

Act for entergy to issue or sell shares of Stock for corporate purposes other than as set forth herein would be the subject to a separate filing or filings with the Commission.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97-444 Filed 1-8-97; 8:45 am]

BILLING CODE 8010-01-M

Sunshine Act Meetings

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Pub. L. 94-409, that the Securities and Exchange Commission will hold the following meetings during the week of January 13, 1997.

An open meeting will be held on Monday, January 13, 1997, at 10:00 a.m. A closed meeting will be held on Thursday, January 16, 1997, at 2:30 p.m.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the closed meeting. Certain staff members who have an interest in the matters may also be present.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(4), (8), (9)(A) and (10) and 17 CFR 200.402(a)(4), (8), (9)(i) and (10), permit consideration of the scheduled matters at the closed meeting.

Commissioner Wallman, as duty officer, voted to consider the items listed for the closed meeting in a closed session.

The subject matter of the open meeting scheduled for Monday, January 13, 1997, at 10:00 a.m., will be: Consideration of whether to issue a release proposing rules and soliciting comments to require the front of prospectuses to be drafted in plain English and amending current rules to provide standards on the meaning of clear, concise and understandable disclosure in prospectuses. For further information, contact Ann D. Wallace in the Division of Corporation Finance at (202) 942-2980, or Kathleen Clarke in the Division of Investment Management at (202) 942-0724.

The subject matter of the closed meeting scheduled for Thursday, January 16, 1997, at 2:30 p.m., will be:

Injunction and settlement of injunctive actions.

Institution and settlement of administrative proceedings of an enforcement nature.

Opinion.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact: The Office of the Secretary at (202) 942-7070.

Dated: January 7, 1997.

Jonathan G. Katz,

Secretary.

[FR Doc. 97-621 Filed 1-7-97; 12:34 pm]

BILLING CODE 8010-01-M

[Release No. 34-38114; File No. SR-CHX-96-30]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Chicago Stock Exchange, Incorporated Relating to Standards for Approved Lessors of Exchange Memberships

January 3, 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 November 12, 1996, the Chicago Stock Exchange, Incorporated ("CHX" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change. On December 11, 1996, the Exchange filed Amendment No. 1³ to the proposed rule change, on December 17, 1996, the Exchange filed Amendment No. 2⁴ and on December 30, 1996, filed Amendment No. 3⁵ to

¹ 15 U.S.C. § 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Letter from David T. Rusoff, Foley & Lardner to David Sieradzki, SEC, dated December 11, 1996 ("Amendment No. 1"). Amendment No. 1 changes the period of time for an Approved Lessor to lease a seat on the exchange from "a reasonable time" to within 60 days after becoming an Approved Lessor. The Exchange will have the authority to extend the 60 day time period upon the request of an Approved Lessor for good cause shown. In addition, Article IA, Rule 1, Interpretation and Policy .01 is amended to reduce the percentage ownership required to be considered a control person from 10% to 5%. This is consistent with recent changes to Article VI, Rule 2, where the 5% standard was used.

⁴ See Letter from David T. Rusoff, Foley & Lardner to David Sieradzki, SEC, dated December 17, 1996 ("Amendment No. 2"). Amendment No. 2 adds language describing the amendment to Article XIV, Rule 2, relating to the imposition of transaction fees.

⁵ See Letter from David T. Rusoff, Foley & Lardner to Katherine England, SEC, dated December 30, 1996 ("Amendment No. 3"). Amendment No. 3 changes language in Article I, Rule 10 relating to the ability of the Exchange to waive the requirement that no person own or have voting power for more than ten percent of the outstanding memberships. The former language, which provided that the requirement may be waived by the Exchange "under appropriate circumstances," has been replaced by "for good cause shown." In addition, the Amendment makes several technical, non-substantive changes to the filing.

the proposed rule change as described in Items I and II 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 Exchange proposes to amend Article I, Article VIII and Article XIV of, and add a new Article IA to, the CHX's Rules, to create standards for Approved Lessors (as defined below) of Exchange memberships.

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 create a new form of membership known as an "Approved Lessor." An Approved Lessor will be an individual or entity that desires to purchase a membership in the CHX for the sole purpose of providing a financing mechanism for another person or entity that desires to become a member or member organization ("lessee"). A lessor that registers with and is approved by the CHX will be an Approved Lessor.

When an Approved Lessor has entered into this financing relationship (or lease) with a lessee, the Approved Lessor will not be considered a "member" or "member organization" of the CHX for purposes of the Act, or for purposes of the CHX's Certificate of Incorporation, Constitution and Rules except that an Approved Lessor will have the right to vote on proposals to liquidate or dissolve the Exchange and shall possess liquidation rights, as set forth in Article IX, Sec. 2 of the Constitution, upon such dissolution. In addition, an Approved Lessor shall be

subject to the Exchange's member arbitration rules. Among other things, this means that an Approved Lessor will be inactive with respect to CHX activities. For example, Approved Lessors will not be permitted to vote (except as stated above) or trade on the CHX as a member or have any access to the CHX trading floor unless an Approved Lessor is also a "member" (i.e., is a registered broker-dealer and has been approved by the Exchange as a "member" or "member organization") pursuant to another membership.

A lessee will be deemed a "member" or "member organization," and, as a result, a lessee must satisfy all the requirements to become a member or member organization currently set forth in CHX Certificate of Incorporation, Constitution, Rules and the federal securities laws. A lessee will not, however, be entitled to vote on a proposal to dissolve or liquidate the Exchange and will not have any liquidation rights.

Because Approved Lessors will not be "members" of the CHX, they will not be required to be registered as broker-dealers. However, to prevent inappropriate persons or entities from having indirect dealings on the CHX, Approved Lessors will be required to submit information to the CHX on Form BD and/or Form U-4. The CHX will be permitted to disapprove registration as an Approved Lessor if the lessor is the subject of a statutory disqualification or fails to meet other pre-requisites set forth in the rule. For example, a lessor may be denied registration as an Approved Lessor if, among other things, it or its employees or control persons are subject of or a party to a disciplinary proceeding, are or have been, suspended, barred or expelled by a regulatory entity (including a self-regulatory organization) described in the rule, have been convicted of certain criminal offenses set forth in the rule, or have not paid dues, fines, charges or other debts to a regulatory entity.

In addition, an Approved Lessor will be required to enter into a financing arrangement (or lease) with a lessee within sixty days (this time period may be extended upon request of an Approved Lessor for good cause shown) after becoming approved as an Approved Lessor or the termination of an earlier financing arrangement (or lease). If a financial arrangement (or lease) is not entered into, the Approved Lessor will be required to promptly dispose of the membership. If not promptly disposed of, the CHX will be permitted to sell the membership on the Approved Lessor's behalf. This

provision will prevent Approved Lessors from acquiring one or more memberships purely to speculate on the price of the membership and will ensure that memberships do not sit idle.

Until the Approved Lessor enters into a financing arrangement (or lease) with a lessee, or, after such financing arrangement (or lease) has been terminated and the seat transferred to Approved Lessor, the Approved Lessor will still not be a "member" for purposes of the federal securities laws or the Exchange's Certificate of Incorporation, Constitution and Rules (except with respect to voting on dissolution, rights to net proceeds on dissolution, and the Exchange's member arbitration rules). During this time, the membership shall be viewed as inactive, but the dues shall continue to accrue and will be the obligation of the Approved Lessor.

Current CHX rules protect the CHX and other CHX members by providing that the proceeds received in the transfer of a membership are first to be applied to satisfy the debts owed by the transferor member to the Exchange or certain other persons. However, because Approved Lessors are not "members" of the Exchange, the Exchange will require Approved Lessors, and their lessees, to enter into a standard subordination and sale agreement with the CHX that provides that the CHX is authorized to sell the membership under certain circumstances when obligations are owed to the CHX or certain other creditors by the lessee and whereby the Approved Lessor agrees to be bound by CHX rules relating to Approved Lessors, among other things.

The proposed rule change also makes technical, nonsubstantive changes to improve the clarity of Article I, Rule 17.

The proposed rule change sets forth specific provisions that the CHX will require in any financing agreement or lease. The CHX will require that these agreements be filed with, and approved by, the CHX. Additionally, the transfer of the title to the membership to a lessee will be posted in the same manner as all other transfers of memberships.

Furthermore, the proposed rule change prohibits members and Approved Lessors from owning or controlling 10% or more of the outstanding memberships on the Exchange.

Finally, the proposed rule change amends Article XIV, Rule 2, relating to the imposition of transaction fees to reflect present practice. The rule currently provides that the rate of these fees shall be fixed before the close of each fiscal year. The proposed rule

provides that they are fixed from time to time.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act⁶ in general and furthers the objectives of Section 6(b)(5)⁷ in particular in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system 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 inappropriate 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 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

⁶ 15 U.S.C. § 78f(b).

⁷ 15 U.S.C. § 78f(b)(5).

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. SR-CXH-96-30 and should be submitted by January 30, 1997.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 97-443 Filed 1-8-97; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-38112; File No. SR-NASD-96-53]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the National Association of Securities Dealers, Inc., Relating to Fees for Registering and Termination the Registration of Registered Individuals

January 3, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on December 19, 1996, NASD Regulation Inc. ("NASD Regulation") 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. NASD Regulation has designated this proposal as one constituting a rule through which the Association imposes dues, fees and other charges under § 19(b)(3)(A)(ii) of the Act, which renders the rule effective upon the Commission's receipt of this filing. 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

NASD Regulation is proposing to amend Section 2 of Schedule A to the By-Laws of the National Association of Securities Dealers, Inc. ("NASD" or "Association"), to eliminate the scheduled fee rollbacks and to retain the current fee level for registration and termination of registration of individuals indefinitely. Below is the

text of the proposed rule change. Proposed new language is in italics; proposed deletions are in brackets.

Schedule A

Assessments and fees pursuant to the provisions of Article VI of the By-Laws of the Corporation, shall be determined on the following basis.

Fees

Sec. 2.

(b) Each member shall be assessed a fee of \$85.00 for each application filed with the Association for registration of a registered representative or registered principal [from August 1, 1995 through December 31, 1996. Such fee shall be \$70.00 from January 1, 1997 through December 31, 1997 and shall be \$65.00 thereafter]. Additionally, each member shall be assessed a surcharge of \$95.00 for registrations involving a special registration review filed with the Association [from August 1, 1995 through December 31, 1997 and shall be \$85.00 thereafter]. The following shall apply to the filing of applications to register or transfer the registration of registered persons or registered principals in connection with acquisition of all or a part of a member's business by another member:

Number of registered personnel transferred	Discount in percent
1,000-1,999	10
2,000-2,999	20
3,000-3,999	30
4,000-4,999	40
5,000 and over	50

(h) (i) Each member shall be assessed a fee of \$40.00 for each notice of termination of a registered representative or registered principal filed with the Corporation as required by Section 3 of Article IV of the By-Laws [from August 1, 1995 through December 31, 1996. Such fee shall be \$35.00 from January 1, 1997 through December 31, 1997 and shall be \$25.00 thereafter].

(ii) A late filing fee of \$65.00 shall be assessed a member who fails to file with the Corporation written notice of termination of a registered representative or registered principal within thirty (30) calendar days of such termination [from August 1, 1995 through December 31, 1996. Such fee shall be \$60.00 from January 1, 1997 through December 31, 1997 and shall be \$50.00 thereafter].

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 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

1. Purpose

NASD Regulation has a major systems development project underway to completely redesign the Central Registration Depository ("CRD"). The CRD is a computerized system for one-stop registration and licensing of NASD members and their associated persons. The system was developed in 1981 to standardize and streamline the registration process by accommodating a single filing and payment of fees for registration in multiple jurisdictions. Today the system processes filing on behalf of 50 states, the District of Columbia and Puerto Rico, seven (7) self-regulatory organizations and the Commission.

The redesigned CRD, scheduled for a staged implementation in 1996 and 1997, will feature electronic filings, re-engineered work processes, expedited relicensing and a highly structured, relational database to better serve the information requirements of regulators, members and investors. In addition, the new system will include investment adviser registration for the SEC and states, an E-mail communication capability for system participants and a document imaging/storage/retrieval service for support documents required in certain filing situations.

NASD Regulation had originally intended to fund the CRD redesign effort from the current registration filing fees based on expected activity levels in the 1995-1997 period. In 1995 registration activity declined significantly, and the resulting lower revenue levels are now expected to continue through 1997. As a result, in 1995 the NASD adopted a temporary fee increase in order to continue the investment in this

⁸ 17 C.F.R. 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).