

protection and price improvement.²⁷ In general, the NAqcess rules as proposed would apply to AZX participants who are NASD members.

The enhanced surveillance procedures adopted by AZX appear to be consistent with the proposed NAqcess rules. Because the NAqcess rules are currently in the proposing stage, however, it is premature to consider the need for possible changes to AZX's surveillance procedures. The Commission will address this issue prior to the approval of any NAqcess rules.

3. Short Sale Rule. The NASD notes that its short sale rule would apply to AZX participants who are NASD members.²⁸ AZX has taken measures to promote compliance with the NASD short sale rule by its members. Specifically, orders that are entered into AZX and that constitute short sales are put in the Balanced Book and not the Open Book. At the time of the auction, if it appears that certain of these orders, if executed, would breach the short sale restriction, then they will not be allowed to participate in the auction.

F. Terms and Conditions of the Exemption

All of the original terms and conditions of the Exemption Order remain in effect. The Amended Order notes, in this connection, that the following reporting requirements of the Order may be satisfied by compliance with the recordkeeping and reporting requirements contained in Rule 17a-23 under the Act:²⁹

- The number and identity of system participants;
 - The volume of business (expressed in dollars, transactions, and shares) transacted through the system;
 - Instances when system participants failed to deliver securities or make payment (expressed in transactions, shares and dollars); and
 - A list of securities trading on the system.
- The following information also must continue to be reported pursuant to the Exemption Order:
- The identity of applicants denied participation and reasons for the denial;
 - The number of auctions conducted; and
 - The prices at which particular blocks of securities were sold during the auctions.

²⁷ See Securities Exchange Act Release No. 36548 (December 1, 1995), 60 FR 63092.

²⁸ Art. III, Section 48 of the Rules of Fair Practice, NASD Manual (CCH) § 2200H, at 2216.

²⁹ Rule 17a-23 requires registered broker-dealer sponsors of certain automated trading systems ("broker-dealer trading systems") to make and keep current certain records, and file reports with the Commission (and in certain circumstances, with the appropriate self-regulatory organization) regarding the operation of the system. ITC, the crossing broker for AZX, is subject to Rule 17a-23 with respect to the operation of AZX.

VI. Conclusion

The Commission has reviewed AZX's amendment to its application for exemption from registration as a national securities exchange and has determined that AZX continues to qualify for the limited volume exemption under the Act. As it found in the Exemption Order, the Commission finds that, by reason of the limited volume of transactions effected on AZX, it is not practicable and not necessary or appropriate in the public interest or for the protection of investors to require AZX's registration as a national securities exchange, subject to the conditions described herein.

It is therefore ordered that AZX's Exemption Order be amended to: (1) Grant AZX Inc.'s amended application for exemption from registration as a national securities exchange; and (2) reflect changes to the operation of the system as set forth herein.

By the Commission.
Jonathan G. Katz,
Secretary.
[FR Doc. 96-14399 Filed 6-6-96; 8:45 am]
BILLING CODE 8010-01-M

Issuer Delisting; Notice of Application to Withdraw From Listing and Registration; (Bitwise Designs, Inc., Common Stock, \$.001 Par Value) File No. 1-13276

June 3, 1996.

Bitwise Designs, Inc. ("Company") has filed an application with the Securities and Exchange Commission ("Commission"), pursuant to Section 12(d) of the Securities Exchange Act of 1934 ("Act") and Rule 12d2-2(d) promulgated thereunder, to withdraw the above specified security ("Security") from listing and registration on the Boston Stock Exchange Incorporated ("BSE").

The reasons alleged in the application for withdrawing the Security from listing and registration include the following:

According to the Company, the Security is presently listed on the BSE, PSE and the Nasdaq SmallCap Market. The Company wishes to delist its Security from the BSE. The decision to delist from the BSE has been occasioned by reason of the Company's listing on the PSE. PSE and Nasdaq quotations are readily available to the public from various media sources, and there appears to be no continuing benefit either to the Company or its shareholders for continued listing on the BSE. In addition, delisting from the BSE will save the Company redundant

listing fees. The Company's Security will continue to be traded on the PSE and the Nasdaq SmallCap Market.

Any interested person may, on or before June 24, 1996, submit by letter to the Secretary of the Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, facts bearing upon whether the application has been made in accordance with the rules of the exchanges and what terms, if any, should be imposed by the Commission for the protection of investors. The Commission, based on the information submitted to it, will issue an order granting the application after the date mentioned above, unless the Commission determines to order a hearing on the matter.

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

Jonathan G. Katz,
Secretary.

[FR Doc. 96-14355 Filed 6-6-96; 8:45 am]
BILLING CODE 8010-01-M

[Rel. No. IC-22000; International Series Release No. 990; File No. 812-10136]

The Chase Manhattan Bank, N.A. and Chemical Bank; Notice of Application

May 31, 1996.

AGENCY: Securities and Exchange Commission ("SEC").

ACTION: Notice of application for exemption under the Investment Company Act of 1940 (the "Act").

APPLICANTS: The Chase Manhattan Bank, N.A. ("Chase") and Chemical Bank ("Chemical").

RELEVANT ACT SECTIONS: Order requested under section 6(c) of the Act for an exemption from section 26(a) (2)(D) of the Act.

SUMMARY OF APPLICATION: Applicants request an order that would amend a prior order (the "Prior Order")¹ granted to Chase which permits Chase, as trustee for certain unit investment trusts ("UITs"), to deposit trust assets in the custody of the Euroclear System ("Euroclear") and Cedel Bank S.A. ("Cedel"). The requested order would substitute the entity surviving the anticipated merger of Chase and Chemical as the party to which relief is granted. Chemical will survive the merger and change its name to "The Chase Manhattan Bank."

FILING DATE: The application was filed on May 8, 1996.

¹ The Chase Manhattan Bank, N.A., Investment Company Act Release Nos. 21673 (Jan. 16, 1996) (notice) and 21751 (Feb. 13, 1996) (order).

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on June 25, 1996 by proof of service on applicants, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicants, c/o Daniel L. Goelzer, Esq., Baker & McKenzie, 815 Connecticut Avenue, N.W., Washington, D.C. 20006.

FOR FURTHER INFORMATION CONTACT: David W. Grim, Staff Attorney, at (202) 942-0571, or Robert A. Robertson, Branch Chief, at (202) 942-0564 (Division of Investment Management, Office of Investment Company Regulation).

SUPPLEMENTARY INFORMATION: the following is a summary of the application. The complete application may be obtained for a fee at the SEC's Public Reference Branch.

Applicants' Representations

1. Chase is a national banking association, regulated by the Comptroller of the Currency under the National Bank Act. At December 31, 1995, Chase had shareholders' equity in excess of \$8.065 billion. Through its Global Securities Services division, Chase provides custody and related services to global institutional investors, including U.S. registered investment companies.

2. Chemical is a banking institution, organized under the laws of the State of New York. It is regulated as a bank by the Superintendent of Banks of New York, and is a member bank of the Federal Reserve System. At December 31, 1995, Chemical had shareholders' equity in excess of \$8.18 billion. Through its Geoserve Securities Services division, Chemical provides custody and related services to global institutional investors, including U.S. registered investment companies.

3. On March 31, 1996, Chase's parent holding company, The Chase Manhattan Corporation, and Chemical's parent holding company, Chemical Banking Corporation, merged. Chemical Banking Corporation was the surviving entity in the merger, and it has changed its name

to "The Chase Manhattan Corporation." During July 1996, it is anticipated that Chase will be merged into Chemical (the "Merger"). Chemical will survive the Merger, and will change its name to "The Chase Manhattan Bank" ("New Chase"). Applicants state that, upon the Merger, New Chase will succeed by operation of law to the rights and obligations of Chase, including Chase's obligations under the trust indentures it has with various UITs predicated on the Prior Order.

4. Euroclear and Cedel (together, the "Transnational Depositories") are among the largest clearance and custody systems in the world. The Transnational Depositories were organized principally to provide a simple, economic, and automated means of settling secondary market transactions in internationally traded securities, regardless of the geographical location of the parties to the transaction. Many U.S. institutions, including numerous investment companies registered under the Act, routinely hold substantial assets through the facilities of these entities.

5. The Prior Order permits Chase to place the assets of certain UITs in the custody of the Transnational Depositories. After the Merger, however, Chase, the party to which the Prior Order was granted and which is bound by the conditions thereunder, will cease to exist. Accordingly, applicants request an order to amend the Prior Order to substitute New Chase as the party to which relief is granted. Such an amendment will ensure that UITs may continue utilizing the services of the Transnational Depositories through the New Chase after the Merger under the same conditions as are contained in the Prior Order.

6. Under the conditions in the Prior Order, each indenture pursuant to which Chase acts as trustee for any UIT that utilizes the custody services of either of the Transnational Depositories must contain provisions under which (i) Chase agrees to indemnify the UIT against any loss occurring as a result of a Transnational Depository's willful misfeasance, reckless disregard, bad faith, or gross negligence in performing custodial duties, and (ii) Chase agrees to perform all the duties assigned by rule 17f-5, as now in effect or as it may be amended in the future, to the boards of directors of management investment companies. In addition, Chase must maintain certain records regarding the basis for the choice or the continued use of a particular Transnational Depository and to make such records available for inspection by unitholders and by the staff of the SEC. Chase also must provide disclosure regarding foreign

securities and foreign custody required for management investment companies by Forms N-1A and N-2 in the prospectus of any UIT relying on the relief.

Applicants' Legal Conclusions

1. Under sections 2(a)(5) and 26(a)(1) of the Act, the trustee of a UIT must be a bank that is subject to regulation by the U.S. government or one of the states. Section 26(a)(2)(D) requires that the trust indenture provide that the trustee "shall have possession of all securities and other property in which the funds of the trust are invested * * * and shall segregate and hold the same in trust * * * until distribution thereof to the security holders of the trust." Under these sections, the only foreign entity that qualifies as a UIT custodian is an overseas branch of a U.S. bank.²

2. Section 6(c) provides that the SEC may exempt any person, security, or transaction from any provision of the Act or any rule or regulation thereunder, if and to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

3. Applicants request an order under section 6(c) for an exemption from section 26(a)(2)(D) that would amend the Prior Order. The Prior Order exempted Chase, any UIT for which Chase serves as trustee, any co-trustee or subcustodian thereof, and any sponsor of such UIT from section 26(a)(2)(D) to the extent necessary to permit Chase to maintain securities and other assets of such UITs in the custody of the Transnational Depositories. Applicants request an order to amend the Prior Order to substitute New Chase as the party to which relief is granted.

4. Applicants believe that the requested amendment is necessary and appropriate in the public interest to permit UITs for which Chase serves as trustee to continue to use the arrangements currently in place under the Prior Order after the Merger, and to permit new UIT customers for which New Chase may serve in such capacity to have access to such arrangements. Absent an amendment, New Chase may be unable to offer these services to UITs under the existing order. To require current UIT customers of Chase to bear the substantial expense and effort of implementing alternative arrangements merely because of the Merger would be

² See Custody of Investment Company Assets Outside the United States, Investment Company Act Release No. 21259 (July 27, 1995).

contrary to the best interests of investors, and contrary to public policy.

5. Applicants believe that the assets to which the Prior Order relate will be as effectively protected by New Chase as they have been by Chase. Chase qualifies as a "bank" for purposes of section 26, since it is a banking institution organized under the laws of the United States and has an aggregate capital, surplus, and undivided profits substantially in excess of the \$500,000 required by the Act. Chemical also qualifies as a "bank" for section 26 purposes, since it is a member of the Federal Reserve System and has capital substantially in excess of the \$500,000 minimum. New Chase will continue to qualify as such a "bank" on and after the Merger. With respect to global custody services, New Chase will combine the size, expertise, and reputation of both Chase and Chemical. UITs for which Chase acts as trustee and custodian will therefore be at least as well-protected after the Merger as before.

6. Applicants state that New Chase will be required to indemnify UITs against loss of assets held by the Transnational Depositories to the same extent that Chase is required to do so under the Prior Order. Also, applicants believe that securities deposited in the Transnational Depositories are as well-protected as if they were deposited with a foreign branch of a U.S. bank, or shipped to the U.S. for foreign custody. The Transnational Depositories are among the largest and most experienced clearance and custody systems for internationally-traded securities in the world.

7. Applicants state that sections 26(a)(1) and 26(a)(2)(D) were adopted for essentially the same purposes as section 17(f) of the Act. The purpose of section 17(f) is to ensure that U.S. investment companies hold securities in a safe manner that protects the interests of their shareholders. The purpose of rule 17f-5 is to relieve U.S. investment companies of the expense and inconvenience of transferring assets to the custody of a U.S. bank or other qualified custodian outside the jurisdiction in which the primary trading market for those assets is located and to reduce the risks inherent in maintaining assets outside the U.S. The requested amendment would permit New Chase to continue offering the arrangements under the same terms and conditions as set forth in the Prior Order and is, therefore, consistent with these purposes.

8. Applicants state that in granting the Prior Order, the SEC determined that the arrangements permitted by that

order satisfy the standards of section 6(c). Applicants believe that the substitution of New Chase for Chase as the party to which the terms and conditions of those orders apply in no way detracts from the continuing validity of the SEC's determinations. Therefore, applicants believe the requested order satisfies these standards.

Applicants' Condition

Applicants agree that the order granting the requested relief shall be subject to the condition that, following the merger of Chase and Chemical, New Chase will comply with all of the terms and conditions set forth in the Prior Order as if such order had been granted to New Chase.

For the Commission, by the Division of Investment Management, under delegated authority.

Jonathan G. Katz,

Secretary.

[FR Doc. 96-14359 Filed 6-6-96; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 35-26526]

Filings Under the Public Utility Holding Company Act of 1935, As Amended ("Act")

May 31, 1996.

Notice is hereby given that the following filing(s) has/have been made with the Commission pursuant to provisions of the Act and rules promulgated thereunder. All interested persons are referred to the application(s) and/or declaration(s) for complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendments thereto is/are available for public inspection through the Commission's Office of Public Reference.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by June 24, 1996, to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549, and serve a copy on the relevant applicant(s) and/or declarant(s) at the address(es) specified below. Proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. Any request for hearing shall identify specifically the issues of fact or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After said date, the application(s) and/

or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

Columbia Gas System, Inc., et al. (70-8471)

Columbia Gas System, Inc. ("Columbia"), 20 Montchanin Road, Wilmington, Delaware, 19807, a registered holding company; nineteen wholly-owned subsidiary companies of Columbia,¹ all of which are engaged in the natural gas business; twelve subsidiary companies of TriStar Ventures ("TriStar Ventures Subsidiaries");² Columbia Service Partners, Inc. ("Columbia Service"), 121 Hill Pointe Drive, Suite No. 100, Cannonsburg, Pennsylvania, 15317, a non-utility subsidiary of Columbia; and TriStar System, Inc. ("TriStar System"), 20 Montchanin Road, Wilmington, Delaware, 19807, a non-utility

¹ Columbia Gas of Pennsylvania, Inc. ("Columbia Pennsylvania"), 200 Civic Center Drive, Columbus, Ohio, 43215; Columbia Gas of Ohio, Inc. ("Columbia Ohio"), 200 Civic Center Drive, Columbus Ohio, 43215; Columbia Gas of Maryland, Inc. ("Columbia Maryland"), 200 Civic Center Drive, Columbus, Ohio, 43215; Columbia Gas of Kentucky, Inc. ("Columbia Kentucky"), 200 Civic Center Drive Columbus, Ohio, 43215; Commonwealth Gas Services, Inc. ("Commonwealth Services"), 200 Civic Center Drive, Columbus, Ohio, 43215; Columbia Gulf Transmission Co. ("Columbia Gulf"), 1700 MacCorkle Avenue, S.E., Charleston, West Virginia, 25314; Columbia Gas Development Corp. ("Columbia Development"), One Riverway, Houston, Texas, 77056; Columbia Natural Resources, Inc. ("Columbia Resources"), 900 Pennsylvania Avenue, Charleston, West Virginia, 25302; Columbia Coal Gasification Corp. ("Columbia Coal"), 900 Pennsylvania Avenue, Charleston, West Virginia, 25302; Columbia Energy Services Corp. ("Columbia Services"), 121 Hill Pointe Drive, Suite No. 100, Cannonsburg, Pennsylvania, 15317; Columbia Gas System Service Corp. ("Service Corporation"), 20 Montchanin Road, Wilmington, Delaware, 19807; Columbia Propane Corp. ("Columbia Propane"), 800 Moorefield Park Drive, Richmond, Virginia, 23236; Commonwealth Propane, Inc. ("Commonwealth Propane"), 800 Moorefield Park Drive, Richmond, Virginia, 23236; TriStar Ventures Corp. ("TriStar Ventures"), 20 Montchanin Road, Wilmington, Delaware, 19807; TriStar Capital Corp. ("TriStar Capital"), 20 Montchanin Road, Wilmington, Delaware, 19807; Columbia Atlantic Trading Corp. ("Columbia Atlantic"), 20 Montchanin Road, Wilmington, Delaware, 19807; Columbia LNG Corp., 20 Montchanin Road, Wilmington, Delaware, 19807; Columbia Gas Transmission Corp. ("Gas Transmission"), 1700 MacCorkle Avenue, S.E., Charleston, West Virginia, 25314; and Columbia Energy Marketing Corp. ("Energy Marketing"), 121 Hill Pointe Drive, Suite No. 100, Cannonsburg, Pennsylvania, 15317.

² TriStar Pedrick Limited Corporation, TriStar Pedrick General Corporation, TriStar Binghamton Limited Corporation, TriStar Binghamton General Corporation, TriStar Vineland Limited Corporation, TriStar Vineland General Corporation, TriStar Rumford Limited Corporation, TriStar Georgetown General Corporation, TriStar Georgetown Limited Corporation, TriStar Fuel Cells Corporation, TVC Nine Corporation, and TVC Ten Corporation, all of 20 Montchanin Road, Wilmington, Delaware, 19807.