

would permit the NASD to require members and associated persons to provide information to any other domestic or foreign SROs, associations, securities or contract markets or regulators of such markets with whom the Association has entered into agreements providing for the exchange of regulatory information. By amending Rule 8210, the NASD also will have explicit authority to discipline members and associated persons who fail to provide information to other domestic or foreign SROs, associations, securities or contract markets or regulators of such markets with whom the NASD has information sharing agreements.

Finally, the NASD is proposing to insert the phrase "the Market Surveillance Committee" in that part of Subparagraph (a) of Rule 8210 that references the District Business Conduct Committee and the Board of Governors, and the phrase "any Market Surveillance Committee," after the phrase "any District Business Conduct Committee" in Subparagraph (e)(1) of Rule 8220. The change conforms Rules 8210 and 8220 with references to the Market Surveillance Committee in the definitions and relevant titles of the Code of Procedure.

## 2. Statutory Basis

The NASD believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,<sup>6</sup> which require, among other things, that the rules of the Association be designed to foster cooperation and coordination with persons engaged in regulating securities transactions. The proposed rule change is consistent with these objectives in that it clarifies that the Association has the authority to require members to provide information to other domestic or foreign self-regulatory organizations, associations, securities or contract markets or regulators of such markets for regulatory purposes and to discipline those

NYSE Rule 476(a)(11) permits the NYSE to bring disciplinary action against a member, member organization, allied member, approved person, registered or non-registered employee for failing to comply with an NYSE request to submit books and records to the NYSE or any other SRO and for failure to furnish information to or to appear or testify before the NYSE or other SRO. The NYSE has proposed an amendment to Rules 27, 476(a)(11), and 477 to require persons under Exchange jurisdiction to comply with information requests from commodities markets and associations and foreign self-regulatory organizations and associations. Securities Exchange Act Release No. 36831 (Feb. 12, 1996), 61 FR 6279 (Feb. 16, 1996) (notice of File No. SR-NYSE-95-43). Currently, Art. V, Sec. 4(a) of the AMEX Rules facilitates examinations being conducted by another exchange.

<sup>6</sup> 15 U.S.C. 78o-3.

members who fail or refuse to provide such information.

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

The NASD 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, as amended.

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

No written comments were either solicited or received.

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

Within 35 days of the 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 self-regulatory organization consents, the Commission will:

(A) By order approve the 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. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 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 NASD. All submissions should refer to File No. SR-NASD-96-14 and should be submitted by May 27, 1996.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority, 17 CFR 200.30-3(a)(12).

Margaret H. McFarland,

*Deputy Secretary.*

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[Release No. 34-37154; File No. SR-NASD-96-18]

## **Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change by National Association of Securities Dealers, Inc. Relating to the Temporary Extension of Effectiveness of Arbitration Procedures for Large and Complex Cases**

April 30, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. 78s(b)(1), notice is hereby given that on April 30, 1996,<sup>1</sup> the National Association of Securities Dealers, Inc. ("NASD" or "Association") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the NASD. 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 NASD is proposing to temporarily extend the effectiveness of the arbitration Procedures for Large and Complex Cases, Rule 10334 of the Code of Arbitration Procedure ("Code"),<sup>2</sup> to August 1, 1996. Below is the text of the proposed rule change. Proposed new language is in *italics*; proposed deletions are in *brackets*.

#### **Code of Arbitration Procedure**

\* \* \* \* \*

#### **Procedures for Large and Complex Cases**

##### **Rule 10334**

\* \* \* \* \*

<sup>1</sup> The NASD originally submitted the proposed rule change on April 24, 1996. Amendment No. 1, submitted on April 29, 1996, states that the Board of Directors of NASD Regulation, Inc. authorized the filing of the proposed rule change with the Commission on April 26, 1996. Amendment No. 2, submitted on April 30, 1996, amends Rule 10334(h) to extend the effective date of that Rule to August 1, 1996.

<sup>2</sup> Formerly Section 46 of the Code of Arbitration Procedure, NASD Manual, Code of Arbitration Procedure, Art. III, § 46 (CCH) ¶ 3746.

## Temporary Effectiveness

(h) This Section 46 shall remain in effect [for one year from May 2, 1995] until August 1, 1996 unless modified or extended prior thereto by the Board of Governors.

## 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 NASD 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 NASD 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

The Procedures for Large and Complex Cases, adopted effective May 2, 1995, for a one-year pilot test and codified at Rule 10334 of the Code (formerly Section 46) will expire on May 2, 1996. Since Rule 10334 became effective, the Rule has been used on occasion by parties to large and complex cases.

In addition, the NASD's Arbitration Policy Task Force, which issued its report on "Securities Arbitration Reform" in January 1996, has recommended that the one-year pilot test of Rule 10334 be extended in order to permit the NASD to gather additional data and analyze the low usage rate of the procedures.

The NASD believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act<sup>3</sup> because it permits the NASD to continue to specify procedures in the Code for large and complex cases. This serves the public interest by enhancing the satisfaction and perceived fairness of such proceedings by the parties to such proceedings. To the extent the parties to such proceedings express increased satisfaction with the resolution of eligible matters, the goal of providing the investing public with a fair, efficient and cost-effective forum for the resolution of disputes is advanced.

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

The NASD 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, as amended.

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

Written comments were neither solicited nor received.

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

The NASD has requested that the Commission find good cause pursuant to Section 19(b)(2) 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 and the rules and regulations thereunder. 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 that accelerated approval will benefit users of the arbitration process in that providing a temporary extension of the procedures for large and complex cases will permit arbitration participants to continue to use the procedures until a one-year extension is submitted to the Commission for approval.

Rule 10334 expires by its terms on May 2, 1996. The NASD is asking that the effectiveness of the Rule be temporarily extended until August 1, 1996, in order to permit the NASD to submit a proposed rule change to extend the effectiveness of the rule for one year. In addition, the application of the Rule to any case submitted to arbitration is voluntary. Thus, extending the effectiveness of the Rule will not have any adverse impact on the investing public.

## IV. 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 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 NASD. All submissions should refer to SR-NASD-96-18 and should be submitted by May 27, 1996.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act, that the proposed rule change SR-NASD-96-18 be, and hereby is, approved through August 1, 1996.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority, 17 CFR 200.30-3(a)(12).  
Margaret H. McFarland,  
Deputy Secretary.

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[Release No. 34-37151; File No. SR-NYSE-96-10]

## Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the New York Stock Exchange, Inc. Relating to Six-Month Extension of Pilot Program To Display Price Improvement on the Execution Report Sent to the Entering Firm

April 29, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. 78s(b)(1), notice is hereby given that on April 19, 1996, the New York Stock Exchange, Incorporated ("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 self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The proposed rule change extends for six months the program filed as a pilot in Securities Exchange Act Release Nos. 36421 (October 26, 1995), 60 FR 55625 (November 1, 1995) (File No. SR-NYSE-95-35) and 36489 (November 16, 1995), 60 FR 58123 (November 24, 1995) (File

<sup>3</sup> 15 U.S.C. 78o-3.