

The subject matter of the closed meeting scheduled for Friday, January 24, 1997, at 10:00 a.m., will be:

Injunction and settlement of injunctive actions.

Institution and settlement of administrative proceedings of an enforcement nature.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact: The Office of the Secretary at (202) 942-7070.

Dated: January 17, 1997.

Jonathan G. Katz,

Secretary.

[FR Doc. 97-1633 Filed 1-17-97; 12:24 pm]

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[Release No. 34-38170; File No. SR-CHX-96-28]

Self-Regulatory Organizations; Chicago Stock Exchange, Inc.; Order Granting Approval to Proposed Rule Change Relating to Clearing The Post

January 15, 1997.

On November 4, 1996, the Chicago Stock Exchange, Inc. ("CHX" or "Exchange") submitted to the Securities and Exchange Commission ("SEC" or "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 amend Article XX, Rule 10, interpretations and policies .01 relating to clearing the post.

Notice of the proposal was published for comment and appeared in the Federal Register on November 25, 1996.³ No comments were received on the Exchange proposal. This order approves the Exchange proposal.

I. Description

On May 30, 1996, the Commission approved the CHX's Minor Rule Violations Plan ("Plan").⁴ The Exchange's clearing the post rule, Article XX, Rule 10 was included under the Plan, making violations of this rule subject to the summary fine procedures contained in the Plan. Pursuant to Article XX, Rule 10, interpretations and policies .01, violators of the Exchange's clearing the post rule are currently subject to automatic fines of a minimum

of fifty dollars, to be assessed by the Exchange's Committee on Floor Procedure.

The purpose of the proposed rule change is to eliminate the authority of the Exchange's Committee on Floor Procedure with respect to assessing fines for violations of the clearing the post rule. The Exchange believes that minor violations of the clearing the post rule are better handled through the new summary fine procedures contained in the Plan rather than through the Committee on Floor Procedure. The Exchange further believes that using the Plan as the lone summary fine procedure will achieve a uniform procedure for imposing fines for violations of this Exchange rule.

II. Discussion

After careful review, 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. The Commission believes the proposal is consistent with the requirements of Section 6(b)(5) and Section 6(b)(6).⁵ More specifically, the Commission believes the proposal is consistent with the Section 6(b)(5) requirements that the rules of an exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts, and, in general, to protect investors and the public interest.⁶

An Exchange's ability to effectively enforce compliance by its members and member organizations with Exchange rules is central to its self-regulatory functions. The Exchange's earlier inclusion of the clearing the post rule under the Plan was intended to make the Exchange's disciplinary system more efficient in prosecuting more egregious and/or repeated violations of this rule, thereby furthering its mandates to protect investors and the public interest.⁷ Under the Plan, the staff of the Exchange presents the facts supporting violative conduct to a Minor Rule Violation Panel ("Panel"), which consists of three floor members appointed by the President of the Exchange.⁸ The Panel is then authorized

⁵ 15 U.S.C. § 78f(b)(5) and 15 U.S.C. § 78f(b)(6).

⁶ In approving this rule change, the Commission has considered the proposed rules' impact on efficiency, competition, and capital formation. 15 U.S.C. § 78c(f).

⁷ The Minor Rule Violations Panel has the authority to recommend that the Exchange commence a formal disciplinary proceeding. See Securities Exchange Act Release No. 37255 supra note 4.

⁸ A Minor Rule Violation Panel must consist of one member of the Committee on Floor Procedure, one member of the Committee's Rules

to either impose the fine, reject the staff's recommendation, or recommend that the Exchange commence a formal disciplinary proceeding under Article XII of the CHX rules. If the staff decides not to recommend the commencement of a formal disciplinary proceeding, the Panel is required to impose a fine in accordance with the provisions of the procedure. The Exchange has made a reasonable determination that preserving a similar summary fine procedure vested in the Committee on Floor Procedure is unnecessary and redundant.

The Commission believes the proposal is consistent with the Section 6(b)(6) requirement that the members of an exchange be appropriately disciplined for violations of the rules of the exchange. Under the plan, minor violations of the clearing the post rule are punishable by a minimum fine of \$100 (as opposed to a minimum \$50 fine imposed by the Committee on Floor Procedure). Eliminating the authority of the Committee on Floor Procedure to fine violations of the clearing the post rule thereby serves to eliminate a potentially inconsistent fine amount and procedure, and ensures a uniform summary fine procedure for minor violations of the clearing the post rule.

III. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁹ that the proposed rule change (SR-CHX-96-28) is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁰

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97-1435 Filed 1-21-97; 8:45 am]

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[Release No. 34-38153; File No. SR-PTC-96-08]

Self-Regulatory Organizations; Participants Trust Company; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Extending the Time for the Close of the Collateral Loan Facility and the Deadline for Participant Payment of Settlement Obligations

January 10, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934

Subcommittee, and one member not on the Committee or any of its subcommittees. See Securities Exchange Act Release No. 37255 supra note 4.

⁹ 15 U.S.C. § 78s(b)(2).

¹⁰ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. § 78s(b)(1) (1988).

² 17 CFR 240.19b-4 (1994).

³ See Securities Exchange Act Release No. 37964 (November 19, 1996), 61 FR 59918 (November 25, 1996).

⁴ Securities Exchange Act Release No. 37255 (May 30, 1996), 61 FR 28918 (approving File No. SR-CHX-95-25).

("Act"),¹ notice is hereby given that on December 3, 1996, the Participants Trust Company ("PTC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change (File No. SR-PTC-96-08) as described in Items I, II, and III below, which items have been prepared primarily by PTC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The proposed rule change extends the close of the Collateral Loan Facility ("CLF") processing vs. payment from 3:30.59 p.m. to 4:00.59 p.m. and extends the deadline for participants to send settlement wire payments to PTC from 4:15 p.m. to 4:30 p.m., beginning on January 6, 1997.

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

In its filing with the Commission, PTC 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. PTC has prepared summaries, set forth in sections (A), and (B), and (C) below, of the most significant aspects of such statements.²

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

The purpose of the proposed rule change is to extend the close of the CLF processing vs. payment from 3:30.59 p.m. to 4:00.59 p.m. To accommodate the processing extension, the deadline for participant settlement wire payments due PTC also will be extended from 4:15 p.m. to 4:30 p.m. to allow participants sufficient time to arrange for payment when the participant's settlement balance changes as a result of the additional one-half hour financing period. Current opening times and all other deadlines will remain unchanged.

Participants have requested that the extension of the close of the CLF for an additional one-half hour after the normal 3:30.59 p.m. close for regular transaction vs. payment processing be

implemented as part of PTC's program to make Federal Home Loan Mortgage Corporation ("FHLMC") and Federal National Mortgage Association ("FNMA") securities eligible for PTC's book-entry system to allow participants additional time to finance their positions. PTC plans to implement the rule change on January 6, 1997, so that the new deadlines can be evaluated before the FHLMC and FNMA program is implemented.

PTC believes the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act³ and the rules and regulations thereunder because it assures the safeguarding of securities and funds in PTC's custody or control or for which it is responsible.

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

PTC does not believe that the proposed rule change imposes any burden on competition.

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

Participants have requested that PTC make the proposed rule change. PTC has not solicited nor received any written comments on the proposed rule change.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(i) of the Act⁴ and pursuant to Rule 19b-4(e)(1)⁵ promulgated thereunder because the proposal is concerned solely with the administration of PTC. At any time within sixty days of the filing of such rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, D.C. 20549. Copies of the submission, all subsequent amendments, all written statements

with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. § 552, will be available for inspection and copying in 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 PTC. All submissions should refer to File No. SR-PTC-96-08 and should be submitted by February 12, 1997.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁶

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 97-1433 Filed 1-21-97; 8:45 am]

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[Release No. 34-38168; File No. SR-Phlx-96-52]

Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change and Amendment No. 1 Thereto by the Philadelphia Stock Exchange, Inc. Relating to Customized Foreign Currency Option Expiration Times

January 14, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. § 78s(b)(1), notice is hereby given that on December 20, 1996, the Philadelphia Stock Exchange, Inc. ("Phlx") or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the self-regulatory organization. The Phlx has requested accelerated approval for the proposal. On January 10, 1997, Phlx submitted Amendment No. 1 to the proposal in order to clarify when certain classes of foreign currency options ("FCOs") expire.¹ This Order approves the Phlx proposal, as amended, on an accelerated basis and solicits comments from interested persons.

⁶ 17 CFR 200.30-3(a)(12).

¹ See Letter from Michele Weisbaum, Associate General Counsel, Phlx, to Sharon Lawson, Senior Special Counsel, SEC, dated January 6, 1997.

¹ 15 U.S.C. 78s(b)(1).

² The Commission has modified the text of the summaries prepared by PTC.

³ 15 U.S.C. 78q-1(b)(3)(F).

⁴ 15 U.S.C. 78s(b)(3)(A)(i).

⁵ 17 CFR 240.19b-4(e)(1).