

*Department of the Treasury*

Senior Advisor to the Assistant Secretary for Enforcement. Effective February 4, 1997.

Special Assistant to the Chief of Staff. Effective February 10, 1997.

Legislative Analyst to the Director, Office of Legislative Affairs. Effective February 21, 1997.

Public Affairs Specialist to the Senior Advisor and Director, Office of Public Affairs. Effective February 25, 1997.

Special Assistant to the Assistant Secretary (Legislative Affairs and Public Liaison). Effective February 26, 1997.

*Equal Employment Opportunity Commission*

Media Contact Specialist (Bilingual) to the Director, Office of Communications and Legislative Affairs. Effective February 3, 1997.

*General Services Administration*

Senior Advisor to the Commissioner, Public Buildings Service. Effective February 28, 1997.

*National Aeronautics and Space Administration*

Special Assistant to the Administrator, National Aeronautics and Space Administration. Effective February 27, 1997.

*National Credit Union Administration*

Communications and Administrative Assistant to the Board Member. Effective February 18, 1997.

*Office of Personnel Management*

Deputy Director of Communications to the Director of Communications. Effective February 25, 1997.

*U.S. Arms Control and Disarmament Agency*

Special Assistant to the Director, U.S. Arms Control Disarmament Agency. Effective February 11, 1997.

*United States Trade and Development Agency*

Congressional Liaison Officer to the Director of the U.S. Trade and Development Agency. Effective February 28, 1997.

**Authority:** 5 U.S.C. 3301 and 3302; E.O. 10577, 3 CFR 1954-1958 Comp., P. 218. Office of Personnel Management.

**James B. King,**

*Director.*

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-38427; File No. SR-CTA/CQ-97-1]

**Consolidated Tape Association; Notice of Filing of First Substantive Amendment to the Second Restatement of the Consolidated Tape Association Plan**

March 21, 1997.

Pursuant to Rule 11Aa3-2 of the Securities Exchange Act of 1934, as amended ("Act"), notice is hereby given that on March 14, 1997, the Consolidated Tape Association ("CTA") Plan Participants filed with the Securities and Exchange Commission ("Commission" or "SEC") amendments to the Restated CTA Plan. The Commission is publishing this notice to solicit comments from interested persons on the amendments.

**I. General Overview of the Amendment**

*First Substantive Amendment to the Second Restatement of the CTA Plan*

The Participants to the CTA Plan propose to amend the Second Restatement of the CTA Plan.<sup>1</sup> The amendment would modify the CTA Plan's procedures for resuming the dissemination of last sale prices following a regulatory halt. More specifically, the amendment would reduce from 15 minutes to ten minutes the period that must elapse before the Processor can resume the dissemination of market data after the primary market for the halted security notifies the Processor that the information that triggered the halt has been adequately disclosed. The text of the proposed amendment is available from the CTA and at the Commission.

**II. Description and Purpose of the Amendments**

*A. Rule 11Aa3-2*

Section XI(a) of the Second Restatement of the CTA Plan recognizes the right of the primary market for a security to halt or suspend trading in the security if it feels that the non-disclosure of information relating to the security or other regulatory problems warrants that action. After the primary market notifies the Processor that the information that triggered the halt has been adequately disclosed, the Processor is required to disseminate indications of interest for the security that any Participant may provide.

If the primary market provides an indication of interest within 15 minutes of the time that it notifies the Processor about the adequate information disclosure, the Processor may resume its dissemination of last sale information relating to the security at the end of that 15-minute period.

If the primary market does not provide an indication of interest within 15 minutes of its notice to the Processor of the adequate information disclosure, then within five minutes of the end of that period, the primary market must cause the Processor to include on the consolidated tape an administrative message. The message must signify the continuation of the halt or announce the existence of a market condition that relates to the trading of the security in the primary market. In the latter case (i.e., the announcement), the halt terminates five minutes after the announcement, at which time the Processor is to resume disseminating last sale information relating to the security.

The proposed amendment will reduce the 15-minute period to ten minutes. This amendment will enable trading in the security to resume ten minutes after the security's primary market notifies the Processor that the requisite information has been adequately disclosed. In the context of a halt that involves the announcement of an existing market condition, the amendment will also expedite the time by which the primary market must make the announcement, thereby expediting the resumption of the Processor's dissemination of last sale information relating to the security.

The post-disclosure waiting period is primarily intended to allow an adequate opportunity for an appropriate level of dispersion of the information that triggered the trading halt. The Participants believe that significant increases in the speed of communications allow for rapid dissemination of information and rapid response to that disseminated information.

Moreover, the Participants believe the increases in the speed of communications have shifted the balance between timeliness and the price discovery. That is, ten minutes, rather than 15 minutes, has become an appropriate period to arrive at a price that reflects an appropriate equilibrium of buying and selling interest. The proposed amendment will allow a stock to open or re-open in a more expeditious manner, while still providing sufficient time for the appropriate pricing of orders. As a result, the Participants believe the

<sup>1</sup> The Commission approved the Second Restatement of the CTA Plan on May 9, 1996. See Securities Exchange Act Release No. 37191, 61 FR 24842.

proposed amendment strikes an appropriate balance between the preservation of the price discovery process and the provision of timely opportunities for investors to participate in the market.

In addition, the amendment would conform the CTA Plan to rule changes of the New York Stock Exchange ("NYSE") and the American Stock Exchange ("AMEX").<sup>2</sup> In relevant part, those rule changes reduce from 15 minutes to ten minutes the duration of the time period that must elapse between the first publication of an indication of interest following a trading halt and the reopening of trading in the halted security.

Without the instant amendment to the CTA Plan, the NYSE and AMEX rule changes would create the following anomaly: If an indication of interest for a security is published less than five minutes after NYSE or AMEX announces that the information that gave rise to a regulatory trading halt has been adequately dispersed, NYSE and AMEX rules would allow the specialist to reopen trading in the security before the CTA Plan would allow the Processor to report the security's last sale price information. This amendment would eliminate the anomaly.

#### Governing or Constituent Document

The proposed amendment does not change any governing or constituent document relating to a person authorized to implement or administer the CTA Plan on behalf of the Participants.

#### Implementation of Amendment

The Participants plan to implement the proposed changes upon (a) the completion of necessary systems modification (which the Commission is told are minor in nature) and (b) in respect of the applicability of the proposed amendment to Network B Eligible Securities, Commission approval of the Proposed AMEX Rule.

#### Development and Implementation Phases

See Item II(A)(3).

#### Analysis of Impact on Competition

The Participants believe the proposed amendment will impose no burden on competition.

#### Written Understanding or Agreement Relating to Interpretation of, or Participation in, Plan

The Participants have no written understandings or agreements relating to interpretation of its CTA Plan or conditions for becoming a CTA Plan Participant.

#### Approval by Sponsors in Accordance with Plan

Under Section IV(b) of the CTA Plan, each of the CTA Plan's Participants must execute a written amendment to the CTA Plan before the amendment can become effective. The amendment is so executed.

#### Description of Operation of Facility Contemplated by the Proposed Amendment

The Participants believe the proposed amendment does not change the manner in which the CTA Plan's facilities will be operated.

#### Terms and Conditions of Access

The Participants believe the amendment does not change the terms and conditions of access.

#### Method of Determination and Imposition, and Amount of, Fees and Charges

The proposed amendment neither imposes any new fee or charge nor alters any existing fee or charge.

#### Method and Frequency of Processor Evaluation

The proposed amendment does not change the method of frequency for evaluating the CTA Plan Processor.

#### Dispute Resolution

The proposed amendment does not change the method by which disputes may be resolved under the CTA Plan.

#### B. Rule 11Aa3-1

##### Reporting Requirements

The Participants believe the proposed amendment would not affect the CTA Plan's reporting requirements.

##### Manner of Collecting, Processing, Sequencing, Making Available and Disseminating Last Sale Information

In the context of a regulatory halt, the proposed amendment would expedite by five minutes the time by which the Processor must make a security's last sale prices available after the primary market for the security notifies the processor that the information that triggered the halt has been adequately disseminated.

#### Manner of Consolidation

The proposed amendment does not change the manner by which the Participants consolidate last sale prices.

#### Standards and Methods Ensuring Promptness, Accuracy and Completeness of Transaction Reports

The proposed amendment does not change the standards and methods by which the CTA Plan ensures, promptness, accuracy and completeness.

#### Rules and Procedures Addressed to Fraudulent or Manipulative Dissemination

The Participants believe the ten minute waiting period provides adequate opportunity for the dispersion of the information that triggered the halt.

#### Terms of Access to Transaction Reports

The Participants believe the proposed amendment has no effect on the CTA Plan's specific terms of access to transaction reports made available under the CTA Plan.

#### Identification of Marketplace of Execution

The proposed amendment has no effect on the provisions of the CTA Plan that require displays to identify the marketplace where each transaction was executed.

### III. Solicitation of Comments

The CTA in its filing requested immediate effectiveness (subject to the implementation period described above) of this amendment pursuant to Rule 11Aa3-2(c)(3)(ii) under the Act. That rule provides that amendments concerned solely with the administration of the plan may be put into effect upon filing if so designated by the Participants. The Commission does not believe that this filing is concerned solely with the administration of the Plan. Rather the proposed amendment would have an effect upon trading practices within the National Market System. Moreover, the Commission today has also published for comment a rule proposal by the AMEX that relates to the applicability of the proposed CTA amendment to Network B eligible securities.<sup>3</sup> Consequently, the Commission has decided to publish this proposed amendment in accordance with Rule 11Aa3-2(c)(1).

Interested persons are invited to submit written data, views, and arguments concerning the foregoing.

<sup>3</sup> *Id.*

<sup>2</sup> The Commission approved the NYSE rule changed on January 31, 1997. See Exchange Act Release No. 38225, 62 FR 5875 (February 7, 1997). The AMEX has filed in its version (the "Proposed AMEX Rule") with the Commission and the Commission is by separate Notice publishing the proposed rule for comment today. See Exchange Act Release No. 38426 (March 21, 1997).

Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., 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. Copies of such filing will also be available for inspection and copying at the principal office of the CTA. All submissions should refer to the file number in the caption above and should be submitted by April 17, 1997.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>4</sup>

**Jonathan G. Katz,**  
Secretary.

[FR Doc. 97-7784 Filed 3-26-97; 8:45 am]

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[Investment Company Act Release No. 22578; 812-10478]

### **Goldman Sachs & Co.; Notice of Application**

March 21, 1997.

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

**ACTION:** Notice of Application for an Order under the Investment Company Act of 1940 (the "Act").

**APPLICANT:** Goldman Sachs & Co. ("Goldman Sachs").

**RELEVANT ACT SECTIONS:** Order requested under section 6(c) of the Act for an exemption from sections 12(d) (1) and 14(a) of the Act, and under section 17(b) of the Act for an exemption from section 17(a) of the Act.

**SUMMARY OF APPLICATION:** Goldman Sachs requests an order with respect to the Automatic Common Exchange Security Trusts and future trusts that are substantially similar and for which Goldman Sachs will serve as a principal underwriter (the "Trusts") that would (a) permit other registered investment companies to own a greater percentage of the total outstanding voting stock (the "Securities") of any Trust than that permitted by section 12(d)(1), (b) exempt the Trusts from the initial net

worth requirements of section 14(a), and (c) permit the Trusts to purchase U.S. government securities from Goldman Sachs at the time of a Trust's initial issuance of Securities.

**FILING DATES:** The application was filed on January 7, 1997. Applicants have agreed to file an amendment during the notice period the substance of which is incorporated herein.

**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 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 April 15, 1997, and should be accompanied by proof of service on 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.

**ADDRESSES:** Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicant, 85 Broadway, New York, New York 10004.

**FOR FURTHER INFORMATION CONTACT:** Elaine M. Boggs, Senior Attorney, at (202) 942-0572, or Mary Kay Frech, 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. Each Trust will be a limited-life, grantor trust registered under the Act as a non-diversified, closed-end management investment company. Goldman Sachs will serve as a principal underwriter (as defined in section 2(a)(29) of the Act) of the Securities issued to the public by each Trust.

2. Each Trust will, at the time of its issuance of Securities, (a) enter into one or more forward purchase contracts (the "Contracts") with a counterparty to purchase a formulaically-determined number of a specified equity security or securities (the "Shares") of one specified issuer, and (b) in some cases, purchase certain U.S. Treasury securities ("Treasures"), which may include interest-only or principal-only securities maturing at or prior to the Trust's termination. The Trusts will

purchase the Contracts from counterparties that are not affiliated with either the relevant Trust or applicant. The investment objective of each Trust will be to provide to each holder of Securities ("Holder") (a) current cash distributions from the proceeds of any Treasures, and (b) limited participation in, or limited exposure to, changes in the market value of the underlying Shares.

3. In all cases, the Shares will trade in the secondary market and the issuer of the Shares will be a reporting company under the Securities Exchange Act of 1934. The number of Shares, or the value thereof, that will be delivered to a Trust pursuant to the Contracts may be fixed (e.g., one Share per Securities issued) or may be determined pursuant to a formula; the product of which will vary with the price of the Shares. A formula generally will result in each Securities Holder receiving fewer Shares as the market value of such Shares increases, and more Shares as their market value decreases.<sup>1</sup> At the termination of each Trust, each Holder will receive the number of Shares per Securities, or the value thereof, as determined by the terms of the Contracts, that is equal to the Holder's *pro rata* interest in the Shares or amount received by the Trust under the Contracts.

4. Securities issued by the Trusts will be listed on a national securities exchange or traded on the National Association of Securities Dealers Automated Quotation System. Thus the Securities will be "national market system" securities subject to public price quotation and trade reporting requirements. After the Securities are issued, the trading price of the Securities is expected to vary from time to time based primarily upon the price of the underlying Shares, interest rates, and other factors affecting conditions and prices in the debt and equity markets. Goldman Sachs currently intends, but will not be obligated, to make a market in the Securities of each Trust.

5. Each Trust will be internally managed by three trustees and will not have any separate investment adviser.

<sup>1</sup> A formula is likely to limit the Holder's participation in any appreciation of the underlying Shares, and it may, in some cases, limit the Holder's exposure to any depreciation in the underlying Shares. It is anticipated that the Holders will receive a yield greater than the ordinary dividend yield on the Shares at the time of the issuance of the Securities, which is intended to compensate Holders for the limit on the Holders' participation in any appreciation of the underlying Shares. In some cases, there may be an upper limit on the value of the Shares that a Holder will ultimately receive.

<sup>4</sup> 17 CFR 200.30-3(a)(27) (1989).