

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40310A; File No. SR-NASD-98-14]

### Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the National Association of Securities Dealers, Inc. ("NASD" or "Association") Concerning Sales Charges and Prospectus Disclosure for Mutual Funds and Variable Contracts

August 24, 1998.

#### Correction

In FR Document No. 98-21957, beginning on page 43974 for Monday, August 17, 1998, the caption should be as set forth above.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>1</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40344; File No. SR-NYSE-98-24]

### Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the New York Stock Exchange, Inc. Relating to Revisions to the Floor Conduct and Safety Guidelines

August 19, 1998.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on August 5, 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 Organization's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change consists of an amendment to the Exchange's Floor Conduct and Safety Guidelines

("Guidelines") which revises the Code of Personal Appearance contained therein. The Guidelines are a "stated policy, practice or interpretation" concerned with the administration of Exchange Rule 35. The text of the proposed rule change is set out below. Additions are italicized. Deletions are bracketed.

#### FLOOR CONDUCT AND SAFETY GUIDELINES

\* \* \* \* \*

*Code of Personal Appearance*—Members and employees of members and member organizations must conform to the revised Trading Floor Code of Personal Appearance. *All garments must be reasonably pressed and not wrinkled.*

#### MALE PERSONNEL

All male personnel are expected to wear *suitable attire as follows*: A Dress Shirt, buttoned at the collar, with a *dress tie knotted at the customary place, i.e., snug to the collar*; Full Length Dress Trousers or slacks, JEANS OR OTHER SPORT SLACKS [OF ANY TYPE] ARE NOT PERMITTED; a jacket with long sleeves. (An acceptable jacket shall include a suit, [or] sport coat, *blazer* or SOLID COLOR office jacket[]). *Any back or side panels or mesh back must be of same color as jacket or black.*

#### FEMALE PERSONNEL

All female personnel are expected to wear suitable attire as follows:

*Skirts and Dresses* should be worn at appropriate business lengths. No tube skirts, micro-mini[']s, see-through or other extremely revealing styles.

*Blouses, Shirts, Sweaters and Tops* should be of appropriate style and shall exclude informal wear such as tank tops, tube tops, midribs, backless halters, see-[thru]through sweatshirts and [t]T-shirts. Leotards, plunging necklines and off-the-shoulder styles are also unacceptable.

*Pants & Slacks* should be Full Length Dress Slacks. [Casual pants are UNACCEPTABLE, including] JEANS, LEGGINGS OR OTHER SPORT SLACKS ARE NOT PERMITTED. [OF ANY TYPE, COLOR OR FABRIC. Also excluded are leather pants, chinos, leggings, knit sweat pants, mid-calf pants and shorts. WHEN SLACKS ARE WORN, AN ACCEPTABLE OFFICE JACKET MUST ALSO BE WORN.] *When slacks are worn, a jacket with long sleeves must be worn. (An acceptable jacket shall include a suit, sport coat, blazer or solid color office jacket. Any back or side panels or mesh back must be of same color as jacket or black.)*

#### MALE AND FEMALE REQUIREMENTS

*Footwear* should be confined to those that are comfortably heeled and considered safe, in view of the heavy traffic on the Trading Floor. Shoes should also be of appropriate styles. *OPEN TOE OR OPEN BACK SANDALS, FLIP FLOPS, [DR. SCHOLL'S, BEDROOM SLIPPERS,] CASUAL BEACH OR BOAT SHOES, HIGH TOP SNEAKERS and other extreme styles are NOT PERMITTED. Shoes must be worn at all times on the Floor, including in the booth or behind the post.*

[Proper] *Appropriate hosiery, i.e., socks for men and socks or stockings [for women] of appropriate length for women, [ARE] IS TO BE WORN AT ALL TIMES.*

*Summer Attire*: The standards of dress outlined above will apply throughout the year. If conditions warrant, the Market Performance Committee may waive certain of the requirements for a specified period of time.

*Grooming*: Beards, Mustaches, and Sideburns should be neatly trimmed. Hair should be neatly maintained.

\* \* \* \* \*

*Runners*: [must be properly attired. Tie and acceptable jackets are required. Failure to adhere to these provisions will result in the following penalties.] *May not wear hats (unless required for religious reasons). No headphones, jeans or other sport slacks are permitted. An acceptable work jacket is required. A tie is not required.*

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#### 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 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

The purpose of the Guidelines is to ensure that the behavior and practices of individuals on the Floor of the Exchange contribute to the efficient, undisrupted conduct of business on the Floor and do not jeopardize the safety and welfare of others. Included in the

<sup>1</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.