

advisory group to modify Section 21(c) of NSCC's Rule 52A so that the time frame between a delivering fund member's acknowledgment and confirmation is shortened thereby permitting ore expeditious transfers. Currently, a delivering fund member that has acknowledged a transfer request must confirm the value of the Fund/SERV eligible mutual fund shares or UIT units to be transferred by submitting a confirmation to NSCC no earlier than two days and no later than sixty business days after the submission of an acknowledgment. The proposed rule change will permit the delivering fund member to submit a confirmation no earlier than one day and, as is the case today, no later than sixty business days after the submission of an acknowledgment. The users advisory group has informed NSCC that a one day time frame is sufficient for the submission of a confirmation. NSCC will notify members by Important Notice of the specific implementation date, which is expected to be in December 1998.

NSCC believes that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder since it will facilitate the prompt and accurate clearance and settlement of securities transactions and, in general, will protect investors and the public interest.

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

NSCC does not believe that the proposed rule change will have an impact on or impose a burden on competition.

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

No written comments relating to the proposed rule change have been solicited or received. NSCC will notify the Commission of any written comments received by NSCC.

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

Within thirty-five days of the date of publication of this notice in the **Federal Register** within such longer period (i) as the Commission may designate up to ninety days of such date if it finds such longer period to be appropriate and publishes its reasons for so findings or (ii) as to which the NSCC 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 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, 450 Fifth Street, NW., Washington, DC 20549. Copies of such filing will also be available for inspection and copying at the principal office of NSCC. All submissions should refer to the file number SR-NSCC-98-11 and should be submitted by November 12, 1998.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.³

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40539; File No. SR-NYSE-98-31]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the New York Stock Exchange, Inc. to Amend Rule 46 to Increase the Number of Floor Governors

October 9, 1998.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ notice is hereby given that on September 30, 1998, the New York Stock Exchange, Inc. ("NYSE" or "Exchange") 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 by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The proposed rule change consists of amendments to Rule 46 to increase the number of Floor Governors. The text of the proposed rule change is available at the Office of the Secretary, NYSE and is available 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 NYSE 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 NYSE has prepared summaries, set forth in Section 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 increase in trading volume and number of listed securities in recent years has resulted in higher demand for the services of Floor governors who are responsible for overseeing unusual market situations on the trading Floor. Therefore, to maintain sufficient levels of Floor Governor supervision and timely response, the Exchange proposes to amend Rule 46 to increase the number of Floor Governors from 16 to 20. The last increase in Floor Governors occurred in 1980 when the number was increased from 14 to 16. The Exchange believes the proposed rule change will permit its Floor Governors to perform more effectively those duties prescribed in the rules relating to supervisions and regulation of Floor matters.

In addition to the increase in the number of Floor Governors, the Exchange proposes to correct a typographical error in Rule 46. The last sentence in the first paragraph of Rule 46 should read, in relevant part, "who shall be empowered to perform any duty, make any decision or take[n] any action assigned to or required of a Floor

³ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

Director. . . ." (Brackets indicate deletions.)²

2. Statutory Basis

The proposed rule change relates to Section 6(b)(1) of the Act³ in that it will permit the Exchange, through its Floor Governors, to perform more effectively those duties prescribed in the rules relating to supervision and regulation of Floor matters.

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

The Exchange has neither solicited nor received written comments on the proposed rule change.

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

This proposed rule change is concerned solely with the administration of the Exchange and, as such, may take upon filing with the Commission pursuant to Section 19(b)(3)(A)(iii)⁴ of the Act and Rule 19b-4(e)(3) under the Act.⁵ This designation is based on the fact that the rule change relates solely to the increase in the number of Floor Governors performing duties prescribed in the rules concerning supervision and regulation of Floor matters. At any time within 60 days of the filing of such proposed 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, including whether the proposed rule change is consistent with the Act.⁶

²Telephone call between Donald Siemer, Director, NYSE Market Surveillance, and Joseph P. Corcoran, Division of Market Regulation, Commission.

³15 U.S.C. 78f(b)(1).

⁴15 U.S.C. 78s(b)(3)(A)(iii).

⁵17 CFR 240.19b-4(e)(3).

⁶In reviewing this proposal, the Commission has considered its potential impact on efficiency, competition and capital formation. 15 U.S.C. 78c(f).

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 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 NYSE. All submissions should refer to File No. SR-NYSE-98-31 and should be submitted by November 12, 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. 34-40551; File No. SR-PCX-98-36]

Self-Regulatory Organizations; Order Granting Approval to Proposed Rule Change by the Pacific Exchange, Inc., Relating to the OptiMark System—Specialists Bids and Offers

October 14, 1998.

I. Introduction

On July 2, 1998, the Pacific Exchange, Inc. ("PCX" or the "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 that would require Specialists to ensure that their best bids and offers will be represented in the OptiMark System.

On August 27, 1998, the proposed rule change was published for comment in the **Federal Register**.³ The

⁷17 CFR 200.30-3(a)(12).

¹15 U.S.C. 78s(b)(1).

²17 U.S.C. 19b-4.

³Securities Exchange Act Release No. 40348 (August 20, 1998), 63 FR 45892.

Commission received one comment letter on the proposal.⁴

This order approves the proposed rule change.

II. Description of the Proposal

The Exchange proposes to adopt new Rule 15.3(b) to require PCX Specialists to use the PCX Application of the OptiMark System ("PCX Application") with respect to the bids and offers that they publish. The purpose of the rule is to facilitate best execution of customer orders by requiring PCX Specialists to include best bids and offers in the OptiMark System as Profiles. Specifically, proposed Rule 15.3(b) provides that PCX Specialists must ensure that at all relevant times during regular trading hours, their best bids and offers (whether reflecting limit orders or the Specialist's own interest) will be included in the OptiMark System. Once included, such trading interest is expected to interact with other trading interest, resulting in improved execution opportunities on the PCX. The Exchange believes that the rule change will facilitate interaction between the PCX Application and existing trading interest on the PCX floors, thereby promoting more efficient and effective market operations.

The Exchange is also proposing to modify PCX Rule 15.2 by adding the following provision: "The Exchange will assure that each Specialist is provided with appropriate access to the PCX Application for the purpose of submitting Profiles from the Specialist's Post."

III. Discussion

After careful review, the Commission believes that the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to a national securities exchange. In particular, the Commission believes that the proposed rule change is consistent with Section 11A(a)(1)(C)(iii) and (iv) of the Act. Congress found in those provisions that it is in the public interest and appropriate for the protection of investors and the maintenance of fair and orderly markets to assure that availability to brokers, dealers, and investors of information with respect to quotations for and transactions in securities, and to assure

⁴Letter from James E. Buck, Senior Vice President and Secretary, NYSE, to Jonathan G. Katz, dated September 16, 1998. In the comment letter, the NYSE took no position on whether the Commission should approve PCX's proposal. NYSE noted, however, that the filing does not address the NYSE's concerns regarding proposed amendments to the plan governing the Intermarket Trading System to accommodate the OptiMark System and the PCX Application.