

master account has been expressed to the CHX by its member firms that have several joint ventures on the floor of the CHX. Such members have requested additional master accounts so that they can segregate their pay and collect figures, dividends, and reorganization processing with respect to each entity on the exchange floor. In addition, in response to the request of member firms that have more than one registered co-specialist trading for them, CHX members will be able to maintain more than one sub-account so that they may maintain a sub-account for each of their co-specialists. This will enable such firms to receive separate purchase and sale reports and profit and loss reports for each co-specialist while also receiving reports of aggregate figures at the master account level.

CUSIP fees are divided into three categories: (i) the specialist CUSIP fee, (ii) the market maker CUSIP fee, and (iii) the floor broker as principal fee. The CHX will charge a floor broker that trades as principal and has entered into an agency agreement a certain monthly fee for each CUSIP in which such floor broker trades as principal. Likewise, a market maker that enters into an agency agreement will be charged a monthly fee for each CUSIP in which it is registered as a market maker. The CHX will charge a specialist that has entered into an agency agreement a monthly fee for each CUSIP in which it is registered as a specialist. For a specialist, the amount of the fee per CUSIP will vary depending on the number of trades that the specialist has in a particular CUSIP in given month. Thus, the amount of the per CUSIP fee for specialists will be discounted for CUSIPs in which trading is below certain thresholds.

The different CUSIP fees for each of the three categories are based upon the difference in expected account activity and the different expenses that the CHX will incur in servicing accounts for market makers, specialists, and floor brokers as principal. For example, because the CHX expects specialists to have the most activity per CUSIP, resulting in the greatest amount of staff time expended to produce reports and to provide the services contemplated by the agency agreement, specialists have the highest CUSIP fee.

The CHX also proposes to add a new self-regulatory organization ("SRO") fee that is applicable to all CHX members and member organizations. This fee relates to the additional costs that the CHX will incur in performing SRO obligations, such as capturing certain surveillance information and producing surveillance reports. Prior to MCC's withdrawal from the securities clearing

business, the CHX received certain surveillance information from and utilized the expertise of MCC at no cost.

The text of the proposed rule change is as follows:

CHICAGO STOCK EXCHANGE, INCORPORATED, MEMBERSHIP DUES AND FEES, ADDITIONS ARE Underlined ; Deletions [Bracketed]

(o) [MSE P&L System Reports	\$125 per account per month, and 20 cents per trade]
<i>Clearing Support Fees:</i>	
<i>(1) Account Fees:</i>	
<i>First Master Account Fee.</i>	<i>\$500 per month</i>
<i>Additional Master Account Fee.</i>	<i>\$300 per month</i>
<i>Sub-Account Fees .</i>	<i>\$100 per account per month</i>
<i>(2) CUSIP Fees:</i>	
<i>Specialist CUSIP Fee.</i>	<i>\$50 per CUSIP per month</i>
<i>Market Maker CUSIP Fee.</i>	<i>\$10 per CUSIP per month</i>
<i>Floor Broker as Principal.</i>	<i>\$2 per CUSIP per month</i>
<i>(minimum clearing support fee is \$600 per month)</i>	
<i>Discounts:</i>	
<i>The above Specialist CUSIP Fee will be subject to the following discounts:</i>	
<i>If between 20 and 200 trades occur in a particular CUSIP in a given month, the Specialist CUSIP Fee for that CUSIP shall be \$40 for that month.</i>	
<i>If less than 20 trades occur in a particular CUSIP in a given month, the Specialist CUSIP Fee for that CUSIP shall be \$20. for the month.</i>	
<i>(p) (Reserved)</i>	
<i>(q) Self-Regulatory Organization Fee</i>	<i>\$100 per month and member organization per month</i>

The CHX believes the proposed rule change is consistent with Section 6(b)(4) of the Act in that it provides for the equitable allocation of reasonable dues, fees, and other charges among its members and issuers and persons using its facilities.

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

The CHX does not believe that the proposed rule change will impose a burden on competition.

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

No written comments were solicited or received by the CHX.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii)⁵ of the Act and pursuant to Rule 19b-4(e)(2)⁶ promulgated thereunder because the proposal establishes or changes a due, fee, or other charge imposed by the CHX. At any time within sixty 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 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 submission should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street NW., Washington, D.C. 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, D.C. 20549. Copies of such filing also will be available for inspection and copying at the CHX. All submissions should refer to file number SR-CHX-96-10 and should be submitted by April 29, 1996.

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

Margaret H. McFarland,

Deputy Secretary.

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⁵ 15 U.S.C. 78s(b)(3)(A)(ii) (1988).

⁶ 17 CFR 240.19b-4(e)(2) (1994).

[Release No. 34-37055; File No. SR-NYSE-96-05]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the New York Stock Exchange, Inc., Relating to Listing Standards

April 1, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange of 1934 ("Act"), 15 U.S.C. § 78s(b)(1), notice is hereby given that on March 18, 1996, the New York Stock Exchange, Inc. ("NYSE" or "Exchange") 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 by the self-regulatory organization. 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 proposed rule change amends Paragraphs 102.01 and 103.00 of the Exchange's Listed Company Manual ("Manual"). Paragraph 102.01 establishes the minimum numerical standards for listing on the Exchange pursuant to "domestic" criteria. The Manual expressly provides that the domestic criteria are available not only to U.S. companies, but also to non-U.S. companies that elect to qualify under those standards. The domestic criteria include a requirement that an issuer have a specified number of stockholders, depending on the trading volume in a stock. Specifically, the issuer must have either: (i) 2,000 round lot holders; (ii) 2,200 total holders with average monthly trading over the last six months of 100,000 shares; or (iii) 500 total holders with average monthly trading over the last 12 months of 1,000,000 shares.

The proposed rule change amends these standards to specify that, for companies domiciled in Canada, Mexico and the United States ("North America"),¹ the stockholder and trading volume requirements cover holders and trading volume in North America. This proposed rule change also makes conforming changes to Paragraph 103.00, which establishes alternative listing criteria for non-U.S. companies.

The text of the proposed rule change is available at the Exchange and the Commission.

¹ For purposes of this rule, a company is "domiciled" in the country under the laws of which it is organized.

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

1. Purpose

Companies applying to list on the Exchange must meet the listing criteria contained in the Manual, including the numerical standards. There are two sets of standards for equity listings: domestic criteria, which are available for all companies ("domestic standards"), and criteria available solely for non-U.S. companies ("worldwide standards"). The worldwide standards contain higher criteria for market value of shares, pre-tax income, net tangible assets ("NTAs") and number of stockholders.

Paragraph 103.00 of the Manual specifically permits a non-U.S. company to qualify for listing using either the domestic or worldwide listing standards. Thus, a non-U.S. issuer that does not meet the higher worldwide numerical criteria nevertheless can list under the domestic standards if the issuer can satisfy the stockholder requirements of those standards. As noted, these requirements range from 2,000 round lot holders to 500 total holders, depending on the trading volume in the security.

The purpose of the rule filing is to provide that, for North American companies, the domestic stockholder and trading volume requirements in Paragraph 102.01 of the Manual cover holders and trading volume in North America. With the continuing integration of the North American market, the Exchange believes that this market should be viewed as a whole in reviewing a company's eligibility for listing. This will foster internationalization of the securities markets by enhancing the access of U.S. investors to the trading of Canadian and Mexican securities.

Recognizing the integration of the U.S., Mexican and Canadian markets is

especially appropriate at this time, given the recent ratification of the North American Free Trade Agreement ("NAFTA"). Furthermore, with respect to Canada, the Commission itself has recognized the integration of these securities markets with the adoption of its multijurisdictional disclosure systems ("MJDS"). The MJDS allows Canadian issuers to access the U.S. securities markets using documents prepared almost entirely according to Canadian securities laws.

Pursuant to the rule change, in applying the listing criteria in Paragraph 102.01 to North American companies, the Exchange would look to the number of beneficial holders resident in North America. In computing trading volume, the Exchange would look to the reported volume (i) on U.S. stock exchanges, (ii) in the U.S. over-the-counter market and (iii) on Canadian or Mexican stock exchanges.² This volume, in total, must meet the Exchange's listing standards. For securities that trade in the format of American Depositary Receipts ("ADRs"), volume in the ordinary shares would be adjusted to be on an ADR-equivalent basis.³

2. Statutory Basis

The proposed rule change is consistent with Section 6(b)(5) of the Act in that it is designed to prevent fraudulent and manipulative acts and practices and to perfect the mechanism of a free and open market.

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

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

² According to the NYSE, the NYSE would consider an "exchange" to be a trading market that is regulated as a stock exchange by home-country regulators. Therefore, currently in Mexico, such an "exchange" would be the Bolsa Mexicana de Valores. In Canada, there currently are five stock exchange: The Montreal Exchange and the Toronto, Vancouver, Winnipeg, and Alberta Stock Exchanges. See letter from Michael J. Simons, Milbank, Tweed, Hadley & McCloy, to Glen Barrentine, Senior Counsel, Division of Market Regulation, SEC, dated April 1, 1996.

³ For example, assume that a Mexican company has ADRs trading in the United States and ordinary shares trading in Mexico, with each ADR representing 10 ordinary shares. If the company were to apply to list its U.S.-traded ARDs on the NYSE, the Exchange would divide the Mexican shares volume by 10 in determining whether the combined ARD/share volume meets the requirements of the listing criteria. For companies that have multiple series of shares or ADRs, the Exchange will include the volume only in the specific ordinary shares and overlying ADRs that would be listed on the Exchange.

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

Within 35 days of the publication of this notice in the Federal Register or within such other 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 reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve the 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 NW., 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 NW., Washington, D.C. 20549. Copies of such filing will also be available for inspection and copying at the principal office of the Exchange. All submissions should refer to File No. SR-NYSE-96-05 and should be submitted by April 29, 1996.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 96-8543 Filed 4-5-96; 8:45 am]

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[Release No. 34-37056; File No. SR-NYSE-96-06]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by New York Stock Exchange, Inc., Relating to Continued Listing Standards for Specialized Securities

April 1, 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 March 18, 1996, the New York Stock Exchange, Inc. ("NYSE" or "Exchange") 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 by the self-regulatory organization. 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 NYSE is proposing amendments to its continued listing criteria, contained in Paragraphs 801 and 802.01 of the Exchange's Listed Company Manual ("Manual"). The amendments contain continue listing criteria for certain "specialized securities": stock warrants; foreign currency warrants and currency index warrants; stock index warrants; contingent value rights ("CVRs"); other securities; and equity-linked debt securities ("ELDS").

The text of the proposed rule change is available at the Exchange and 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 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

Over the past several years the Exchange has adopted listing standards

for specialized securities. These standards are contained in various sections of Paragraph 703 of the Manual. Although the Exchange has adopted uniform listing standards for these securities, there currently are no corresponding uniform continued listing criteria. The purpose of the proposed rule change is to adopt such uniform criteria.¹

The current listing standards for specialized securities require one million shares outstanding, 400 holders, \$4 million aggregate market value and a minimum life of one year.² The proposed continued listing criteria would require 100,000 publicly-held shares, 100 holders and an aggregate market value of \$1 million. The proposed continued listing criteria also would require that for securities that are related to other securities, such as warrants and CVRs, the related security must remain listed. For ELDS, the issuer of the linked security must remain subject to last sale reporting obligations and remain trading in a market in which there is last sale reporting, again paralleling the original listing standards.³ However, if the related or linked securities are delisted for violation of the Exchange's "Corporate Responsibility" criteria in Section 3 of the Manual, the exchange will also delist any related specialized securities.⁴

2. Statutory Basis

The proposed rule change is consistent with Section 6(b)(5) of the Act in that it is designed to prevent fraudulent and manipulative acts and practices and to perfect the mechanism of a free and open market.

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

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

¹ Although there currently are continued listing criteria for warrants, those criteria do not conform to the current warrant listing standards. Therefore, the proposed rule change would delete the current warrant continued listing criteria and include warrants within the new uniform criteria.

² There are additional standards for certain of these securities. For example, ELDS must have a term of two to seven years (two to three years for non-U.S. securities).

³ Telephone conversation between Michael Simon, Milbank, Tweed, Hadley & McCloy, and Jennifer S. Choi, Attorney, Division of Market Regulation, SEC, on April 1, 1996.

⁴ The proposed rule change also would eliminate the delisting criteria relating to creation of a class of non-voting common stock. These criteria are no longer appropriate because the Exchange currently has listing criteria specifically addressing non-voting common stock. See Paragraph 313.00(B) of the Manual.