

**SECURITIES AND EXCHANGE  
COMMISSION****Sunshine Act Meeting**

**FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT:** [62 FR 34722, June 27, 1997].

**STATUS:** Closed Meeting.

**PLACE:** 450 Fifth Street, N.W., Washington, D.C.

**DATE PREVIOUSLY ANNOUNCED:** June 27, 1997.

**CHANGE IN THE MEETING:** Deletion.

The following item will not be considered at the closed meeting scheduled for Tuesday, July 1, 1997:

Opinion.

Commissioner Hunt, as duty officer, determined that Commission business required the above change and that no earlier notice thereof was possible.

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 (202) 942-7070.

Dated: June 30, 1997.

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 97-17539 Filed 6-30-97; 4:41 pm]

**BILLING CODE 8010-01-M**

**SECURITIES AND EXCHANGE  
COMMISSION****Sunshine Act Meeting**

*Federal Register Citation of Previous Announcement:* [62 FR 34722, June 27, 1997].

*Status:* Closed Meeting.

*Place:* 450 Fifth Street, N.W., Washington, D.C.

*Date Previously Announced:* June 27, 1997.

*Change in the Meeting:* Cancellation of Meeting.

The closed meeting scheduled for Tuesday, July 1, 1997, at 10:00 a.m., has been cancelled.

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 (202) 942-7070.

Dated: July 1, 1997.

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 97-17586 Filed 7-1-97; 11:13 am]

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**SECURITIES AND EXCHANGE  
COMMISSION**

**[Release No. 34-38780; File No. SR-PCX-97-15]**

**Self-Regulatory Organizations; Pacific Stock Exchange Incorporated; Order Granting Approval to Proposed Rule Change Relating to Trading Differentials for Equity Securities**

June 26, 1997.

On May 5, 1997, the Pacific Exchange, Inc. ("PCX" or "Exchange") submitted to the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to adopt a procedure that allows the Exchange to establish trading differentials on an expedited basis.

The proposed rule change was published for comment in the **Federal Register**, and no comments were received.<sup>3</sup> This order approves the proposal.<sup>4</sup>

PCX Rule 5.3(b) currently provides that, unless specifically ruled otherwise, the trading differentials on stocks shall be as follows: On stocks other than those traded on the New York Stock Exchange ("NYSE") or American Stock Exchange ("Amex"): if the selling price is below 1/2 of \$1, the trading differential is 1/32; if the selling price is 1/2 of \$1 but under \$5, the trading differential is 1/16; and if the selling price is \$5 and above, the trading differential is 1/8. This rule further provides that on stocks also traded on the NYSE or the Amex, the trading differentials shall be the same as those prescribed by such exchanges.

The Exchange is proposing to establish a procedure whereby the Exchange may determine the trading differentials for equity securities traded on the Exchange. The Exchange is proposing this change in order to add flexibility, so that it can change its trading differentials on an immediate basis.

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

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> Securities Exchange Act Release No. 38580 (May 7, 1997), 62 FR 26605 (May 14, 1997).

<sup>4</sup> The Commission previously granted temporary accelerated approval to the procedures described herein. Securities Exchange Act Release No. 38575 (May 6, 1997), 62 FR 16606 (May 14, 1997) (File No. SR-PCX-97-16).

requirements of Section 6 and Section 11A of the Act.<sup>5</sup>

There has been a movement within the industry to reduce the minimum trading and quotation increments imposed by the various self-regulatory organizations ("SROs"). The NYSE, The Nasdaq Stock Market ("Nasdaq"), and the Amex have recently reduced their minimum increments.<sup>6</sup> In addition, several third market makers have begun quoting securities in increments smaller than the primary markets. The proposed rule change will allow the PCX the flexibility it needs to address this development and remain competitive with these markets.

Nevertheless, the Commission notes that any further change in the minimum increments constitutes (1) a change in a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule of the PCX, or (2) a change in an existing order-entry or trading system of an SRO, or (3) both. Therefore, the Exchange is still obligated to file such proposed changes with the Commission.<sup>7</sup>

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>8</sup> that the proposed rule change (SR-PCX-97-15) is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>9</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 97-17469 Filed 7-2-97; 8:45 am]

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<sup>5</sup> 15 U.S.C. 78f(b) and 78k-1. In approving this rule change, the Commission notes that it has considered the proposal's impact on efficiency, competition, and capital formation, consistent with Section 3 of the Act. *Id.* § 78c(f).

<sup>6</sup> Securities Exchange Act Release No. 38744 (June 18, 1997), 62 FR 34334 (June 25, 1997) (granting temporary accelerated approval to an NYSE proposal to replace eighths with sixteenths as the minimum trading increment for NYSE-listed securities); Securities Exchange Act Release No. 38571 (May 5, 1997), 62 FR 25682 (May 9, 1997) (approving an Amex proposal to reduce the minimum trading increment from 1/8 to 1/16 for Amex-listed equity securities); Securities Exchange Act Release No. 38678 (May 27, 1997), 62 FR 30363 (June 6, 1997) (approving a proposed rule change by Nasdaq to reduce the minimum quotation increment from 1/8 to 1/16 for Nasdaq-listed securities).

<sup>7</sup> These changes, however, may become effective upon filing if they meet certain statutory requirements. See 15 U.S.C. 78s(b)(3)(A)(i) and 17 CFR 240.19b-4(e).

<sup>8</sup> *Id.* § 78s(b)(2).

<sup>9</sup> 17 CFR 200.30-3(a)(12).