Interested persons may request a hearing by writing to the SEC's Secretary and serving applicant with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on March 11, 1996 and should be accompanied by proof of service on the applicant, 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 may request notification of a hearing by writing to the SEC's Secretary.

ADDRESS: Secretary, SEC, 450 5th Street, N.W., Washington, D.C. 20549. Applicant, c/o Sheldon Curtis, Two World Trade Center, New York, New York 10048.

FOR FURTHER INFORMATION CONTACT: Robert 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 from the SEC's Public Reference Branch.

Applicant's Representations

1. Applicant is an open-end management investment company organized under the laws of the Commonwealth of Massachusetts pursuant to a Declaration of Trust. On July 6, 1994, applicant registered under the Act, and filed a registration statement pursuant to section 8(b) of the Act and the Securities Act of 1933. The registration statement became effective on August 24, 1994, and the initial public offering commenced on September 23, 1994.

2. On August 24, 1995, applicant's board of trustees approved an Agreement and Plan of Reorganization (the ''Plan''). The Plan provided that applicant would transfer all of its assets to Dean Witter Convertible Securities Trust (''Convertible Trust'').

3. Applicant and Convertible Trust may be deemed to be affiliated persons of each other under the Act. In compliance with rule 17a–8, which governs mergers of certain affiliated investment companies, applicant's trustees determined that the reorganization was in the best interests of applicant and the interests of applicant's existing shareholders would not be diluted.[1]

4. Applicant filed its preliminary proxy materials on Form N–14 with the SEC on August 28, 1995 and filed definitive copies of its proxy materials on October 25, 1995. Applicant's shareholders approved the Plan at a meeting held on December 19, 1995.

5. On December 22, 1995, the reorganization was consummated. Applicant transferred all of its assets and liabilities to Convertible Trust in exchange for shares of Convertible Trust with an aggregate net asset value equal to the net asset value of applicant's assets transferred. Specifically, in exchange for $19,188,653 of assets transferred, the Convertible Trust issued 1,665,682 shares of beneficial interest.

6. All expenses incurred in the solicitation of proxies were borne by applicant. Such expenses were approximately $129,053. Applicant and Convertible Trust bore all of their respective other expenses associated with the reorganization.

7. At the time of filing the application, applicant had no assets, outstanding debts or liabilities. Applicant has no shareholders and is not a party to any litigation or administrative proceeding. Applicant is not presently engaged in, nor does it propose to engage in, any business activities other than those necessary for the winding up of its affairs.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96–3985 Filed 2–21–96; 8:45 am]

BILLING CODE 8010–01–M

[1] Although purchases and sales between affiliated persons generally are prohibited by section 17(a) of the Act, rule 17a–8 provides an exemption for certain purchases and sales among investment companies that are affiliated persons of each other solely by reason of having a common investment adviser, common directors, and/or common officers.

(Release No. 34–36848; File No. SR–Amex–95–58)

Self-Regulatory Organizations; Order Granting Accelerated Approval To Proposed Rule Change and Notice of Filing and Order Granting Accelerated Approval to Amendment Nos. 1 and 2 to Proposed Rule Change by the American Stock Exchange, Inc., Relating to Listing and Trading of Warrants Based on the Vantage Point Index.

February 14, 1996.

I. Introduction

On January 2, 1996, the American Stock Exchange, Inc. (''Amex'' or ''Exchange'') submitted to the Securities and Exchange Commission (''Commission''), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'') [1] and Rule 19b–4 thereunder,[2] a proposed rule change to list and trade warrants based on the ''undervalued market basket'' index.[3]

The proposed rule change appeared in the Federal Register on January 23, 1996.[4] No comments were received on the proposed rule change. The Exchange subsequently filed Amendment No. 1 to the proposed rule change on February 5, 1996 [5] and Amendment No. 2 to the proposed rule change on February 13, 1996.[6] This order approves the Amex's proposal, as amended.

II. Description

The purpose of the proposed rule change is to permit the Exchange to list and trade cash-settled index warrants based on the Vantage Point Index (''Index Warrants''). On August 29, 1995, the Commission approved an Exchange proposal that established uniform listing and trading guidelines for stock index, currency, and currency index warrants (''Generic Warrant Listing Standards Approval Order'').[7] The Exchange states that the listing and trading of warrants based on the Index

[1] 15 U.S.C. § 78s(b)(1) (1988).

[2] 17 CFR 240.19b–4 (1994).

[3] The Amex has clarified that the name of the index will be the Vantage Point Index (''Index''). Telephone Conversation between Michael T. Bickford, Vice President, Capital Markets Development, Amex, and Michael Walinskas, Branch Chief, Derivatives Regulation, Office of Self-Regulatory Oversight, Division of Market Regulation (''Division''), Commission, on February 8, 1996.

[4] *See* Securities Exchange Act Release No. 36721 (January 16, 1996), 61 FR 1799 (January 23, 1996).

[5] In Amendment No. 1, the Amex amended its rule filing to provide that: (1) the Exchange will advise the Commission whenever less than 75% of the component securities in the Index are eligible for standard options trading; (2) if the number of component securities in the basket drops below 25, the Exchange will apply the minimum margin requirements for stock index industry group warrants; and (3) the Amex is presently only seeking the authority to list and trade a single issuance of warrants on the Index and that if the Exchange proposes to list and trade other products based on the Index, including other index warrants, the Exchange will notify the Commission to determine whether a rule filing pursuant to Section 19(b) of the Act will be required. *See* letter from Claire P. McGrath, Managing Director and Special Counsel, Derivative Securities, Amex, to Michael Walinskas, Branch Chief, Derivatives Regulation, Office of Self-Regulatory Oversight, Division, Commission, dated February 5, 1996 (''Amendment No. 1'').

[6] In Amendment No. 2, the Amex clarified its role in the calculation and maintenance of the Index. *See* letter from Claire P. McGrath, Managing Director and Special Counsel, Derivative Securities, Amex, to Michael Walinskas, Branch Chief, Derivatives Regulation, Office of Self-Regulatory Oversight, Division, Commission, dated February 13, 1996 (''Amendment No. 2'').

[7] *See* Securities Exchange Act Release No. 36168 (August 29, 1995), 60 FR 46637 (September 7, 1995) (order approving File No. SR–Amex–94–38).

will comply in all respects with the rules that were amended and enacted through the Generic Warrant Listing Standards Approval Order, including Section 106 of the Amex Company Guide, Amex Rules 1100 through 1110, and Amex Rule 462 (collectively, the ''Amex warrant listing standards'').

A. Design of the Index

The Exchange represents that the Index is a broad-based index comprised of the common stocks of 43 diverse corporations operating in several industry groups, including, computers, aerospace, retail, banking, cellular telecommunications, pharmaceuticals, medical supplies, petroleum products, hotel/motel, toys, and retail stationary.[8] The Index is equal-dollar weighted and is therefore designed to ensure that each of the component securities is represented in an approximately ''equal'' dollar amount. Accordingly, each of the 43 companies included in the Index will represent approximately 2.32 percent of the weight of the Index at the time of issuance of the warrant. The Index multipliers will be determined to yield the benchmark value of 100.00 on the date the warrant is priced for initial offering to the public.

On December 22, 1995, the 43 stocks in the Index ranged in market capitalization from a high of approximately $48.5 billion to a low of approximately $126 million.[9] The total capitalization of the Index on December 22, 1995 was approximately $345 billion. In addition, during the six-month period from June 1995 through November 1995, the average monthly trading volume of the stocks in the Index ranged from 500,000 shares to 188.5 million shares.[10] The Exchange also represents that at least 90% of the total capitalization of the Index is currently represented by component securities that meet the Exchange's criteria for standardized options trading.[11]

B. Maintenance of the Index

The Exchange represents that it will monitor the component securities in the Index on a monthly basis. In this regard, the Exchange will notify the Commission if less than 75% of the component securities in the Index are eligible for standardized options trading. In addition, if the number of component securities in the Index drops below 25, the Exchange will apply the minimum margin requirements for stock index industry group warrants.[12]

Shares of a component stock will only be replaced (or supplemented) under certain limited circumstances, such as the conversion of a component stock into another class of security, the termination of a depositary receipt program, or the spin-off of a subsidiary. Accordingly, all replacement or supplemental Index component securities will be related to the original component stock. The Exchange represents that decisions regarding such changes will be made by the Determination Agent, Bear Stearns & Co. Inc. (''Bear Stearns''), with the consent of the Amex. Moreover, if a change in the composition of the Index is contemplated for reasons other than those set forth above, the Exchange will notify the Commission to determine whether a rule filing pursuant to Section 19(b) of the Act will be required.

If the stock remains in the Index, the multiplier of that security may be adjusted to maintain the component's relative weight in the Index at the level immediately prior to the corporate action. In the event that a security in the Index is removed due to a corporate consolidation and the holders of such security receive cash, the cash value of such security will be included in the Index and will accrue interest at LIBOR to term, compounded daily.

C. Trading of the Index Warrants

Index Warrants will be direct obligations of their issuer, subject to cash-settlement in U.S. dollars and either exercisable throughout their life (*i.e.*, American-style) or exercisable only immediately prior to their expiration date (*i.e.*, European-style). Upon exercise (or at the warrant expiration date in the case of warrants with European-style exercise), the holder of an Index Warrant structured as a ''put'' will receive payment in U.S. dollars to the extent that the value of the Index has declined below a pre-stated cash settlement value. Conversely, upon exercise (or at the warrant expiration date in the case of warrants with European-style exercise), the holder of an Index Warrant structured as a ''call'' will receive payment in U.S. dollars to the extent that the value of the Index has increased above the pre-stated cash settlement value. Index Warrants that are ''out-of-the-money'' at the time of expiration will expire worthless.

D. Calculation and Dissemination of the Value of the Index

The Index value will be continuously calculated by the Amex using the most recently reported prices, and will be publicly disseminated every fifteen seconds over the Consolidated Tape Association's Network B.

In addition, the multiplier of each component stock in the Index remains fixed except in the event of certain types of corporate actions such as the payment of a dividend other than an ordinary cash dividend, stock distribution, stock split, reverse stock split, rights offering, distribution, reorganization, recapitalization, or similar event. The multiplier of each component stock may also be adjusted, if necessary, in the event of a merger, consolidation, dissolution, or liquidation of an issuer or in certain other events such as the distribution of property by an issuer to shareholders, the expropriation or nationalization of a foreign issuer, or the imposition of certain foreign taxes on shareholders of a foreign issuer.

E. Classification of the Index as Broad-Based

The Amex has designed the Index to meet certain objective criteria which it believes are appropriate to classify the Index as broad-based for warrant trading. To ensure that the Index remains representative of a broad spectrum of industries and is comprised

[8] The component securities of the Index are as follows: Aluminum Company of America; Biomet, Inc.; The Boeing Company; Cardinal Health, Inc.; Citicorp; Compaq Computer Corporation; CUC International, Inc.; Donnkenny, Inc.; Electronic Arts Inc.; Enserch Exploration, Inc.; Federal Home Loan Mortgage Corporation; First USA, Inc.; Green Tree Financial Corporation; Hershey Foods Corporation; H.F. Ahmanson & Company; Intel Corporation; Kerr-McGee Corporation; Kimberly-Clark Corporation; Ligand Pharmaceuticals Incorporated; Luxottica Group S.p.A.; Manville Corporation; Mattel, Inc.; Maxxim Medical, Inc.; MCI Communications Corporation; MFS Communications Corporation; Mirage Resorts, Inc.; Mobile Telecommunications Technology Corp.; Monsanto Company; News Corporation Ltd.; Nine West Group, Inc.; Nordstrom, Inc.; OfficeMax, Inc.; Oracle Corporation; Parker Hannifin Corporation; Patriot American Hospitality, Inc.; Pharmacia & Upjohn, Inc.; Seagate Technology, Inc.; Seitel, Inc.; USF&G Corporation; Viacom Inc.; Wells Fargo & Company; Wendy's International, Inc.; and WMX Technologies, Inc.

[9] In addition, the median market capitalization of the companies in the Index on December 22, 1995 was approximately $3.2 billion, and the average market capitalization of these companies on that date was approximately $8 billion.

[10] Two of the component securities, Patriot American Hospitality, Inc. and Pharmacia & Upjohn, Inc., have been trading for less than six months. Patriot American Hospitality began trading on September 27, 1995 as an initial public offering and has had an average monthly trading volume for the months of October and November of 2.7 million shares. Pharmacia & Upjohn was the result of a merger between Pharmacia Aktiebolag and The Upjohn Company and began trading on November 3, 1995. Pharmacia & Upjohn traded 47.5 million shares during the month of November.

[11] *See* Amex Rule 915.

[12] *See* Amex Rule 462, which the Exchange proposes to amend in File No. SR–Amex–95–39. *See* Securities Exchange Act Release No. 36448 (November 1, 1995), 60 FR 56180 (November 7, 1995).

of relatively actively-traded stocks, the Exchange represents that the Index currently meets and exceeds the following criteria: (1) each underlying security has had an average daily trading volume of at least 40,000 shares during the preceding six months (to remain in the Index, each underlying security will have to maintain an average daily trading volume of at least 20,000 shares); (2) no more than 20% of the total weight to the Index is represented by underlying securities that have had an average daily trading volume of less than 75,000 shares in the preceding six months; (3) no underlying security represents more than 10% of the total weight of the Index; (4) the five most heavily weighted securities do not represent more than 30% of the total weight of the Index; (5) the Index is comprised of at least ten industry sectors represented by no less than 43 underlying securities; and (6) at least 75% of the total capitalization of the Index is represented by underlying securities that meet the Exchange's criteria for standardized options trading.[13] The Exchange also notes that the Index meets and exceeds the Designation Criteria for Futures Contracts Involving Non-Diversified Stock Indexes.[14]

F. Listing Standards and Customer Safeguards

As stated above, the listing and trading of warrants based on the Vantage Point Index will comply in all respects with the Amex warrant listing standards. These standards will govern all aspects of the listing and trading of the Index Warrants, including, issuer eligibility,[15] position and exercise limits,[16] reportable positions,[17] automatic exercise,[18] settlement,[19] margin,[20] and trading halts and suspensions.[21]

Additionally, these warrants will be sold only to accounts approved for the trading of standardized options [22] and, the Exchange's options suitability standards will apply to recommendations regarding Index Warrants.[23] The Exchange's rules regarding discretionary orders will also apply to transactions in Index Warrants.[24] Finally, prior to the commencement of trading, the Amex will distribute a circular to its membership calling attention to specific risks associated with warrants on the Index.

III. Discussion

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange, and, in particular, with the requirements of Section 6(b).[25] Specifically, the Commission finds that the trading of warrants based on the Vantage Point Index will serve to protect the public interest, and will help to remove impediments to a free and open market by providing investors holding positions in some or all of the securities underlying the Index with a means to hedge exposure to the market risk associated with their portfolios.[26]

Nevertheless, the trading of warrants on the Index raises several concerns related to the design and maintenance of the Index, customer protection, surveillance, and market impact. The Commission believes, however, for the reasons discussed below, that the Amex has adequately addressed these concerns.[27]

A. Design and Maintenance of the Index

The Commission finds that it is appropriate and consistent with the Act for the Amex to designate the Index as broad-based for warrant trading. First, the Index is comprised of a diverse basket of common stocks, representing such industry sectors as banking, computers, and retail. Second, the Index consists of 43 actively-traded stocks,[28] of which 32 trade on the New York

[13] *See* Amex Rule 915.

[14] *See* Securities and Exchange Commission and Commodity Futures Trading Commission Joint Statement of Policy, Release No. 20578 (January 18, 1984), 49 FR 2884.

[15] *See* Section 106 of the Amex Company Guide. Issuers are required to have a minimum tangible net worth in excess of $250 million or, in the alternative, to have a minimum tangible net worth in excess of $150 million, provided that the issuer does not have (including as a result of the proposed issuance) issued and outstanding warrants where the aggregate original issue price of all such warrant offerings (combined with offerings by its affiliates) listed on a national securities exchange or that are National Market securities traded through Nasdaq exceeds 25% of the issuer's net worth.

In addition, Sections 106(b)–(d) of the Amex Company Guide require that warrant issues: (i) have a term of one to five years; (ii) have a minimum public distribution of one million warrants together with a minimum of 400 public holders, and an aggregate market value of $4 million; and (iii) be cash-settled in U.S. dollars.

[16] *See* Amex Rules 1107 and 1108. Under Amex Rule 1107, no member can hold or control an aggregate position in a stock index warrant issue, or in all warrants issued on the same stock index, (whether long or short) on the same side of the market, in excess of 15 million warrants (7.5 million warrants with respect to warrants on the Standard & Poor's MidCap 400 Index) with an original issue price of ten dollars or less. Stock index warrants with an original issue price greater than ten dollars will be weighted more heavily in calculating position limits.

Amex Rule 1108 establishes exercise limits on stock index warrants analogous to those found on stock index options. Accordingly, no member, acting alone or in concert with others, directly or indirectly, may exercise a long position in warrants within five consecutive business days in excess of the permissible position limit. In addition, such limits are separate and distinct from any exercise limits that may be imposed by the issuers of stock index warrants.

[17] *See* Amex Rule 1110. Under Amex Rule 1110, members are required to file a report with the Exchange whenever any account in which the member has an interest has extablished an aggregate position (whether long or short) of 100,000 warrants overlying the same index, currency, or currency index.

[18] *See* Section 106(f) of the Amex Company Guide. Under Section 106(f) of the Amex Company Guide, all unexercised warrants that are in-the-money will be automatically exercised on their expiration date or on or promptly following the date on which the warrants are delisted by the Exchange (provided that such warrant issue has not been listed on another organized securities market in the U.S.).

[19] *See* Section 106(e) of the Amex Company Guide. Under Section 106(e) of the Amex Company Guide, domestic index warrants (*i.e.*, warrants based on indexes for which 25% or more of the index value is represented by securities traded primarily in the U.S.) are required to utilize a.m. settlement for valuing expiring warrants as well as during the last two business days prior to the valuation date.

[20] *See* Amex Rule 462. In general, the margin requirements for long and short positions in stock index warrants are the same as the margin requirements for long and short positions in stock index options. Accordingly, the purchase of a stock index warrant will require payment in full, and the short sale of a stock index warrant will require margin of 100% of the current value of the warrant plus 15% of the current value of the underlying index less the amount by which the warrant is out-of-the-money (but not less than ten percent of the index value).

[21] *See* Amex Rule 1109 and 918C(b).

[22] *See* Amex Rules 1101 and 921.

[23] *See* Amex Rules 1102 and 923.

[24] *See* Amex Rules 1103 and 924.

[25] 15 U.S.C. § 78f(b) (1988).

[26] Pursuant to Section 6(b)(5) of the Act, the Commission must predicate approval of any new securities product upon a finding that the introduction of such product is in public interest. Such a finding would be difficult with respect to a warrant that served no hedging or other economic function, because any benefits that might be derived by market participants likely would be outweighed by the potential for manipulation, diminished public confidence in the integrity of the markets, and other valid regulatory concerns.

[27] The Commission also notes that the Amex is presently only seeking the authority to list and trade a single issuance of warrants on the Index and that if the Exchange proposes to list and trade other products based on the Index, including other index warrants, the Exchange will advise the Commission in order to determine whether a rule filing pursuant to Section 19(b) of the Act will be necessary or appropriate. This limitation is important since the Index's limited maintenance criteria might present additional issues if the Index was proposed to be used for index options trading.

[28] The Commission notes that if the Amex determines to maintain the Index with some number of component securities other than 43, the Exchange should immediately notify the Commission to determine whether a rule filing pursuant to Section 19(b) of the Act will be required.

Stock Exchange, Inc. (''NYSE''), 1 trades on the Amex, and 10 trade on Nasdaq. Third, the market capitalization of the stocks comprising the Index are very large. Specifically, the total capitalization of the Index, as of December 22, 1995, was approximately $345 billion, with the market capitalization of the individual stocks in the Index ranging from a high of approximately $48.5 billion to a low of approximately $126 million. Fourth, no one particular stock or group of stocks dominates the Index. Specifically, no single stock accounts for more than approximately 2.32% of the Index's value, and the percentage weighting of the five largest issues in the Index account for approximately 11.6% of the Index's value. Accordingly, the Commission believes that it is appropriate to classify the Index as broad-based so that the Exchange may list warrants for trading pursuant to the Amex warrant listing standards.

The Commission notes that with respect to the maintenance of the Index, shares of a component stock will only be replaced (or supplemented) under certain limited circumstances, such as the conversion of a component stock into another class of security, the termination of a depositary receipt program, or the spin-off of a subsidiary. Accordingly, all replacement or supplemental Index component securities will be related to the original component stock. In addition, although the Index will be maintained by Bear Stearns, changes to the composition of the Index can only be made with the consent of the Amex. Moreover, if a change in the composition of the Index is contemplated for reasons other than those set forth above, the Exchange will notify the Commission to determine whether a rule filing pursuant to Section 19(b) of the Act will be required.[29]

The Amex has also implemented several safeguards in connection with the listing and trading of the Index Warrants that will serve to ensure that the Index maintains its intended character as a highly capitalized, diversified, and actively-traded index. In this regard, the Exchange will notify the Commission if less than 75% of the component securities in the Index are eligible for standardized options trading, or if any underlying security fails to maintain an average daily trading volume of at least 20,000 shares.

B. Customer Protection

The Commission notes that the rules and procedures of the Exchange adequately address the special concerns attendant to the trading of index warrants. Specifically, the applicable suitability, account approval, disclosure, and compliance requirements of the Amex warrant listing standards, satisfactorily address potential public customer concerns. Moreover, the Amex plans to distribute a circular to its membership calling attention to specific risks associated with warrants on the Index. Finally, pursuant to the Exchange's listing guidelines, only companies capable of meeting the Amex's index warrant issuer standards will be eligible to issue Index Warrants.

C. Surveillance

The Commission believes that a surveillance sharing agreement between an exchange proposing to list a security index derivative product and the exchange(s) trading the securities underlying the derivative product is an important measure for the surveillance of the derivative and underlying securities markets. Such agreements ensure the availability of the information necessary to detect and deter potential manipulations and other trading abuses, thereby making the security index product less readily susceptible to manipulation. In this regard, the Amex, the NYSE, and the National Association of Securities Dealers, Inc. (''NASD'') are all members of the Intermarket Surveillance Group (''ISG''), which provides for the exchange of all necessary surveillance information.[30]

In addition, the Exchange has developed enhanced surveillance procedures to apply to domestic stock index warrants which the Commission believes are adequate to surveil for manipulation and other abuses involving the warrant market and component securities.[31] Among these enhanced surveillance procedures, the Commission notes that the issuers are required to report to the Exchange on settlement date the number and value of domestic index warrants subject to early exercise the previous day. The Commission believes that this information will aid the Amex in its surveillance capacity and help it to detect and deter market manipulation and other trading abuses.

D. Market Impact

The Commission believes that the listing and trading of warrants on the Index will not adversely impact the underlying securities. First, the Amex's existing index warrants surveillance procedures will apply to warrants on the Index. Second, the Index is broad-based, diversified, and includes highly capitalized securities that are actively-traded. Lastly, the Amex has established reasonable position and exercise limits for stock index warrants, which will serve to minimize potential manipulation and other stock market concerns.

The Commission finds good cause to approve the proposed rule filing, including Amendment Nos. 1 and 2, prior to the thirtieth day after the date of publication of notice of filing thereof in the Federal Register. The Commission notes that no comments were received on the proposal, which was subject to the full 21-day notice and comment period.[32] Moreover, Amendment Nos. 1 and 2 to the Amex's proposal describe details of certain Index maintenance procedures. In this regard, the Commission believes that the Exchange's monthly review of the Index's component securities for options eligibility and applicable margin treatment, as described above, will help to ensure that the Index maintains its intended market character as well as remains an appropriate trading vehicle for public customers. Accordingly, the Commission believes that it is consistent with Section 6(b)(5) of the Act to approve the proposed rule change, including Amendment Nos. 1 and 2, on an accelerated basis.

Interested persons are invited to submit written data, views, and arguments concerning the rule proposal,

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[29] In this regard, the Commission notes that appropriate procedures must be maintained by those responsible for maintaining the Index in order to help to prevent and to deter the misuse of any informational advantages with respect to changes in the composition of the Index. Such procedures should include, for example, appropriate informational barriers.

[30] The ISG was formed on July 14, 1983 to, among other things, coordinate more effectively surveillance and investigative information sharing arrangements in the stock and options markets. The members of the ISG are: the Amex; the Boston Stock Exchange, Inc.; the Chicago Board Options Exchange, Inc.; the Chicago Stock Exchange, Inc.; the NASD; the NYSE; the Pacific Stock Exchange, Inc.; and the Philadelphia Stock Exchange, Inc. Due to the potential opportunities for trading abuses involving stock index futures, stock options, and the underlying stock, as well as for the need for greater sharing of surveillance information for these potential intermarket trading abuses, the major stock index futures exchanges (*e.g.*, the Chicago Mercantile Exchange and the Chicago Board of Trade) have also joined the ISG as affiliate members.

[31] In addition, the Commission notes that issuers are required to report to the Exchange all trades to unwind a warrant hedge that are effected as a result of the early exercise of domestic index warrants. This will enable the Exchange to monitor the unwinding activity to determine if it was effected in a manner that violates Exchange or Commission rules.

[32] *See supra* note 4.

as amended. 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 at the Commission's Public Reference Section, 450 Fifth Street NW., Washington, DC 20549. Copies of such filing also will be available for inspection and copying at the principal office of the Amex. All submissions should refer to File No. SR–Amex–95–58 and should be submitted by March 14, 1996.

IV. Conclusion

For the foregoing reasons, the Commission finds that the Amex's proposal to list and trade warrants based on the Vantage Point Index is consistent with the requirements of the Act and the rules and regulations thereunder.

It Is Therefore Ordered, pursuant to Section 19(b)(2) of the Act,[33] that the proposed rule change (SR–Amex–95–58), as amended, is approved on an accelerated basis.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[34]

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96–3919 Filed 2–21–96; 8:45 am]

BILLING CODE 8010–01–M

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster Loan Area #2830]

Virginia; Declaration of Disaster Loan Area

As a result of the President's major disaster declaration on January 27, 1996, and amendments thereto on January 31 and February 1, 2, and 9, I find that the Counties of Alleghany, Augusta, Bath, Botetourt, Clarke, Frederick, Highland, Loudoun, Page, Rockbridge, Rockingham, Shenandoah, and Warren, and the Independent Cities of Buena Vista, Clifton Forge, Covington, Harrisonburg, Lexington, Staunton, Waynesboro, and Winchester in the Commonwealth of Virginia constitute a disaster area due to damages caused by flooding which occurred January 19 through February 1, 1996. Applications for loans for physical damages may be filed until the close of business on March 27, 1996, and for loans for economic injury until the close of business on October 28, 1996 at the address listed below:

U.S. Small Business Administration, Disaster Area 2 Office, One Baltimore Place, Suite 300, Atlanta, GA 30308

or other locally announced locations. In addition, applications for economic injury loans from small businesses located in the following contiguous counties may be filed until the specified date at the above location: Albemarle, Amherst, Bedford, Craig, Fairfax, Fauquier, Greene, Madison, Nelson, Prince William, Rappahannock and Roanoke Counties in Virginia.

Interest rates are:

	Percent
For Physical Damage:	
Homeowners with credit available elsewhere	8.000
Homeowners without credit available elsewhere	4.000
Businesses with credit available elsewhere	8.000
Businesses and non-profit organizations without credit available elsewhere	4.000
Others (including non-profit organizations) with credit available elsewhere	7.125
For Economic Injury:	
Businesses and small agricultural cooperatives without credit available elsewhere	4.000

The number assigned to this disaster for physical damage is 283006 and for economic injury the number is 874300.

Any counties contiguous to the above-named primary counties and not listed herein, have been declared under a separate declaration for the same occurrence.

(Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008).

Dated: February 14, 1996.

Bernard Kulik,

Associate Administrator for Disaster Assistance.

[FR Doc. 96–3929 Filed 2–21–96; 8:45 am]

BILLING CODE 8025–01–P

DEPARTMENT OF TRANSPORTATION

Federal Railroad Administration

[FRA Emergency Order No. 20, Notice No. 1]

Commuter and Intercity Passenger Railroads, Including Public Authorities Providing Passenger Service, and Affected Freight Railroads; Emergency Order Requiring Enhanced Operating Rules and Plans for Ensuring the Safety of Passengers Occupying the Leading Car of a Train

Introduction

The Federal Railroad Administration (FRA) of the United States Department of Transportation (DOT) has determined that the safety of passengers and railroad employees compels issuance of this Emergency Order. Based on the historical record, rail passenger transportation in the United States is an extremely safe mode of transportation. However, recent train accidents in New Jersey and Maryland, which have claimed a total of fourteen lives, have caused DOT, FRA, and the Federal Transit Administration (FTA) (also part of DOT) to have very serious concerns about the safety of certain aspects of rail passenger transportation. The National Transportation Safety Board (NTSB) has the lead in investigating both accidents. FRA is assisting in both investigations. Although NTSB will not reach final conclusions as to probable cause of either accident for some time, NTSB's preliminary conclusions and what FRA has learned from the investigations (set forth in detail, below) compel that certain steps be taken now to reduce the risks to passengers and crew that apparently exist under certain operating conditions.

Of particular concern are those operations that involve carrying passengers in the lead car of a train over segments of track that do not have either cab signal systems (which provide the engineer with an on-board display of signal indications alongside the tracks) or automatic train stop or automatic train control systems (which automatically cause the train to stop or reduce speed where an engineer fails to respond appropriately to a trackside signal). Both of the recent accidents involved such operations. While thousands of such operations occur daily without incident, the occurrence of two fatal accidents in one week has caused DOT, FRA, and FTA to examine closely the need for immediate enhancements in the safety of such operations. Also of great concern, based

[33] 15 U.S.C. § 78s(b)(2) (1988)

[34] 17 CFR 200.30–3(a)(12) (1994).