

designated House and Senate committees.

Procedure: The RRB will provide a data extract of its debtor files to the USPS, sorted in Social Security Number (SSN) sequence, that contain the name and SSN of each record subject. The USPS will compare this extract against its database of employee records, establishing "hits" (i.e., individuals common to both files) on the basis of matched SSN's. For each hit, the USPS will disclose to the RRB the following information: Name, SSN, date of birth, home address, work address, and employee type (permanent or temporary).

Other information: The notice we are giving here is in addition to any individual notice.

A copy of this notice has been or will be furnished to both Houses of Congress and the Office of Management and Budget.

Dated: August 7, 1996.

By authority of the Board.

Beatrice Ezerski,

Secretary to the Board.

[FR Doc. 96-20874 Filed 8-15-96; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-37550; File No. SR-Amex-96-23]

Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Partial Approval of Proposed Rule Change by the American Stock Exchange, Inc. Relating to Various Changes to the Exchange's Company Guide

August 9, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on June 27, 1996, the American Stock Exchange, Inc. ("Amex" or "Exchange") filed with the Securities and Exchange Commission ("Commission" or "SEC") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. On July 11, 1996, the Exchange submitted to the Commission Amendment No. 1 to the proposed rule change.³ The Commission

is publishing this notice to solicit comments on the proposed rule change from interested persons. As discussed below, the Commission is also granting accelerated approval to a portion of the proposal.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Amex proposes to amend various sections of the Exchange's *Company Guide* to simplify the additional listing process, add a new shareholder distribution guideline applicable to banks, and make several minor "housekeeping" changes.

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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

Additional Listings

The Exchange proposes to simplify its additional listing process. The additional listing process is an essential part of the Exchange's program to oversee its market generally and monitor the compliance of listed companies with Sections 711-713 of the *Company Guide*, which require prior shareholder approval of certain transactions involving the issuance of stock, e.g., issuances of 20% or more of the outstanding shares at a discounted price or to effect an acquisition. Before a listed company issues additional securities of an already listed class, it is required to submit an additional listing application and obtain the Exchange's prior approval; similarly, transfer agents for listed companies are required to contact the Exchange to make sure that a company's request for new share issuances has been so approved. The Exchange typically receives in excess of 300 additional listing applications per year.

The Exchange has determined that it can substantially simplify the additional

listing process for listed companies and transfer agents alike without undercutting its ability to regulate its market. To facilitate this, the Exchange has for the first time prepared a simplified, standardized application form, which can be used for all additional listings.⁴ This form will allow companies to incorporate by reference any transactional information that is set forth in a proxy statement, prospectus or certain other descriptive documents, thus eliminating the need to provide duplicative summary information on the application itself. This will also enable the Exchange to significantly revise the applicable *Company Guide* provisions by eliminating confusing and unnecessary instructions.⁵

The Exchange is also proposing to eliminate the requirement that each application contain a reconciliation of all of the company's previously listed share reserves, retaining the reconciliation requirement only in the case of stock dividends, splits, or substitution listings. Rather than require issuers and transfer agents to engage in this extremely time-consuming exercise, which in most circumstances provides little practical information and delays the approval of pending corporate transactions, the Exchange has determined to generally allow transfer agents to reconcile their records of shares outstanding with the Exchange's on a quarterly basis. A similar procedure is followed at the New York Stock Exchange and in a series of informal discussions, all of the Exchange's major transfer agents indicated that they would prefer that the Exchange adopt it as well.

Together, these new procedures should provide substantial benefits to listed companies and the Exchange alike.

⁴ The Commission notes that the new form being adopted will require listed companies to provide substantially the same information as is required under the existing procedures. The form provides for (where applicable): Information for Stock Options, Plans and Grants; Information for a Private Placement; Information for an Acquisition; Information for Substitution Listing; Information for a Forward Stock Split or Stock Dividend; and a Reconciliation Sheet. Companies wanting to list additional shares must now complete this form, whereas previously, companies had the option of doing a "short form" or a "standard form" application.

⁵ The Commission notes that in simplifying its listings process, the Amex proposes the following changes to its *Company Guide*: § 310 is renumbered as § 303; §§ 311-313 is deleted; § 320 is deleted; § 321 is renumbered as § 304 with modification made to text; new § 305 is added (Listing of Shares Pursuant to a Reverse Split/Substitution Listing); and § 330 is renumbered as § 306.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Letter from Claudia Crowley, Special Counsel, Amex, to Jennifer Choi, Attorney, Office of Market Supervision, Division of Market Regulation, Commission, dated July 11, 1996 ("Amendment No. 1").

Distribution Guidelines for Banks

In recent years, the Exchange has listed a number of local banks, some immediately following their conversion from mutual association to stock ownership ("demutualizing").⁶ Such banks often have small, but because of their local concentration, stable ranks of shareholders. Even small banks are generally well above the financial criteria for original listing and due to the highly regulated nature of the banking industry there is usually little "business risk" associated with such listings.

The Exchange's public distribution guidelines call for 500,000 shares and 800 holders, or 1,000,000 shares and 400 holders. The Exchange has occasionally found that otherwise attractive local banks have less than one million shares in their public float, and fewer than 800 shareholders. Although the mix of shareholder and public float requirements is intended to accommodate a specialist's needs in maintaining a fair and orderly market, the Exchange has observed that local banks are generally steady traders with relatively stable prices, and that specialists have not encountered difficulties in trading them.

The Exchange is therefore proposing to adopt a specific distribution guideline applicable to banks, which would require only 400 public holders of a least 500,000 shares.⁷ It should be noted that presently there are two other circumstances where the Exchange lists issues with a float of less than one million shares and only 400 holders: those are stocks which trade 2,000 shares a day or more, and warrants sold as part of a unit offering. The Exchange has not experienced any difficulties in providing an appropriate marketplace for these listings, and, as noted above, given the stability of the banks' shareholder bases and the regulated nature of the banking industry, the Exchange does not anticipate any difficulties with banking stocks.

Miscellaneous

There are several changes necessary to conform particular sections of the *Company Guide* to changes previously made to other sections:

⁶ These transactions are typically conducted, in effect, as "best efforts" underwritings in the sense that it is impossible to predict how many deposit-holders will elect to become shareholders and the conversion itself is not contingent upon the "accumulation" of a specific number of shareholders.

⁷ The new distribution provision for banks will be included in Section 102 of the Amex's *Company Guide*.

Section 1003 of the *Company Guide* should be amended to provide that for continued listing purposes a company needs to have 300 public holders, and not 300 round lot holders. Similar changes were previously made to the Exchange's other public distribution guidelines.⁸

Section 505, which provides that the Exchange would not look favorably upon a stock split that would result in a price below \$5, should be amended to refer to a \$3 minimum price, to be consistent with the \$3 stock price original listing guideline set forth in Section 102(b).⁹

Additionally, Section 220(b) of the *Company Guide* should be amended to conform to changes that were previously made to Section 140 of the *Company Guide* with respect to the maximum listing fee applicable to foreign issuers.¹⁰

Finally, Sections 510 and 512 of the *Company Guide* should be amended to conform to the three-day settlement time frame ("T+3").

2. Statutory Basis

The basis under the Act for this proposed rule change is the requirement under Section 6(b)(5) that an exchange have rules that are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to protect and perfect the mechanism of a free and open market and a national market system, and in general, to protect investors and 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 inappropriate burden on competition.

⁸ See Section 102(a)—Distribution—of the *Company Guide* which describes the minimum number of shareholders as "public shareholder." The *Company Guide* notes that the term "public shareholders," as used therein, includes both shareholders of record and beneficial holders, but is exclusive of the holdings of officers, directors, controlling shareholders and other concentrated (i.e., 5% or greater) affiliated or family holdings.

⁹ The Commission notes that the \$3 minimum price was approved in Securities Exchange Act Release No. 24043 (January 30, 1987), 52 FR 4071.

¹⁰ The Commission notes that the maximum \$25,000 fee for non-U.S. issuers already listed on a foreign exchange was approved in Securities Exchange Act Release No. 34272 (June 28, 1994), 59 FR 34701.

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

No written comments were solicited or received.

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

The Exchange, however, has requested that the Commission find good cause pursuant to Section 19(b)(2) of the Act for approving the proposed changes to Sections 510 and 512, which conforms Amex rules to T+3 settlement, of the *Company Guide* on an accelerated basis prior to the 30th day after publication in the Federal Register.

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, DC 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 in the Commission's Public Reference Room in Washington, DC. Copies of such filing will also be available for inspection and copying at the principal office of the Amex. All submissions should refer to the File No. SR-Amex-96-23 and should be submitted by [insert date 21 days from date of publication].

V. Commission Findings and Order Granting Partial Accelerated Approval of the Proposed Rule Change

After careful consideration, the Commission has concluded, for the reasons set forth below, that the amendments to sections 510 and 512 of the Amex's *Company Guide* are consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange and, in particular the requirement of Section 6(b)(5)¹¹ of the Act, which states in part, that the rules of an exchange must be designed to foster cooperation and coordination

¹¹ 15 U.S.C. 78f(b)(5).

with persons engaged in regulating, clearing, settling, and processing information.

On October 6, 1993, the Commission adopted Rule 15c6-1 under the Act,¹² which establishes three business days after the trade date ("T+3"), instead of five business days ("T+5"), as the standard settlement cycle for most securities transactions.¹³ The rule became effective on June 7, 1995.¹⁴ Although the Commission previously approved a number of changes to the Amex's rules to conform them to the T+3 requirement of Commission Rule 15c6-1,¹⁵ Sections 510 and 512 were not amended to reflect the change in the settlement cycle.

It has been more than a year since the T+3 settlement cycle has been in operation. The current Sections 510 and 512 of the Amex's *Company Guide*, which provide for a T+5 settlement cycle, is inconsistent and incompatible with Commission's T+3 rules. Amex's current proposal will amend these sections to bring them in conformity with the mandated T+3 settlement cycle. Accordingly, the Commission believes that, because the Exchange has proposed the amendments to Sections 510 and 512 merely to reflect the T+3 cycle, the proposed rule change is consistent with the purposes of the Act.

The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after publication of the proposed rule change in the Federal Register. The Commission believes that accelerated approval of this portion of the proposal will benefit investors by eliminating the obsolete references to five-day settlement. Deleting the outdated references to T+5 settlement cycle as soon as possible will be beneficial because this amendment will eliminate any opportunities for confusion.

VI. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the portion of the proposed rule change (File No. SR-Amex-96-23) containing the amendments to Sections 510 and 512 of the Amex's *Company Guide* be and is hereby approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.¹⁶

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96-20882 Filed 8-15-96; 8:45 am]

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[Release No. 34-37552; File No. SR-BSECC-96-02]

Self-Regulatory Organizations; Boston Stock Exchange Clearing Corporation; Notice of Filing of Proposed Rule Change To Modify Specialists' Clearing Fund Requirements

August 9, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on June 14, 1996, the Boston Stock Exchange Clearing Corporation ("BSECC") filed with the Securities Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which items have been prepared primarily by BSECC. On July 23, 1996, BSECC filed an amendment to the proposed rule change.² The Commission is publishing this notice to solicit comments 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 permit specialists to satisfy their clearing fund deposits through deposits required pursuant to the rules of the Boston Stock Exchange, Inc. ("Exchange").

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

In its filing with the Commission, BSECC 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.³

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

BSECC proposes to amend its Rule II, Section 1 relating to the maintenance

and purpose of BSECC's clearing fund so that the BSECC clearing fund requirements for specialists⁴ will be deemed satisfied by such specialists' liquidating equity deposits that are required pursuant to Exchange rules. Pursuant to Section 2(f), Chapter XXII of the Exchange rules, specialists must maintain a liquidating equity deposit with BSECC of \$200,000 per specialist account. Currently, Section 2 of BSECC Rule II requires that all members contribute \$6,000 to the clearing fund.⁵

BSECC believes the additional \$6,000 provides little added protection for BSECC in the event of a specialist default. Therefore, BSECC proposes to amend Rule II, Section 1 to provide that specialists will be deemed to have met their clearing fund requirement through the liquidating equity deposit and that the amount of the liquidating equity deposit equal to the required clearing fund deposit shall be deemed to be the clearing fund deposit.

Contemporaneously with this proposal, the Exchange has filed a proposed rule change (File No. SR-BSE-96-06) to amend the language of Chapter XXII, Section 2(f) of the Exchange rules to make it clear that each of the specialist's \$200,000 minimum equity requirement on deposit with BSECC is deemed to be its clearing fund deposit up to the amount required to be deposited pursuant to BSECC's rules.

BSECC believes the proposed rule change is consistent with the requirements of Section 17A of the Act⁶ and the rules and regulations thereunder because it is designed to foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions and, in general, to protect investors and the public interest.

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

BSECC believes the proposed rule change will impose no burden on competition.

⁴ A specialist is a BSECC member that acts as a specialist on the floor of the Exchange and on whose behalf BSECC guarantees settlement of all trades executed by such member on the floor of the Exchange.

⁵ BSECC Rule II, Section 5 specifies the use and application of clearing fund. Paragraph (d) of that section provides that clearing fund may be used to discharge a member's liability to BSECC, the Exchange, or Boston Stock Exchange Service Corporation.

⁶ 15 U.S.C. 78q-1 (1988).

¹² 17 CFR 240.15c6-1.

¹³ See Securities Exchange Act Release No. 33023 (October 6, 1993), 58 FR 52891.

¹⁴ Securities Exchange Act Release No. 34952 (November 9, 1994), 59 FR 59137.

¹⁵ See Securities Exchange Act Release No. 35553 (March 31, 1995), 60 FR 18161.

¹⁶ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1) (1988).

² Letter from Karen A. Aluisse, Assistant Vice President, BSECC, to Mark Steffensen, Division of Market Regulation, Commission (July 19, 1996).

³ The Commission has modified these summaries.