rights of members from whom the Exchange requests information pursuant to CBOE Rule 15.9(b). Accordingly, the Commission believes it is consistent with Sections 6(b)(5) and 19(b)(2) of the Act to approve Amendment No. 1 to the proposed rule change on an accelerated basis.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,[10] that the proposed rule change (SR–CBOE–94–39) is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[11]

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95–4858 Filed 2–27–95; 8:45 am]

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[Release No. 34–35401; File No. SR–NASD–95–04]

Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change Relating to Amendments to the Examination Specifications and Content Outline for the General Securities Registered Representative (Series 7) Examination

February 22, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] notice is hereby given that on February 13, 1995,[2] 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, II, and III 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 amendments to the examination specifications and study outline for the General Securities Registered Representative (''Series 7'') qualification examination. The amendments revise materials pertaining to recently enacted federal and self-regulatory organization (''SRO'') rules and regulations, new products and changes in industry practices. The number of questions per examination and the examination time are unaffected by the amendments.

The amendments described above do not result in any textual changes to the NASD By-Laws, Schedules to the By-Laws, Rules, practices or procedures.

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 III 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 Series 7 examination was created in 1974 as an industry-wide qualification examination for persons seeking registration as general securities representatives. The Series 7 examination is required under rules of the SROs for persons who are engaged in the solicitation, purchase and/or sale of securities for the accounts of customers. The purpose of the Series 7 examination is to ensure that registered representatives have the basic knowledge necessary to perform their functions and responsibilities. The Series 7 exam specifications detail the ares covered by the examination and break down the number of examination questions drawn from each area. The Series 7 content outline details the subject coverage and question allocation of the examination.

Revision of the Series 7 examination, specifications and content outline was initiated in April 1993 by an industry committee of self-regulatory organizations and broker-dealer representatives in order to update the examination in view of changes in the securities industry including changes in relevant rules and regulations, the development of new securities products and changes in the job of the registered representative as firms offer an increasingly wide range of financial services. The specifications and content outline for the Series 7 examination have not been revised since 1986.

The industry committee updated the existing statements of the critical functions of registered representatives to ensure current relevance and appropriateness, drafted statements of tasks expected to be performed by entry-level registered representatives, and conformed the existing content outline to the task statements. The content outline reflects the revised content of the examination. The total number of questions in the Series 7 examination will remain 250. The revised examination will cover all financial product areas covered on the present Series 7 examination as well as several new products, including collateralized mortgage obligations (''CMOs''), long term equity participation securities (''LEAPS'') and CAPS,[3] with reduced emphasis on direct participation programs.

The Commission recently approved two parallel filings of the New York Stock Exchange (''NYSE'').[4] No comments were received on either filing.

The NASD believes that the proposed rule change is consistent with the provisions of Section 15A(g)(3) of the Act in that the proposed changes to the examination are to ensure persons seeking registration in the securities industry have attained the requisite levels of knowledge and competence.

(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 of 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, NW., Washington, DC 20549. Copies of the

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[10] 15 U.S.C. 78s(b)(2) (1988).

[11] 17 CFR 200.30–3(a)(12) (1994).

[1] 15 U.S.C. Section 78s(b)(1).

[2] The proposed rule change was originally filed on January 26, 1995. In the amendment, filed on February 13, 1995, the NASD provided both the amended examination specifications and content outline for the Series 7 exam. The examination specifications were filed pursuant to a request by the NASD for confidential treatment.

[3] OEX CAPS and SPX CAPS are new securities based on the S&P 100 (OEX) and the S&P 500 (SPX) that give investors the right to participate to a predetermined level in upward or downward movements in either index.

[4] *See* Securities Exchange Act Release No. 34853 (October 18, 1994), 59 FR 53694 (October 25, 1994) (File Nos. SR–NYSE–94–26 (revised exam and exam specifications for Series 7 exam), and SR–NYSE–94–27 (revised content outline for Series 7 exam)).

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 number SR–NASD–95–04 and should be submitted by March 21, 1995.

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

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, with the requirements of Sections 15(b)(7), 15A(b)(6), and 15A(g)(3) of the Act.[5] Section 15(b)(7) states that a registered broker or dealer may not effect any transaction in, or induce the purchase or sale of, any security unless such broker or dealer meets such standards of operational capability and all those associated with such broker or dealer meet certain standards of training, experience, competence, and such other qualifications as the Commission finds necessary or appropriate in the public interest or for the protection of investors. Section 15A(b)(6) requires, in relevant part, that the rules of a registered securities association be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and to protect investors and the public interest. Section 15A(g)(3) provides that a registered securities association may deny membership to, or condition the membership of, a registered broker or dealer if such broker or dealer does not meet the requisite levels of knowledge and competence.

The Commission believes that revising the Series 7 exam, specifications, and content outline should help to ensure that only those securities representatives with a comprehensive knowledge of current NASD rules, as well as an understanding of the Act, will be able to solicit, purchase or sell securities for the accounts of customers. The Commission believes that the revised topics covered by the Series 7 examination, specifications and content outline are appropriate and include a sufficiently broad range of subject matter to ensure an appropriate level of expertise by general securities registered representatives. The revised examination focuses on relevant subject matter in view of changes in applicable laws, rules, regulations, products, and industry practices. By ensuring this requisite level of knowledge, the Commission anticipates that general securities registered representatives will demonstrate an acceptable level of securities knowledge to carry out their responsibilities.

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 is appropriate given the recent approval of two parallel and substantively identical filings by the NYSE,[6] and the importance of industry-wide implementation of the revised content outline and Series 7 examination as soon as practicable.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,[7] that the proposed rule change SR–NASD–95–04 be, and hereby is, approved.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95–4798 Filed 2–27–95; 8:45 am]

BILLING CODE 8010–01–M

[5] 15 U.S.C. Sections 78*o*(b)(7), 78*o*–3(b)(6), 78*o*–3(g)(3).

[6] *See* note 4, *supra.*

[7] 15 U.S.C. Section 78s(b)(2).

[8] 17 CFR 200.30–3(a)(12).

[Release No. 34–35400; SR–PHLX–95–01]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Philadelphia Stock Exchange, Inc. Relating to the Listing and Trading of DIVS, ZIPS and SPECS

February 21, 1995.

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 January 5, 1995, the Philadelphia Stock Exchange Inc. (''PHLX''), 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 Organization's Statement of the Terms of Substance of the Proposed Rule Change

The PHLX, pursuant to Rule 19b–4 of the Act, hereby proposes to list for trading ''DIVS'' (Dividend Value of Stock), ''ZIPS'' (Zero Income Principal of Stock) and ''SPECS'' (Speculative Equity Component Stock) (collectively hereinafter referred to as the ''Products''), which are new hybrid options developed by Americus Stock Process Corp. (''ASPC'').

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 self-regulatory organization 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 self-regulatory organization 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 PHLX proposes to list a new product developed by and licensed to the PHLX by ASPC that allows the purchase or sale of any of three economic interests inherent in a share of common stock. Each of these new instruments, called DIVS, ZIPS and SPECS, will be traded separately on the PHLX's equity options floor. The Exchange believes that the Products, combined, will have all the characteristics of a share of the underlying common stock, including voting rights, and that the ability to trade the Products as separate component instruments will provide new hedge, arbitrage, speculation and investment opportunities.

The Products will be regulated, except as described herein, by the rules governing standardized options. Position limits of 1 million DIVS, ZIPS and SPECS respectively shall be established respecting any particular stock. *See* Rule 1001C. The sales practice rules applicable to options (Rules 1024 through 1029) will also be applicable to sales of DIVS, ZIPS and SPECS. (*See* Rule 1000C(a)). The