

filed amendments and responses to comments received by the Commission regarding the rule filing in December 1998. In response to additional comments received regarding both the original rule filing and the amendments, as well as comments from the Commission staff, the NASD is preparing further amendments to the pending rule filing. These amendments will be considered shortly by the National Arbitration and Mediation Committee ("NAMC"). If approved, the amendments will then be considered by the Board of NASD Regulation. NASD Regulation believes that it is in the interest of members and associated persons that the effectiveness of the rule remain uninterrupted pending the filing of amendment to, and Commission action on, the permanent rule filing.

2. Statutory Basis

NASD Regulation believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act, which requires, among other things, that the Association's rules be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest. NASD Regulation believes that the current pilot rule serves the public interest by enhancing the satisfaction with the arbitration process afforded by expeditious resolution of certain disputes.³

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

NASD Regulation does not believe that the proposed rule change will result in 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 were neither solicited or received.

III. 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, 460 Fifth Street, N.W., Washington, D.C. 20549-0609. 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 also will be available for inspection and copying at the principal office of the NASD. All submissions should refer to File No. SR-NASD-99-27 and should be submitted by July 13, 1999.

IV. Commission Findings and Order Granting Accelerated Approval of Proposed Rule Change

NASD Regulation has requested that the Commission find good cause pursuant to Section 19(b)(2) of the Act⁴ for approving the proposed rule change prior to the 30th day after publication in the **Federal Register**. The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to the NASD and, in particular, the requirements of Section 15A of the Act.⁵ Rule 10335 is intended to provide a pilot system within the NASD arbitration forum to process requests for temporary injunctive relief. Rule 10335 is intended primarily to facilitate the disposition of employment disputes and other related disputes concerning members who file for injunctive relief to prevent registered representatives from transferring their client accounts to new firms. The Commission expects that, during the pilot's extension, NASD Regulation will consider amendments to the proposed rule change to permanently add Rule 10335 to the Code.⁶

The Commission finds good cause for approving the proposed rule change prior to the 30th day after the date of publication of notice of filing thereof in the **Federal Register**. The Commission believes that accelerated approval of the proposal is appropriate because members will continue to have the

benefit of injunctive relief in arbitration pending filing of amendments to, and Commission action on, the rule filing that would amend Rule 10335 and make it a permanent part of the Code. The Commission finds, therefore, that granting accelerated approval of the proposed rule change in consistent with Section 15A of the Act.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁷ that the proposed rule change (SR-NASD-99-27) is approved on an accelerated basis through January 3, 2000.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁸

Margaret H. McFarland

Deputy Secretary

[FR Doc. 99-15843 Filed 6-21-99; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-41520; File No. SR-NSCC-99-08]

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing and Order Granting Accelerated Approval of a Proposed Rule Change Relating to Amendments to By-Laws and Temporary Waiver of Certain Provisions of Shareholders Agreement

June 11, 1999.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on June 11, 1999, the National Securities Clearing Corporation ("NSCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change (File No. SR-NSCC-99-08) as described in Items I and II below, which items have been prepared primarily by NSCC. The Commission is publishing this notice and order to solicit comments from interested persons and to grant accelerated approval of the proposal.

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

Under the proposed rule change, NSCC will amend its By-Laws and will temporarily waive certain provisions of its shareholders agreement in order to increase the size of its Board of Directors.

¹ 15 U.S.C. 78s(b)(2).

⁸ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

⁴ 15 U.S.C. 78s(b)(2).

⁵ 15 U.S.C. 78o-3. In reviewing the proposed rule change, the Commission considered its potential impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁶ See Securities Exchange Act Release No. 40441 (September 15, 1998), 63 FR 50611 (September 22, 1998) providing notice of File No. SR-NASD-98-49.

³ Telephone conversation between Laura Leedy Gansler, Office of the General Counsel, NASD Regulation, and Daniel M. Gray, Special Counsel, Division of Market Regulation, SEC, on June 14, 1999.

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

In its filing with the Commission, NSCC 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. NSCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.²

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

The Boards of Directors of NSCC and The Depository Trust Company ("DTC") have decided to integrate NSCC and DTC. An initial step in the integration is to propose at NSCC's and DTC's annual meetings in June the reelection of NSCC's Board of Directors by shareholders of NSCC and to propose the reelection of DTC's Board of Directors by the shareholders of DTC. Subject to regulatory approval, the two Boards will then be restructured so that the same group of individuals will serve as the Boards of Directors for each of the two companies.³ Through this process and with the inclusion of DTC and NSCC management directors, the Board of Directors for each company will be comprised of twenty-seven people.⁴

To achieve this result, NSCC will amend Article II, Section 1 of its By-Laws (which currently provides for a Board of 21 Directors) to increase the size of the Board to a maximum of 30 directors. In addition, Section 8(A)(ii) of NSCC's shareholders agreement among NSCC, the New York Stock Exchange Inc./Stock Clearing Corporation, American Stock Exchange Inc./American Stock Exchange Clearing Corporation, and National Association of Securities Dealers Inc./National Clearing Corporation, dated December 15, 1976, as amended, will be

temporarily waived.⁵ Further, because some NSCC directors have already served the maximum term of 5 years, Section 8(A)(i) of the shareholders agreement will also be waived.⁶

NSCC believes that the proposed rule change is consistent with the requirements of Section 17A(b)(3)(A) of the Act⁷ and the rules and regulations thereunder applicable to NSCC. The proposed rule change will not affect the safeguarding of securities and funds in NSCC's custody or control or for which it is responsible.

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

NSCC does not believe that the proposed rule change will impact 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 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 Action

Section 17A(b)(3)(C) of the Act⁸ requires that the rules of a clearing agency assure a fair representation of its shareholders (or members) and participants in the selection of its directors and administration of its affairs. The Commission believes that the proposed rule change is consistent with NSCC's obligations under Section 17A(b)(3)(C) because it should not affect the representation of NSCC's shareholders and participants in the selection of its directors and the administration of its affairs. On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of the Act and in particular with the requirements of Section 17A of the Act and the rules and regulations thereunder.

The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after the publication of notice of the filing. Approving prior to the thirtieth day after publication of notice will allow NSCC to proceed at its annual meeting

on June 12, 1999, with the steps necessary to modify its Board of Directors so that NSCC and DTC can implement uniform boards.

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 20549-0609. 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 Section, 450 Fifth Street, NW, Washington, DC 20549. Copies of such filing also will be available for inspection and copying at the principal office of DTC. All submissions should refer to File No. SR-NSCC-99-08 and should be submitted by July 12, 1999.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR-NSCC-99-08) be and hereby is approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁹

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 99-15846 Filed 6-21-99; 8:45 am]

BILLING CODE 8010-01-M

SOCIAL SECURITY ADMINISTRATION

Social Security Ruling, SSR 99-3p, Title XVI: Evaluation of Disability and Blindness in Initial Claims for Individuals Age 65 or Older

AGENCY: Social Security Administration.
ACTION: Notice of Social Security ruling.

SUMMARY: In accordance with 20 CFR 402.35(b)(1), the Commissioner of Social Security gives notice of Social Security Ruling, SSR 99-3p. This Ruling clarifies the Social Security Administration's standards and procedures for the adjudication of disability and blindness

² The Commission has modified the text of the summaries prepared by DTC.

³ Simply combining NSCC's current Board with DTC's current Board to achieve uniform Boards would result in certain user and marketplace organizations having more than one representative on the uniform Boards. As a result, each organization represented will be asked to select only one representative.

⁴ Under the Federal Reserve Act, DTC's may have no more than twenty-five members on its Board. As a result, after the uniform Boards are elected, DTC's Board will have twenty-five members and two non-voting advisors, and NSCC's board will have twenty-seven members.

⁵ Section 8(A)(i) of NSCC's shareholders agreement sets forth the process for establishing the nominating committee of NSCC's Board of Directors.

⁶ Section 8(A)(ii) of NSCC's shareholders agreement provides, among other things, that no person shall be eligible to serve as a participant for more than five consecutive years.

⁷ 15 U.S.C. 78q-1(b)(3)(A).

⁸ 15 U.S.C. 78q-1(b)(3)(C).

⁹ 17 CFR 200.30-3(a)(12).