

Additional Information or Comments

Copies of the form and supporting documents can be obtained from Chuck Mierzwa, the agency clearance officer (312-751-3363). Comments regarding the information collection should be addressed to Ronald J. Hodapp, Railroad Retirement Board, 844 North Rush Street, Chicago, Illinois 60611-2092 and the OMB reviewer, Laura Oliven (202-395-7316), Office of Management and Budget, Room 10230, New Executive Office Building, Washington, DC 20503.

Chuck Mierzwa,
Clearance Officer.

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SECURITIES AND EXCHANGE COMMISSION**Proposed Collection; Comment Request**

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of Filings and Information Services, Washington, DC 20549.

Extension: Rule 17a-5, Form X-17A-5, SEC File No. 270-155; OMB Control No. 3235-0123, Rule 17a-5(c), SEC File No. 270-199, OMB Control No. 3235-0199; Rule 17a-7, SEC File No. 270-147, OMB Control No. 3235-0131.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") is soliciting comments on the collection of information summarized below. The Commission plans to submit these existing collections of information to the Office of Management and Budget for extension and approval.

Rule 17a-5 under the Securities Exchange Act of 1934 ("Exchange Act") ("Act") is the basic reporting rule for brokers and dealers, and Form X-17A-5, the Financial and Operational Combined Uniform Single Report, is the basic document for reporting the financial and operational condition of securities brokers and dealers.

The staff estimates that approximately 7,765 respondents respond to this collection of information 39,895 times annually, with a total burden of 12 hours for each response, based upon past submissions. The staff estimates that the average number of hours necessary to comply with the requirements of Rule 17a-5 is 478,740 hours. The average cost per hour is \$100. Therefore, the total cost of compliance for the respondents is \$47,874,000.

Rule 17a-5(c) under the Exchange Act requires certain brokers and dealers to provide statements of financial condition to their customers. It is estimated that approximately 750 broker and dealer respondents incur an average burden of 294,444 hours per year to comply with this rule.

Rule 17a-7 under the Exchange Act requires non-resident brokers or dealers to maintain in the United States complete and current copies of books and records required to be maintained under any rule adopted under the Act. Alternatively, Rule 17a-7 provides that the non-resident brokers or dealers may sign a written undertaking to furnish the requisite books and records to the Commission upon demand.

There are approximately 86 non-resident brokers and dealers. Based on the Commission's experience in this area, it is estimated that the average amount of time necessary to preserve the books and records in the United States as required by Rule 17a-7 is one hour per year. Accordingly, the total burden is 86 hours annually.

Written comments are invited on: (a) whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

Direct your written comments to Michael E. Bartell, Associate Executive Director, Office of Information Technology, Securities and Exchange Commission, 450 5th Street, NW Washington, DC 20549.

Dated: June 22, 1998.

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release 34-40112; File No. 600-24]

Self-Regulatory Organizations; Delta Clearing Corp.; Notice of Filing and Order Approving a Request for Extension of Temporary Registration as a Clearing Agency

June 23, 1998.

Notice is hereby given that on June 12, 1998, Delta Clearing Corp. ("DCC") filed with the Securities and Exchange Commission ("Commission") an application pursuant to Section 19(a) of the Securities Exchange Act of 1934 ("Act")¹ to extend DCC's temporary registration as a clearing agency.² The Commission is publishing this notice and order to solicit comments from interested persons and to extend DCC's temporary registration as a clearing agency through July 31, 1999.

On January 12, 1990, pursuant to Sections 17A and 19(a) of the Act³ and Rule 17Ab2-1(c) thereunder,⁴ the Commission granted DCC's application for registration as a clearing agency on a temporary basis for a period of thirty-six months.⁵ Since that time, the Commission has extended DCC's temporary registration through July 31, 1998.⁶ DCC now requests that the Commission grant an extension of DCC's temporary registration as a clearing agency, subject to the same terms and conditions expressed in previous orders granting and extending DCC's temporary registration,⁷ for a period of twelve months or for such longer period as the Commission deems appropriate.

One of the primary reasons for DCC's registration as a clearing agency was to enable it to provide for the safe and efficient clearance and settlement of transactions involving the over-the-counter trading of options on U.S. Treasury securities. Since that time, the Commission has approved DCC's request to provide clearance and settlement services for repurchase agreement transactions involving U.S.

¹ 15 U.S.C. 78s(a).

² Letter from Stephen K. Lynner, Delta Clearing Corp. (June 11, 1998).

³ 15 U.S.C. 78q-1 and 78s(a).

⁴ 17 CFR 240.17Ab2-1(c).

⁵ Securities Exchange Act Release No. 27611 (January 12, 1990), 55 FR 1890. Prior to a 1996 name change, DCC was named Delta Government Options Corp.

⁶ Securities Exchange Act Release Nos. 38869 (July 24, 1997) 62 FR 40871 (extension until July 31, 1998); 31856 (February 11, 1993), 58 FR 9005 (extension until January 12, 1995); 35198 (January 6, 1995), 60 FR 3286 (extension until January 31, 1997); and 38224 (January 31, 1997), 62 FR 5869 (extension until July 31, 1997).

⁷ *Supra* note 6.

Treasury securities as the underlying instrument.⁸ Currently, repurchase agreement transactions constitute the majority of the transactions cleared by DCC.

As a part of its temporary registration, DCC was granted a temporary exemption from the requirements of Section 17A(b)(3)(C),⁹ which requires that the rules of a clearing agency assure the fair representation of its shareholders or members and participants in the selection of its directors and administration of its affairs. While Commission staff and DCC staff have had ongoing discussions on DCC's proposed method of complying with Section 17A(b)(3)(C), the Commission believes that the issue of DCC's compliance with the fair representation requirements should be completely resolved before DCC receives permanent registration as a clearing agency under Section 17A(b) of the Act.¹⁰

In light of DCC's past performance, the Commission believes that DCC complies with the statutory prerequisites for registration as a clearing agency contained in Section 17A(b)(3) of the Act except for the fair representation requirement discussed above.¹¹ Therefore, the Commission believes that DCC should continue to be registered on a temporary basis. Comments received during DCC's temporary registration will be considered in determining whether DCC should receive permanent registration as a clearing agency.

Interested persons are invited to submit written data, views, and arguments concerning the foregoing application. 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 application and all written comments will be available for inspection and copying at the Commission's Public Reference Room 450 Fifth Street, NW., Washington, DC 20549. All submissions should refer to the File No. 600-24 and should be submitted by July 29, 1998.

It is therefore ordered, pursuant to Section 19(a) of the Act, that DCC's registration as a clearing agency (File No. 600-24) be and hereby is temporarily approved through July 31, 1999.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.¹²

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98-17234 Filed 6-26-98; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40109; File No. SR-NASD-97-77]

Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Order Granting Approval to Proposed Rule Change Relating to the Arbitration of Employment Discrimination Claims

June 22, 1998.

I. Introduction

On October 17, 1997, the National Association of Securities Dealers, Inc. ("NASD" or "Association"), by and through its wholly owned subsidiary NASD Regulation, 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 amend Rule 10201 of the NASD's Code of Arbitration Procedure ("Code") to remove the requirement to arbitrate statutory claims of employment discrimination.

Notice of the proposed rule change, together with the substance of the proposal, was published for comment in Securities Exchange Act Release No. 39421 (December 10, 1997), 62 FR 66164 (December 17, 1997). Nine comment letters were received on the proposal.³ NASD Regulation

¹² 17 CFR 200.30-3(a)(16).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Letter from Dennis C. Vacco, Attorney General of the State of New York ("Attorney General"), to Jonathan G. Katz, Secretary, Commission, dated December 17, 1997 ("Attorney General Letter"); Gilbert F. Casellas, Chairman, U.S. Equal Employment Opportunity Commission ("EEOC"), to Secretary, Commission, ("EEOC Letter"); Jeffrey L. Liddle, Liddle & Robinson, L.L.P., to Secretary, Commission, dated January 2, 1998 ("Liddle Letter"); W. Hardy Callcott, Vice President and Deputy General Counsel, Charles Schwab ("Schwab"), to Jonathan G. Katz, Secretary, Commission, dated January 6, 1997 [sic] ("Schwab Letter"); William J. Fitzpatrick, Attorney, to Secretary, Commission, dated January 8, 1997 [sic] ("Fitzpatrick Letter"); Stuart J. Kaswell, Senior Vice President and General Counsel, Securities Industry Association ("SIA"), to Jonathan G. Katz, Secretary, Commission, dated January 13, 1998 ("SIA Letter"); Helen Norton, Director, Equal Opportunity Programs, Women's Legal Defense Fund ("WLDF"), to Jonathan G. Katz, Secretary, Commission, dated January 7, 1998 ("WLDF Letter"); Cliff Palefsky,

subsequently filed Amendment No. 2 to the proposed rule filing on April 15, 1998.⁴

II. Description

The proposed rule change will modify the current requirement that associated persons arbitrate all disputes arising out of their employment or termination of employment with a member broker/dealer. The proposed rule provides that associated persons are no longer required, solely by virtue of their association or their registration with the NASD, to arbitrate claims of statutory employment discrimination. Associated persons still will be required to arbitrate other employment-related claims, as well as any business-related claims involving investors or other persons.

Background

The requirement for associated persons to register with the NASD arises from Section 15A(g)(3)(B) of the Act, which provides that the NASD may "require a natural person associated with a member, or any class of such natural persons, to be registered with the association in accordance with procedures so established [by the rules of the association]." The registration requirement for associated persons who effect securities transactions was made mandatory by Rule 15b7-1 under the Act in 1993.⁵ The NASD, other self-regulatory organizations ("SROs"), and

Chair, Securities Industry Arbitration Committee, National Employment Lawyers Association ("NELA"), to Secretary, Commission, dated January 6, 1998 ("NELA Letter"); and George A. Schieren, Senior Vice President and General Counsel, Merrill Lynch, to Jonathan G. Katz, Secretary, Commission, dated January 16, 1998 ("Merrill Letter").

⁴ Letter from Jean I. Feeney, Attorney, NASD Regulation, to Katherine A. England, Assistant Director, Market Regulation, Commission, dated April 14, 1998. Amendment No. 2 amends the language of the proposed rule change in Section 10201(b) of the code to state "A claim alleging employment discrimination, *including a sexual harassment claim*, [or sexual harassment] in violation of a statute is not required to be arbitrated." Amendment No. 2 also amends the effective date of the proposed rule change to January 1, 1999. In addition, Amendment No. 2 responds to the comment letters.

⁵ 17 CFR 240.15b7-1. The rule provides as follows:

No registered broker or dealer shall effect any transaction in, or induce the purchase or sale of, any security unless any natural person associated with such broker or dealer who effects or is involved in effecting such transaction is registered or approved in accordance with the standards of training, experience, competence, and other qualification standards (including but not limited to submitting and maintaining all required forms, paying all required fees, and passing any required examinations) established by the rules of any national securities exchange or national securities association of which such broker or dealer is a member or under the rules of the Municipal Securities Rulemaking Board (if it is subject to the rules of that organization).

⁸ Securities Exchange Act Release No. 36367 (October 13, 1995), 60 FR 54095.

⁹ 15 U.S.C. 78q-1(b)(3)(C).

¹⁰ 15 U.S.C. 78q-1(b).

¹¹ 15 U.S.C. 78q-1(b)(3).