a member organization, or any other person who is considered to be qualified. The PSE proposes to amend PSE Rule 11.10(d), Commentary .01, to provide that the Exchange will attempt, but will not be required, to maintain the composition of the OLC as provided currently under Commentary .01.

The text of the proposed rule change is available at the Office of the Secretary, PSE and at the Commission.

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

⁵ SR-OCC-95-17 will amend Rule 610(g) to eliminate the requirement that in certain circumstances a depository has to acknowledge that securities transfers or pledges were effected through book-entry. This requirement arose because in order to effect a securities pledge and the corresponding perfection of a security interest therein or to deposit securities in favor of OCC, the 1977 version of Article 8 required that the pledgor or depositor "transfer" the security to OCC. In order to effect this transfer, Section 8-313 of the 1977 version of the UCC required an acknowledgement by the depository if the securities were delivered by book-entry. Under the 1994 amendments, a transfer pursuant to Section 8-313 is no longer required to effect a securities deposit or pledge. In fact, the entire concept of a transfer requirement in connection with a securities pledge or deposit previously embodied in Section 8-313 of the 1977 version of the UCC has been removed from the 1994 amendments. Under Sections 9-115 and 8-106 of the 1994 amendments, a securities deposit or pledge in favor of OCC with the corresponding perfection of a security interest therein is effected once the transferee or pledge obtains control over the securities. Therefore, depository acknowledgement no longer is required in connection with securities deposits or pledges in favor of OCC involving book-entry delivery of securities.

⁶ 15 U.S.C. 78q-1 (1988).

⁷ 17 CFR 200.30-3(a)(12) (1995).

¹ On March 11, 1996, the PSE provided additional information concerning the purpose of the proposal. Specifically, the PSE explained that the proposal is designed to make Commentary .01 to PSE Rule 11.10(d), "Options Listing Committee," easier to follow and to prevent legal appeals of Options Listing Committee ("OLC") decisions on the technical argument that the OLC was not authorized to act because its composition did not conform to the rigid requirements of PSE Rule 11.10(d), Commentary .01. According to the PSE, such an appeal could be made currently if, for example, a non-floor broker is placed in one of the floor broker slots on the OLC because of a shortage of floor brokers willing to serve on the OLC, or if a floor broker on the OLC becomes a market maker mid-year and the OLC decides to retain that member on the OLC. The PSE expects that, under the proposal, the OLC will be composed as specified in Commentary .01 under virtually all circumstances. The Exchange represents that it intends to comply with the spirit of the Commentary and anticipates departures from this general rule only in exceptionally rare circumstances. See Letter from Michael D. Pierson, Senior Attorney, Market Regulation, PSE, to Michael Walinskas, Branch Chief, Options Regulation, Division of Market Regulation, Commission, dated March 11, 1996 ("Amendment No. 1").

most significant aspects of such statements.

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

Purpose

The PSE proposes to amend PSE Rule 11.10(d), Commentary .01, Commentary .01 currently provides that the OLC shall be comprised of (i) four floor brokers; (ii) five market makers or lead market makers; and (iii) one member of the PSE or a general partner or officer of a member organization, or any other person who is considered to be qualified.

The Exchange proposes to amend Commentary .01 by eliminating the phrase "shall be comprised of" and replacing it with a provision stating that "attempts shall be made" in order for the OLC to have a composition that includes those currently specified in subsections (i) through (iii).

The Exchange believes that Commentary .01 is overly restrictive and that the proposal is appropriate in order to allow for greater flexibility in the committee selection procedure and the process for replacing committee members who resign or change their floor status. The proposal is designed to make Commentary .01 easier to follow and to prevent members from appealing decisions of the OLC on the grounds that the OLC was not authorized to act because its composition did not conform to the requirements of Commentary .01. The PSE represents that the Exchange will make every effort to ensure that the OLC maintains the composition specified in Commentary .01. The Exchange expects that, under the proposal, the composition of the OLC will remain as specified currently in Commentary .01 in virtually all circumstances.²

Statutory Basis

the PSE believes that the proposal is consistent with Section 6(b) of the Act, in general, and with Section 6(b)(5), in particular, in that it promotes just and equitable principles of trade, and with Section 6(b)(4), in particular, in that it assures a fair representation of members in the administration of the affairs of the Exchange.

(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

Within 35 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reason for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(a) By order approve such proposed rule change, or

(b) Institute proceedings to determine whether the proposed rule change should be disapproved.

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 April 15, 1996.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.³

Margaret H. McFarland,
Deputy Secretary.

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[Release No. 34-36972; File No. SR-Philadep-96-05]

Self-Regulatory Organizations; the Philadelphia Depository Trust Company; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Making a Technical Correction To Renumber Its Rule Regarding the Release of Clearing Data From Rule 32 to Rule 33

March 14, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on March 8, 1996, The Philadelphia Depository Trust Company ("Philadep") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which items have been prepared primarily by Philadep. 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 renumber its rule governing the release of clearing data from Rule 32 to Rule 33.

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.²

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

The purpose of the proposed rule change is to make a technical amendment to Philadep's rules. On

¹ 15 U.S.C. 78s(b)(1) (1988).

² The Commission has modified the text of the summaries prepared by Philadep.

² See Amendment No. 1, *supra* note 1.

³ 17 CFR 200.30-3(a)(12) (1995).