

bond listing procedures in any way changes the Exchange's substantive debt listing standards nor the Exchange's enforcement of those standards, such as the requirement that to be listed the issue must have a par value of at least \$5,000,000.⁷

As for early review of indenture terms, what continued to necessitate such review was the prohibition against defeasance discussed above. However, by eliminating that requirement, the Exchange eliminates the last justification of its need to pre-clear indenture and registration terms. Despite these changes, the Commission notes that the Exchange has represented that issuers may still contact the Exchange to discuss the issue's eligibility prior to engaging in the process of completing a listing application when it is uncertain as to whether it will qualify for listing.

Fifth, the Commission finds that it is appropriate for the Exchange to ease certain document submission requirements when those documents are readily available to the Exchange through electronic services. The Exchange has clarified that for such a service to qualify as satisfactory, it must be one to which the Exchange subscribes, and the NYSE also has noted its access to other SEC public document services through the Internet.⁸ Consequently, in carrying out its review of debt securities, the Exchange should continue to have ready access to documents which no longer need to be physically submitted by an issuer.

Sixth, substituting the affirmation of the existence of an opinion of counsel for a copy of the opinion should also facilitate the listing process. The Commission accepts the Exchange's representation that its physical possession of the opinion of counsel is

no longer necessary because in connection with an underwritten offering the Exchange rarely has need to refer to that opinion, and the Exchange can direct the issuer to provide an opinion should the need arise.⁹ Moreover, eliminating content from such opinion should not have a substantial impact. Because the Exchange represents that it has rarely used or relied upon the opinion's description of regulatory proceedings, deletion appears to sacrifice little, while serving to simplify the opinion. In addition, the Commission accepts the use of a listing-application signature of an authorized officer of the issuer as assurance of the board's authorization of the issue and of listing the issue on the Exchange. Moreover, should the Exchange ultimately need to review an opinion, it then could inquire as to any affiliation of the opinion's writer with the issuer.¹⁰

Finally, the Commission wishes to emphasize again that the proposal does not affect the NYSE's substantive quantitative debt listing standards.¹¹ And, having reviewed the proposal in light of the requirements and protections that remain in the Manual, the Commission believes that adequate information will remain publicly available to inform investors about the quality of issuers and their debt securities.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹² that the proposed rule change (SR-NYSE-98-12), as amended, is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹³

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40249; File No. SR-PCX-98-32]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change and Amendment No. 1 Thereto by the Pacific Exchange, Inc. Relating to Listing and Maintenance Fees for Nasdaq Listings

July 22, 1998.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on July 14, 1998, the Pacific Exchange, Inc. ("PCX" or "Exchange") filed with the Securities and Exchange Commission ("Commission" or "SEC") the proposed rule change as described in Items I, II and III below, which Items have been prepared by the Exchange.³ 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 Exchange proposes to modify its listing and maintenance fees so that certain issues listed on both the PCX and the Nasdaq Stock Market, Inc. ("Nasdaq") will be deemed to be "dually listed" for purposes of the Exchange's Listing Fee Schedule. The text of the proposed rule change is set out below. Additions are italicized. Deletions are bracketed.

LISTING FEE SCHEDULE

Original Listing Fees—Original Listing fees are fixed fees in that they are not charged by the number of shares being listed:	
Common Stock, dually listed on NYSE [or] AMEX, or <i>Nasdaq National Market</i>	\$10,000.00
Common Stock, not listed on NYSE [or] AMEX, or <i>Nasdaq National Market</i>	20,000.00
Annual Maintenance Listing Fee (Billed and payable January of each year following initial listing):	
For one issue, dually listed on NYSE [or] AMEX, or <i>Nasdaq National Market</i>	\$1,000.00
For one issue, not listed on NYSE [or] AMEX, or <i>Nasdaq National Market</i>	2,000.00

⁷ See July 10 Letter.

⁸ See July 10 Letter.

⁹ See July 10 Letter.

¹⁰ See Amendment No. 1.

¹¹ See July 10 Letter.

¹² 15 U.S.C. 78s(b)(2).

¹³ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1) (1994).

² 17 CFR 240.19b-4 (1997).

³ The proposed rule change was originally filed on June 19, 1998 pursuant to Section 19(b)(3)(A)(ii)

of the Act. The amendment converted the proposed rule change to a filing pursuant to Section 19(b)(2) of the Act because the proposed rule change modifies fees that apply to issuers. Letter from Robert P. Pacileo, Staff Attorney, Regulatory Policy, PCX to Kelly McCormick, Attorney, Office of Market Supervision, Division of Market Regulation, Commission, dated July 10, 1998.

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 PCX 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 PCX 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

Currently, under the exchange's listing fee schedule, common stock that is dually listed on both the PCX and either the New York Stock Exchange ("NYSE") or the American Stock Exchange ("Amex") is subject to an original listing fee of \$10,000.00. Common stock not dually listed on both the PCX and either the NYSE or the Amex is subject to an original listing fee of \$20,000.00. The Exchange recognizes that Nasdaq is a primary listing association and that Nasdaq bears the primary obligation to ensure that its issuers meet the appropriate listing standards. Therefore, the PCX will be conducting listing maintenance reviews for Nasdaq issues on an annual basis along with other dually listed issues (i.e., those listed on the NYSE and Amex) and not on a quarterly basis. The Exchange believes that the proposal will encourage issuers listed on Nasdaq to list on the PCX.

Proposed Fee Change

To reflect the cost of dual listings and annual maintenance listing reviews, the PCX is proposing to change the following fees. Currently, the listing fee for an original listing of any Nasdaq common stock issue (Nasdaq National Market ("NNM") and Nasdaq SmallCap Market ("SCM")) is \$20,000.00. Under the proposal, the fee would be reduced to \$10,000.00 for NNM issues. Currently, the annual maintenance listing fee for any one Nasdaq listed issue is \$2,000.00. Under the proposal, the fee would be reduced to \$1,000.00 for any one NNM issue.⁴

⁴ The original listing fee and annual maintenance fee for SCM securities would remain unchanged. The listing maintenance review for SCM securities will also remain unchanged, and continue to be conducted quarterly. Telephone call between Robert P. Pacileo, Attorney, PCX and Kelly

2. Basis

The Exchange believes that this proposal is consistent with Section 6(b) of the Act,⁵ in general, and Section 6(b)(4),⁶ in that it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its members, issuers and other persons using its facilities.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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

Written comments on the proposed rule change were neither solicited nor received.

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

Within 35 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the PCX consents, the Commission will:

(A) by order approve such proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. 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

McCormick, Attorney, Division of Market Regulation, SEC, July 6, 1998.

⁵ 15 U.S.C. 78f.

⁶ 15 U.S.C. 78f(b)(4).

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 PCX. All submissions should refer to File No. SR-PCX-98-32 and should be submitted by August 19, 1998.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁷

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40247; File No. SR-SCCP-98-03]

Self-Regulatory Organizations; Stock Clearing Corporation of Philadelphia; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Reducing Certain Trade Recording Fees

July 22, 1998.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on June 30, 1998, the Stock Clearing Corporation of Philadelphia ("SCCP") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which items have been prepared primarily by SCCP. The Commission is publishing this notice to solicit comments on the proposed rule change from interested parties.

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

The purpose of the proposed rule change is to extend on a pilot basis for three months through September 30, 1998, a reduction in SCCP's fee schedule for trade recording fees for certain specialists.

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

In its filing with the Commission, SCCP included statements concerning the purpose of and statutory basis for the proposed rule change. The text of these statements may be examined at

⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).