The only factor noted in the report which created a bias regarding the issues selected for inclusion in Auto-Ex appears to be the result of the size limitations of the CQS. As discussed above in detail, the size limitation of CQS, combined with issues which generate large orders, could result in fills being generated on Auto-Ex before the CHX rules require a fill to occur. Finally, the Commission finds that the report data indicates that executions on Auto-Ex are timely, occurring in 1½ minutes or less, and, in most cases, faster than manual executions for issues not included on Auto-Ex. As discussed above, the Commission believes that the proposed rule change should result in prompt execution of non-marketable limit orders and reduce errors caused by manual execution of limit orders that are entitled to primary market protection, especially during periods of heavy trading volume.

*It is therefore ordered,* pursuant to Section 19(b)(2) of the Act,[17] that the proposed rule change (SR–CHX–96–27) is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[18]

Margaret H. McFarland,

*Deputy Secretary.*

[FR Doc. 96–33270 Filed 12–30–96; 8:45 am]

**BILLING CODE 8010–01–M**

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**[Release No. 34–38078; File No. SR–NYSE–96–37]**

## Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of a Proposal by the New York Exchange, Inc. Regarding the Limitation of Liability for Use of Facilities

December 23, 1996.

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 December 10, 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 Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

[17] 15 U.S.C. 78s(b)(2).

[18] 17 CFR 200.30–3(a)(12).

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

[2] 17 CFR 240.19b–4.

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

The Exchange proposes to clarify that transactions in baskets that include American Stock Exchange, Inc. (''Amex'') listed securities effected through NYSE Crossing Session II are deemed to constitute use of Exchange facilities, as described in Article II, Section 6 of the NYSE Constitution. The text of the proposed rule change is available at the Office of the Secretary, the Exchange, and at the Commission.

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 Exchange included statements concerning the purpose of and basis for the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in Section (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*

NYSE Crossing Session II permits members and member organizations to cross multi-stock baskets between 4:00 p.m. and 5:15 p.m. New York time. Baskets must include at least 15 NYSE-listed stocks with an aggregate value of $1 million or more.

The Amex has filed with the Commission a proposed rule change to extend its trading hours to permit the execution of ''aggregate-price orders'' for Amex-listed securities which are part of a basket being done in large part through the exchange's Crossing Session II.[3] Once approved, the Amex rule change will allow dual NYSE/Amex members and member organizations contemporaneously to execute on the NYSE, the NYSE-listed portion of a basket and on the Amex, the Amex-listed portion of the basket.

To facilitate contemporaneous execution, the NYSE will accept the entire basket order and forward to the Amex the Amex-listed portion of the basket order, provided that the member or member organizations submitting the order is a member of both the NYSE and the Amex. The Amex will execute the Amex portion, report it to the ''Tape'' and back to the member or member organization, and facilitate any regulatory reports that may be required of the member or member organization with respect to the Amex portion.

The Exchange proposes to clarify that Article II, Section 6 of the NYSE Constitution shall, in addition to all other applications, also apply to any transaction, notice or communication effected through or arising in connection with NYSE Crossing Session II. This includes, but is not limited to, transactions, notices or communications involving a basket consisting of both Exchange-listed securities and securities listed on the Amex. This shall not preclude the applicability of any other provision of the Constitution or Rules that would serve to limit the liability of the Exchange for use by its members and member organizations of Exchange facilities.

The Exchange believes that the proposal is consistent with Section 6(b) of the Act in general and furthers the objectives of Section 6(b)(5) in particular in that it is designed to promote just and equitable principles of change, to remove impediments to, and perfect the mechanism of a free and open market and, in general, to protect investors and the public interest.

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

The Exchange does not believe that the proposed rule change will impose any 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 were solicited or received with respect to the proposed rule change.

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

Because the foregoing rule change constitutes a stated interpretation with respect to the meaning, administration, or enforcement of an existing rule, it has become effective pursuant to section 19(b)(3)(A), and Rule 19b-4 thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and

[3] See Securities Exchange Act Release No. 37965 (November 19, 1996), 61 FR 60135 (November 26, 1996) (File No. SR–Amex–96–43).

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 coping at the Commission's Public Reference Section, 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 the NYSE. All submissions should refer to SR–NYSE–96–37 and should be submitted by January 21, 1997.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[4]

Margaret H. McFarland,

*Deputy Secretary.*

[FR Doc. 96–33273 Filed 12–3–96; 8:45 am]

**BILLING CODE 8010–01–M**

[4] 17 CFR 200.30–3(a)(12).

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**[Release No. 34–38075; File No. SR–NYSE–96–35]**

## Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the New York Stock Exchange, Incorporated Relating to a One-Time Fee for Additional Specialist Principal Activity Reporting System (''SPAR'') Feed Lines

December 23, 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 December 5, 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 Organization's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule establishes a one-time fee for additional Specialist Principal Activity Reporting System (''SPAR'') feeds. The proposed implementation date for the fee is December 9, 1996.

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*

1. Purpose

The purpose of the proposed rule change is to respond to the needs of NYSE's constituents with respect to overall competitive market conditions and customer satisfaction.

The SPAR system provides the specialists with information about their daily trading activity. Due to current design limitations, a specialist can only receive information from one feed which the NYSE provides free of charge to any specialist firm that requests it. Since information is required by various locations, the NYSE has developed a system which can provide the information to up to four different remote member firm addresses. Any specialist firm requesting from one to three additional SPAR feeds would pay a one-time fee of $10,000.00 for the additional feeds. This charge will cover incremental design and development work required to support this effort, as well as any on-site communications work required at the member firm's location. Circuits and line costs, and any telecommunications maintenance are provided by other vendors and are the responsibility of each specialist firm, not the New York Stock Exchange.

2. Statutory Basis

The basis for the proposed rule change is the requirement under Section 6(b)(4) of the Act[1] that an Exchange have rules that provide for the equitable allocation of reasonable dues, fees, and other charges among its members, issuers and other persons using its services.

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

The Exchange does not believe the proposed rule change will impose any 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 were solicited or received with respect to the proposed rule change.

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

The proposed rule change establishes or changes a due, fee, or other charge imposed by the Exchange and, therefore, has become effective upon filing pursuant to Section 19(b)(3)(A) of the Act and subparagraph (e) of Rule 19b–4 thereunder.[2] At any time within 60 days of the filing of such proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

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 at the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the Exchange. All submissions should refer to File No.

[1] 15 U.S.C. 78f(b)(4).

[2] 15 U.S.C. 78s(b)(3)(A) and 17 CFR 19b–4(e).