

designed to provide that the requirements of the application will be met. In addition, the Board will evaluate each Joint Account arrangement annually and will authorize continued participation in such Joint Account only if it determines that there is a reasonable likelihood that such continued participation will benefit each Series and its shareholders.

9. Each Series' investment in a Joint Account will be documented daily on the books of the Series and the books of the Custodian.

10. Short-Term Investments held in a Joint Account generally will not be sold prior to maturity unless: (a) The Adviser believes that the investment no longer presents minimal credit risks; (b) the investment no longer satisfies the investment criteria of the Series because of a credit downgrading or otherwise; or (c) in the case of a repurchase agreement, the counterparty defaults. The Adviser may, however, sell any Short-Term Investment (or any fractional portion thereof) on behalf of some or all Series prior to maturity of the investment if the cost of such transactions will be borne solely by the selling Series, and the transaction will not adversely affect the other Series. Each Series will be deemed to have consented to such sale and partition of the investments in the Joint Account.

11. Short-Term Investments held through a Joint Account with a remaining maturity of more than seven days will be considered illiquid and subject to the restriction that the Series may not invest more than 15% (or such other percentage as set forth by the SEC from time to time) of its assets in illiquid securities, if the Series cannot sell its fractional interest in the investment in such Joint Account pursuant to the requirements described in the preceding condition.

12. All joint repurchase transactions will be effected in accordance with Investment Company Act Release No. 13005 (February 2, 1983) and with other existing and future positions taken by the SEC or its staff by rule, interpretive release, no-action letter, any release adopting any new rule, or any release adopting any amendments to any existing rule.

13. Any investment made through a Joint Account will satisfy the investment policies or criteria of all Series participating in that investment.

For the SEC, by the Division of Investment Management, under delegated authority.

Margaret H. McFarland,  
Deputy Secretary.

[FR Doc. 97-4047 Filed 2-18-97; 8:45 am]

BILLING CODE 8010-01-M

## Sunshine Act; Meeting

"FEDERAL REGISTER" CITATION OF PREVIOUS ANNOUNCEMENT: [62 FR 6288, February 11, 1997].

STATUS: Closed Meeting.

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

DATE PREVIOUSLY ANNOUNCED: February 11, 1997.

CHANGE IN THE MEETING: Deletion/Rescheduling.

The following item, scheduled for consideration on Friday, February 14, 1997, has been rescheduled for consideration on Tuesday, February 18, 1997, following the open meeting, at 10:00 a.m.:

Regulatory matter bearing enforcement implications.

Commissioner Wallman, 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: February 14, 1997.

Jonathan G. Katz,

Secretary.

[FR Doc. 97-4242 Filed 2-14-97; 3:46 pm]

BILLING CODE 8010-01-M

[Release No. 34-38266; File No. SR-Amex-97-08]

## Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change by the American Stock Exchange, Inc. Relating to a Pilot Program for Execution of Odd-Lot Orders

February 11, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on February 10, 1997, the American Stock Exchange, Inc. ("Amex" 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 Commission publishing this notice to solicit comments on the proposed rule change from interested persons and to grant

accelerated approval to the proposed rule change.

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

The Exchange proposes to extend for three months its existing pilot program under Amex Rule 205 requiring execution of odd-lot market orders at the prevailing Amex quote with no differential charge.<sup>2</sup>

The text of the proposed rule change is available for the Office of the Secretary, the Amex, and at the Commission.

### 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 III 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 Statutory Basis for, the Proposed Rule Change

##### 1. Purpose

The Commission previously approved, on a pilot basis extending to February 10, 1997, amendments to Amex Rule 205 to require execution of odd-lot market orders at the Amex quote with no odd-lot differential charged.<sup>3</sup> The procedures were not initially approved by the Commission in 1989<sup>4</sup> and were most recently extended in December 1996.<sup>5</sup>

<sup>2</sup> The Exchange seeks accelerated approval of the proposed rule change in order to allow the pilot program, which expires on February 10, 1997, to continue with interruption.

<sup>3</sup> Securities Exchange Act Release No. 38024 (Dec. 6, 1996), 61 FR 65623 (approving File No. SR-Amex-96-47).

<sup>4</sup> Securities Exchange Act Release No. 26445 (Jan. 10, 1989), 54 FR 2248 (approving File No. SR-Amex-88-23).

<sup>5</sup> Securities Exchange Act Release No. 38024 (Dec. 6, 1996), 61 FR 65623 (approving File No. SR-Amex-96-47). Prior to that release, the Commission had extended this pilot program thirteen times. See Securities Exchange Act Release Nos. 37462 (July 19, 1996), 61 FR 39170 (approving File No. SR-Amex-96-25); 36821 (Feb. 8, 1996), 61 FR 6050 (approving File No. SR-Amex-96-06); 35344 (Feb. 8, 1995), 60 FR 8430 (approving File No. SR-Amex-95-03); 34949 (Nov. 8, 1994), 59 FR 58863 (approving File No. SR-Amex-94-47); 34496 (Aug.

Continued

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

In approving prior extensions to the Exchange's odd-lot pilot program, the Commission has expressed interest in the feasibility of the Exchange utilizing the Intermarket Trading System ("ITS") best bid or offer, rather than the Amex bid or offer, for purposes of the Exchange's odd-lot pricing system. In File No. SR-Amex-95-03, requesting a further extension of the pilot program, the Exchange stated that it had determined to proceed with systems modifications to provide for execution of odd-lot market orders at the ITS best bid or offer.<sup>6</sup>

The Commission has approved amendments to Amex Rule 205 to accommodate the prospective modifications to the Exchange's odd-lot pricing system.<sup>7</sup> Specifically, amended Amex Rule 205 would provide that odd-lot market orders to buy or sell would be filled at the "adjusted ITS offer" or "adjusted ITS bid," respectively, which would be defined in Amex Rule 205, Commentary .04, as the lowest offer and highest bid disseminated by the Amex or by another ITS participant market.<sup>8</sup> Where quotation information is not available (e.g., when quotation collection of dissemination facilities are inoperable) odd-lot market orders would be executed at the prevailing Amex bid or offer, or at a price deemed appropriate under prevailing market conditions. These procedures also will apply to odd-lot limit orders that were immediately executable based on the Amex quote at the time the order is received at the trading post or through Post Execution Reporting ("PER") system.

8, 1994), 59 FR 41807 (approving File No. SR-Amex-94-28); 33584 (Feb. 7, 1994), 59 FR 6983 (Approving File No. SR-Amex-93-45); 32726 (Aug. 9, 1993), 58 FR 43394 (approving File No. SR-Amex-93-24); 31828 (Feb. 5, 1993), 59 FR 8434 (approving File No. SR-Amex-93-06); 30305 (Jan. 20, 1992), 57 FR 4653 (approving File No. SR-Amex-92-04); 29922 (Nov. 8, 1991), 56 FR 58409 (approving File No. SR-Amex-91-30); 29186 (May 19, 1991), 56 FR 22488 (approving File No. SR-Amex-91-09); 28758 (Jan. 10, 1991), 56 FR 1656 (approving File No. SR-Amex-90-39; and 27590 (Jan. 5, 1990), 55 FR 1123 (approving File No. SR-Amex-89-31).

<sup>6</sup> See Securities Exchange Act Release No. 35344 (Feb. 8, 1995), 60 FR 8430 (approving File No. SR-Amex-95-03).

<sup>7</sup> See Securities Exchange Act Release No. 36181 (Sept. 1, 1995), 60 FR 47194 (approving File No. SR-Amex-95-24).

<sup>8</sup> In order to protect against the inclusion of incorrect or stale quotations when determining the highest bid and lowest offer, Amex Rule 205, Commentary .04, contains seven criteria that must be met before a quotation in a stock from another ITS market center will be considered. If the ITS quotation fails to meet one of the specified criteria, the best bid or offer disseminated by the Exchange will be used. See Securities Exchange Act Release No. 36181 (Sept. 1, 1995), 60 FR 47194 (approving File No. SR-Amex-95-24).

As the Exchange noted in SR-Amex-95-24, it will implement these amendments upon completion of the necessary systems enhancements by the Exchange and the Securities Information Automation Corporation ("SIAC"). Upon implementation of the amended rule, the Exchange will notify the Commission, as well as Exchange members and member organizations. In order to provide the additional time necessary to implement these systems enhancements, the Exchange proposes to extend the existing pilot program procedures under Amex Rule 205 for three months.

## 2. Statutory Basis

The Exchange believes the proposed rule change is consistent with Section 6(b)<sup>9</sup> of the Act in general and furthers the objectives of Section 6(b)(5)<sup>10</sup> and Section 11A(a)(1)<sup>11</sup> in particular in that it is designed to facilitate the economically efficient execution of odd-lot transactions and to improve the execution of customers' orders.

### B. Self-Regulatory Organization's Statement on Burden on Competition

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

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

The Exchange has neither solicited nor received written comments with respect to the proposed rule change.

## III. 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 at the Commission's Public Reference Section, 450 Fifth Street NW.,

<sup>9</sup> 15 U.S.C. 78f(b).

<sup>10</sup> 15 U.S.C. 78f(b)(5).

<sup>11</sup> 15 U.S.C. 78k-1(a)(1).

Washington, DC 20549. Also, copies of such filing will be available for inspection and copying at the principal office of the Amex. All submissions should refer to File No. SR-Amex-97-08 and should be submitted by March 12, 1997.

## IV. Commission's Findings and Order Granting Accelerated Approval of the Proposed Rule Change

The Commission finds that the Exchange's proposal to extend its pilot program concerning the execution of odd-lot orders through May 12, 1997, is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange. Specifically, the Commission believes the proposal is consistent with Section 6(b)(5) and Section 11A(a)(1) of the Act<sup>12</sup> because the Exchange's proposed pricing procedures are designed to facilitate transactions in odd-lot orders, to help ensure the economically efficient execution of these transactions, and, in general, to protect investors and the public interest. The Commission further believes the revised procedures should provide investors with more timely executions of their odd-lot orders and should produce execution prices that more accurately reflect market conditions than would otherwise be the case under the pre-pilot pricing procedures.<sup>13</sup>

Nevertheless, the Commission is concerned that the Exchange has been unable to implement the new odd-lot pricing procedures as planned. Under the current pilot pricing procedures, which only use the Amex quote in establishing the execution price, some odd-lot orders may not be receiving the best available price.<sup>14</sup> Therefore, the Commission expects the Exchange to complete the systems modifications upon which implementation of the new odd-lot pricing procedures depend before the May 12, 1997 deadline.<sup>15</sup> To ensure that the Commission is adequately informed of the Exchange's

<sup>12</sup> 15 U.S.C. 78f(b)(5) and 78k-1(a)(1).

<sup>13</sup> Prior to the 1989 pilot program, odd-lot market orders were routed to a specialist and held in accumulation in the PER system or by the specialist until a round-lot execution in that security took place on the Exchange. Subsequent to the round-lot execution, the odd-lot order received the same price as the last Exchange round-lot transaction, plus or minus an odd-lot dealer differential. See Securities Exchange Act Release No. 26445 (Jan. 10, 1989), 54 FR 2248 (approving File No. SR-Amex-88-23).

<sup>14</sup> See Securities Exchange Act Release No. 35344 (Feb. 8, 1995), 60 FR 8430 (noting that the Exchange's current pricing formula does not include quotations from other markets).

<sup>15</sup> As noted above, the new procedures provide for odd-lot market orders to be filled at the "adjusted ITS best bid or offer."

progress towards such completion, the Commission again requests that the Exchange provide the Commission with a status report regarding this project on the first day of every month until the necessary system modifications are completed. Finally, upon completion of the systems modifications, the Exchange should give advance notice to the Commission of the date when the new odd-lot pricing procedures are to be implemented.<sup>16</sup>

The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of notice thereof in the Federal Register. This will permit the pilot program to continue on an uninterrupted basis while the Amex works to implement the new procedures. In addition, the procedures the Exchange proposes to continue using are identical to the procedures that were published previously in the Federal Register for the full comment period and were approved by the Commission.<sup>17</sup>

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>18</sup> that the proposed rule change (SR-Amex-97-08) is approved on a pilot basis for a three-month period ending on May 12, 1997.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>19</sup>

Margaret H. McFarland,  
*Deputy Secretary.*

[FR Doc. 97-4051 Filed 2-18-97; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-38274; International Series Release No. 1051; File No. SR-CBOE-97-04]

**Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Chicago Board Options Exchange, Incorporated Relating to Adoption of Foreign Examination Modules**

February 12, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> notice is hereby given that on

January 24, 1997, the Chicago Board Options Exchange, Incorporated ("CBOE or Exchange") filed with Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the CBOE. The CBOE has designated this proposal as a noncontroversial rule change pursuant to Section 19(b)(3)(A) of the Act and subparagraph (e)(6) of Rule 19b-4. 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 CBOE proposes to adopt certain foreign examination modules for the United Kingdom ("U.K."), Canada and Japan, which would reduce duplicative qualification standards. The exams were developed by the New York Stock Exchange ("NYSE") and currently are in use by the NYSE and National Association of Securities Dealers ("NASD"). Exchange Rule 9.3 has certain requirements for registered representatives, one of which is passing various tests. The Exchange previously has recognized the requirement that all registered representative pass the Series 7 examination. The CBOE now is expanding the types of exams that may satisfy the Series 7 requirement.

**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 CBOE 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 CBOE has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

**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 adopt foreign examination modules for the U.K., Canada and Japan. Exchange Rule 9.3 has certain requirements for registered representatives, one of which is passing various tests. The Exchange previously has recognized the requirement that all registered representatives pass the Series 7 examination. The CBOE now is expanding the types of exams that may satisfy the Series 7 requirement.

These foreign examination modules allow persons in good standing with the securities regulators of their respective countries to qualify as general securities registered representatives (Series 7 registrants) by successfully completing certain modified general securities representative examinations which have been developed by the NYSE.<sup>2</sup>

The purpose of the proposal is to reduce duplicative qualification standards that foreign registered representatives from the U.K., Canada and Japan encounter to qualify as a U.S. general securities registered representative, the equivalent of the Series 7 registration. A person who qualifies through one of these examinations may perform all of the functions permitted of a person who holds a Series 7 registration, with the exception of selling municipal securities. The examination modules for the U.K. (Series 17), Canada (Series 37/38) and Japan (Series 47) currently are in use by the NYSE and NASD.<sup>3</sup> At the present time, the CBOE has no rule which allows CBOE registration of a person who has passed the Series 17, Series 37/38 or series 47 versions of the modified general securities representative examinations.

The CBOE wishes to give U.K., Canadian, and Japanese registered representatives the same advantage they have at the NYSE and NASD by eliminating duplicative examinations. the CBOE believes that these examinations will benefit both the Exchange and the foreign representative affected by the proposal.

The Series 17 version, the Limited Registered Representative Examination,

<sup>2</sup> See Securities Exchange Act Release No. 27967 (May 1, 1990), 55 FR 19131 (May 8, 1990) (approving File No. SR-NYSE-89-22, Series 17); Securities Exchange Act Release No. 36629, International Series Release No. 909 (Dec. 21, 1995), 60 FR 67385, *corrected*, Securities Exchange Act Release No. 36629A, International Series Release No. 909A (Jan. 4, 1996), 61 FR 744 (Jan. 10, 1996) (approving File No. SR-NYSE-95-29, Series 37 and Series 38); Securities Exchange Act Release No. 36708, International Series Release No. 915 (Jan. 11, 1996), 61 FR 1808 (Jan. 23, 1996) (approving File No. SR-NYSE-95-36, Series 47).

<sup>3</sup> See Securities Exchange Act Release No. 27967 (May 1, 1990), 55 FR 19131 (May 8, 1990) (approving File No. SR-NYSE-89-22, Series 17); Securities Exchange Act Release No. 36629, International Series Release No. 909 (Dec. 21, 1995), 60 FR 67385, *corrected*, Securities Exchange Act Release No. 36629A, International Series Release No. 909A (Jan. 4, 1996), 61 FR 744 (Jan. 10, 1996) (approving File No. SR-NYSE-95-29, Series 37 and Series 38); Securities Exchange Act Release No. 36708, International Series Release No. 915 (Jan. 11, 1996), 61 FR 1808 (Jan. 23, 1996) (approving File No. SR-NYSE-95-36, Series 47); *see also* Securities Exchange Act Release No. 36825 (Feb. 9, 1996), 61 FR 6052 (approving File No. SR-NASD-96-04, Series 37 and 38); Securities Exchange Act Release No. 37112 (April 12, 1996), 61 FR 17339 (approving File No. SR-NASD-96-13).

<sup>16</sup> The Commission expects the Amex to implement the new odd-lot pricing procedures no later than the May 12, 1997 expiration of this pilot extension.

<sup>17</sup> See Securities Exchange Act Release No. 35344 (Feb. 8, 1995), 60 FR 8430; Securities Exchange Act Release No. 36821 (Feb. 8, 1996), 61 FR 6050; Securities Exchange Act Release No. 37462 (July 19, 1996), 61 FR 39170; and Securities Exchange Act Release No. 38024 (Dec. 6, 1996), 61 FR 65623 (approving File No. SR-Amex-96-47).

<sup>18</sup> 15 U.S.C. 78s(b)(2).

<sup>19</sup> 17 C.F.R. 200.30-3(a)(12).

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