

Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington D.C. 20549. Copies of the submissions, all subsequent amendments, all written statements with respect to the request for extension of temporary registration as a clearing agency that are filed with the Commission, and all written communications relating to the requested extension 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, N.W., Washington, D.C. 20549. Copies of such filing will also be available for inspection and copying at the principal office of DCC. All submissions should refer to the File No. 600-24 and should be submitted by February 28, 1997.

Conclusion

On the basis of the foregoing, the Commission finds that DCC's request for extension of temporary registration as a clearing agency is consistent with the Act and in particular with Section 17A of the Act.

It is therefore ordered, that DCC's temporary registration as a clearing agency (File No. 600-24) be, and hereby is extended through July 31, 1997.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.¹⁴

Margaret H. McFarland,
Deputy Secretary.

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[Release No. 34-38226; File No. SR-NASD-97-03]

Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change by National Association of Securities Dealers, Inc. and the Nasdaq Stock Market, Inc. Relating to the Filing of Changes to Total Shares Outstanding and Corporate Name of Nasdaq Issuers

January 31, 1997.

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 January 22, 1997, the National Association of Securities Dealers, Inc. ("NASD") and the Nasdaq Stock Market, Inc.

("Nasdaq") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by Nasdaq. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons and to grant accelerated approval to the proposed rule change.

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

NASD and Nasdaq are proposing to amend Nasdaq's listing requirements to restore a filing requirement that requires a Nasdaq-listed company to notify NASD and Nasdaq when it changes the amount of shares outstanding by more than 5% or changes its corporate name. Below is the text of the proposed rule change. Proposed new language is in italics; there are no deletions.

Qualification Requirements for Domestic and Canadian Securities

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Rule 4310(c)(20)

The issuer shall notify the Association promptly in writing of any change in the general character or nature of its business and any change in the address of its principal executive offices. *The issuer also shall file on a form designated by the Association notification of any corporate name change no later than 10 days after the change.*

Rule 4310(c)(24)

The issuer shall file, on a form designated by the Association no later than 10 days after the occurrence, any aggregate increase of any class of securities included in Nasdaq that exceeds 5% of the amount of securities of the class outstanding.

Qualification Requirements for Non-Canadian Foreign Securities and American Depositary Receipts

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Rule 4320(e)(19)

The issuer shall notify the Association promptly in writing of any change in the general character or nature of its business and any change in the address of its principal executive offices. *The issuer also shall file on a form designated by the Association notification of any corporate name change no later than 10 days after the change.*

Rule 4320(e)(21)

The issuer shall file, on a form designated by the Association no later than 10 days after the occurrence, any aggregate increase or decrease of any class of securities included in Nasdaq that exceeds 5% of the amount of securities of the class outstanding.

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

In their filing with the Commission, the NASD and Nasdaq 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 Items III below. Nasdaq 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

Effective July 15, 1996, the SEC eliminated Rules 13a-17 and 15d-17, and Form 10-C under the Exchange Act. These rules required Nasdaq-listed companies to report to the SEC and the NASD: (1) Aggregate increases or decreases of a class of securities that exceed 5% of the amount of securities of the class outstanding; and (2) corporate name changes. The SEC eliminated these requirements as part of a general streamlining of their disclosure requirements, stating that the information could be found in a company's financial statements.³

Because NASD Rules 4310(c)(14) and 4320(e)(13) require Nasdaq issuers to file with the NASD and Nasdaq any filings submitted to the SEC, the elimination of the SEC requirements has, in effect, eliminated timely notification of this information to the NASD and Nasdaq.

It is important, however, for the NASD and Nasdaq to continue to receive this information from issuers as it becomes available. Information concerning total shares outstanding is necessary to calculate market capitalization and adjust the various market indices that contain Nasdaq securities. In addition, the information is relevant to Nasdaq listing

¹⁴ 17 CFR 200.30-3(a)(50)(i).

¹⁵ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Exchange Act Release No. 37262 (May 31, 1996), 61 FR 30397 ("Phase One Recommendations of Task Force on Disclosure Simplification").

requirements regarding minimum public float, and a "market capitalization" test that Nasdaq is in the process of proposing. Corporate name change information also must be kept up to date.

2. Statutory Basis

The NASD and Nasdaq believe the proposed rule change is consistent with Sections 15A(b)(6)⁴ and 11A(a)(1)(C)⁵ of the Act. Section 15A(b)(6) requires that the rules of a national securities association be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, and to remove impediments to and perfect the mechanism of a free and open market. Section 11A(a)(1)(C) provides that it is in the public interest and appropriate for the protection of investors to, among other things, assure the availability to brokers, dealers, and investors of information with respect to quotations for and transactions in securities. The restoration of the notification requirement is necessary to ensure that the NASD and Nasdaq have current information on the total shares outstanding for Nasdaq issuers. This information is important to accurately calculate market capitalization and adjust indices containing Nasdaq securities. These indices are relied upon by market participants and the public to indicate the value and movement, in the aggregate, of the securities of which they are comprised. In addition, the information is relevant to Nasdaq listing standards. Records regarding corporate name changes also must be kept current.

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

The NASD and Nasdaq do 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. 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-97-03 and should be submitted by February 28, 1997.

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

The Commission finds that the NASD's and Nasdaq's proposal is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities association. Specifically, the Commission finds that the proposed rule change is consistent with Sections 15A(b)(6)⁶ and 11A(a)(1)(C)⁷ of the Act, which require that a national securities association have rules that are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and, in general, to protect investors and the public interest.

The Commission believes that this proposal is consistent with Section 15A(b)(6) and 11A(a)(1)(C) of the Act because it will reinstate filing requirements imposed on Nasdaq-listed companies prior to the elimination of Form 10-C by the Commission. The reinstatement of the notification requirement will ensure that the NASD and Nasdaq continue to receive pertinent information relating to Nasdaq-listed companies on a timely basis. The Commission believes that the continued receipt of timely information relating to changes in the amount of shares outstanding of more than 5% or

changes in corporate name of Nasdaq-listed companies may prevent fraudulent or manipulative acts and practices and will serve the public interest as such information is relied upon by market participants. The Commission therefore finds good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of notice thereof in the Federal Register.

It is therefore ordered, pursuant to Section 19(b)(2)⁸ of the Act, that the proposed rule change (File No. SR-NASD-97-03) is hereby approved on an accelerated basis.

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

Margaret H. McFarland,
Deputy Secretary.

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[Release No. 34-38221; File No. SR-NYSE-96-38, SR-Amex-96-49, SR-CBOE-96-78, SR-CHX-96-33, SR-BSE-96-12, and SR-Phlx-97-03]

Self-Regulatory Organizations; Order Granting Approval To Proposed Rule Changes by the New York Stock Exchange, Inc., American Stock Exchange, Inc., and Chicago Board Options Exchange, Incorporated; and Order Granting Accelerated Approval To Proposed Rule Change by the Philadelphia Stock Exchange Inc., and Amendment No. 1 to the Proposed Rule Change by the Chicago Board Options Exchange, Incorporated, Relating to Amendments to Their Respective Market-Wide Circuit Breaker Provisions

January 31, 1997.

I. Introduction

On December 11, 1996, the New York Stock Exchange, Inc. ("NYSE"); on December 16, 1996, the American Stock Exchange, Inc., ("Amex"), on December 18, 1996, the Chicago Board Options Exchange, Incorporated ("CBOE"), and the Chicago Stock Exchange, Incorporated ("CHX"); on December 31, 1996, the Boston Stock Exchange, Inc. ("BSE"); and on January 6, 1997, the Philadelphia Stock Exchange, Inc. ("Phlx") respectively (each individually referred to herein as an "Exchange" and

⁴ 15 U.S.C. 78o-3(b)(6).

⁵ 15 U.S.C. 78k-1(a)(1)(C).

⁶ 15 U.S.C. 78o-3(b)(6).

⁷ 15 U.S.C. 78k-1(a)(1)(C).

⁸ 15 U.S.C. 78s(b)(2).

⁹ 17 CFR 200.30-3(a)(12).