

company, or instituting, other than a railroad employer, that employed an employee or spouse annuitant. In addition, the employee, spouse or divorced spouse Tier I annuity benefit is subject to work deductions under Section 2(F)(1) of the RRA for earnings from any non-railroad employer that are over the annual exempt amount. The regulations pertaining to non-payment

of annuities by reason of work are contained in 20 CFR 230.1 and 230.2.

The RRB utilizes Form RL-231-F, Request to Non-Railroad Employer for Information About Annuitant's Work and Earnings, to obtain the information needed for determining if any work deduction should be applied because an annuitant worked in non-railroad employment after the annuity beginning

date. One response is requested of each respondent. Completion is voluntary.

The RRB proposes to revise Form RL-231-F to incorporate language required by the Paperwork Reduction Act of 1995.

Estimate of Annual Respondent Burden

The estimated annual respondent burden is as follows:

Form No.	Annual responses	Time (min)	Burden (hrs)
RL-231-F	600	30	300
Total	600	300

ADDITIONAL INFORMATION OR COMMENTS:

To request more information or to obtain a copy of the information collection justification, forms, and/or supporting material, please call the RRB Clearance Officer at (312) 751-3363. Comments regarding the information collection should be addressed to Ronald J. Hodapp, Railroad Retirement Board, 844 N. Rush Street, Chicago, Illinois 60611-2092. Written comments should be received within 60 days of this notice.

Chuck Mierzwa,

Clearance Officer.

[FR Doc. 96-19996 Filed 8-5-96; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

Proposed Collection; Comment Request

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of Filings and Information Services, Washington, DC 20549

Extension: Rule 17A-19 and Form X-17A-19 SEC File No. 270-148 OMB Control No. 3235-0133

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.), the Securities and Exchange Commission ("Commission") is publishing the following for public comment.

Rule 17a-19 requires National Securities Exchanges and Registered National Securities Associations to file Form X-17A-19 with the Commission whenever a change in membership status occurs in order to notify the Commission that a change in designated examining authority is necessary.

It is anticipated that approximately 8 National Securities Exchanges or Registered National Securities

Associations will make 3,600 total annual responses pursuant to Rule 17a-19. The total annual burden is estimated to be 900 hours.

Written comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

Direct your written comments to Michael E. Bartell, Associate Executive Director, Office of Information Technology, Securities and Exchange Commission, 450 5th Street, NW., Washington, DC 20549.

Dated: July 29, 1996.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96-19936 Filed 8-5-96; 8:45 am]

BILLING CODE 8010-01-M

Sunshine Act Meeting

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 meeting during the week of August 5, 1996.

A closed meeting will be held on Thursday, August 8, 1996, at 10:00 a.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 Johnson, as duty officer, voted to consider the items listed for the closed meeting in a closed session.

The subject matter of the closed meeting scheduled for Thursday, August 8, 1996, at 10:00 a.m., will be:

Institution and settlement of injunctive actions.

Institution and settlement of administrative proceedings of an enforcement nature.

Formal order of investigation.

Opinions.

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: August 2, 1996.

Jonathan G. Katz,

Secretary.

[FR Doc. 96-20182 Filed 8-2-96; 4:00 pm]

BILLING CODE 8010-01-M

[Release No. 34-37504; File No. SR-CBOE-96-01]

Self-Regulatory Organizations; Notice of Filing of Amendment No. 2 to Proposed Rule Change by the Chicago Board Options Exchange, Inc., To Increase SPX Position and Exercise Limits, To Increase SPX Firm Facilitation, Index Hedge, and Money Managers Exemptions, and To Extend Broad-Based Index Hedge Exemption To Broker-Dealers

July 31, 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 July 25, 1996, the Chicago Board Options Exchange, Inc. ("CBOE" or "Exchange") filed with the Securities and Exchange Commission ("Commission") Amendment No. 2 to the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The Exchange has requested that the proposed rule change be given accelerated approval. 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

In light of discussions with the Commission on June 4 and 10, 1996, the CBOE proposes Amendment No. 2 to File No. SR-CBOE-96-01,³ which relates to increasing the S&P 500 index option ("SPX") position and exercise limits, to increasing the SPX firm facilitation, index hedge, and money manager exemptions, and to extending the broad-based index hedge exemption to broker-dealers.

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

In Interpretation .01(c) to CBOE Rule 24.4, language is added to include a further clarification of "at or about the same" time with respect to the time frame in which an options transaction may be hedged to qualify for an index hedge exemption. It is expected that the hedge will be established concurrent with or immediately following the execution of the options transaction, absent good cause.⁴

In Interpretation .01(c)(ii) to CBOE Rule 24.4, the reference to "exchange-listed products" is deleted to clarify that only positions in exchange-listed index options or index warrants may qualify for the index hedge exemption. This deletion addresses the possibility that a hybrid or structured product could be used to secure an index hedge exemption when, in fact, the structured product does not closely track or resemble other indices included in the group of acceptable hedging instruments.

In Interpretation .01(f)(5) to CBOE Rule 24.4, language is added to require that neither side of the collar transaction can be in-the-money at the time the position is established. This is consistent with the Commission's approval of the NASD's definition of a collar transaction pursuant to its hedge exemption rule, as well as with the Exchange's original intention. In addition, the reference to "a.m. settled" is replaced to allow for other "non-p.m. settled" contracts to be considered for the collar exemption.

In Interpretation .01(f)(6) to CBOE Rule 24.4, the reference to "a.m. settled" contracts is replaced with "non-p.m. settled" contracts.

In Interpretation .01(f)(7) to CBOE Rule 24.4, the "a.m. settled" reference is replaced with "non-p.m. settled" contracts and the noted collar language in paragraph (5) is added: "neither side of the short call, long put transaction can be in-the-money at the time the position is established."

In Interpretation .03 to CBOE Rule 24.4, the Exchange believes that the SPX reporting requirement should not apply to market-maker accounts in that the Exchange's Department of Financial Compliance routinely monitors market-

maker risk. Therefore, it is not necessary for a market-maker to report hedging information to the Exchange because this information is available through other means.

Finally, the Exchange would like to address the Commission's concern with respect to the ability of the Exchange to monitor customer accounts that maintain large unhedged option positions (*i.e.*, positions between the current 45,000 limit and the proposed 100,000 contracts limit). As detailed in the filing and in the Exchange's surveillance procedures, the monitoring of customer accounts maintaining large SPX option positions will be achieved through several avenues. First, as contained in the proposed filing (Interpretation .03), accounts maintaining positions between 45,000 and 100,000 contracts will be required to identify whether such positions are hedged and, if so, provide information regarding the hedge. In the event a large unhedged, potentially risky position is identified, the Exchange will notify the clearing firm and assess the circumstances of the transactions. In addition, the Exchange will review with the firm its view of the exposure in the account, whether the account is approved and suitable for the noted strategies, and whether additional margin has been collected. In an extreme situation where an account maintains an unhedged SPX option position in excess of 45,000 contracts, the Exchange may impose additional margin, if warranted, upon the account or impose additional capital charges upon the clearing firm carrying the account to the extent of the margin deficiency resulting from the higher margin requirement. New Interpretation .04 to CBOE Rule 24.4 addresses these additional requirements.

Because the proposals outlined in this Amendment should enhance the depth and liquidity of the market for both members and investors in general, the Exchange believes this rule change is consistent with and furthers the objectives of Section 6(b)(5) of the Act in that it would remove impediments to and perfect the mechanism of a free and open market in a manner consistent with the protection of investors and the public interest.

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

The self-regulatory organization does not believe that the proposed rule change will impose any inappropriate burden on competition.

¹ 15 U.S.C. § 78s(b)(1) (1988).

² 16 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 36738 (January 19, 1996), 61 FR 2324 (January 25, 1996) (notice of File No. SR-CBOE-96-01).

⁴ The CBOE notes that extreme market conditions, the implementation of circuit breakers, or the lack of liquidity may affect a market participant's ability to establish a hedge within the noted time frame.

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

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, NW., Washington, DC 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 Section, 450 Fifth Street, NW., Washington, DC 20549. Copies of such filing also will be available for inspection and copying at the principal office of the CBOE. All submissions should refer to Amendment No. 2 to File No. SR-CBOE-96-01 and should be submitted by August 27, 1996.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁵

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96-19938 Filed 8-5-96; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-37502; File No. SR-NASD-96-22]

Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Order Granting Accelerated Temporary Approval of Proposed Rule Change To Extend Certain SOES Rules Through January 31, 1997

July 30, 1996.

I. Introduction

On June 10, 1996, the National Association of Securities Dealers, Inc. ("NASD" or "Association") filed with the Securities and Exchange Commission ("SEC" or "Commission") a proposed rule change pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder.² The NASD proposes to extend through January 31, 1997 certain changes to The Nasdaq Stock Market, Inc.'s ("Nasdaq") Small Order Execution System ("SOES") that were originally implemented in January 1994 for a one-year pilot period ("January 1994 Amended SOES Rules").³ These rules subsequently were modified in January 1995 ("January 1995 Amended SOES Rules"),⁴ further modified in March 1995 ("March 1995 Amended SOES Rules"),⁵ extended in September

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Securities Exchange Act Release No. 33377 (Dec. 23, 1993), 58 FR 69419 (Dec. 30, 1993) (approving the Amended SOES Rules on a one-year pilot basis effective January 7, 1994). See also Securities Exchange Act Release No. 33424 (Jan. 5, 1994) (order denying stay and granting interim stay through January 25, 1994) and Securities Exchange Act Release No. 33635 (Feb. 17, 1994) (order denying renewed application for stay).

The changes contained in the January 1994 Amended SOES Rules were as follows:

(1) A reduction in the maximum size order eligible for SOES execution from 1,000 shares to 500 shares;

(2) A reduction in the minimum exposure limit for "unpreferred" SOES orders from five times the maximum order size to two times the maximum order size, and the elimination of exposure limits for "preferred" orders ("SOES Minimum Exposure Limit Rule");

(3) An automated function for updating market maker quotations when the market maker's exposure limit has been exhausted (market makers using this update function may establish an exposure limit equal to the maximum order size for that security) ("SOES Automated Quotation Update Feature"); and

(4) The prohibition of short sale transactions through SOES.

⁴ Securities Exchange Act Release No. 35275 (Jan. 25, 1995) 60 FR 6327 (Feb. 1, 1995).

The January 1995 Amended SOES Rules excluded the feature of the January 1994 Amended SOES Rules relating to the prohibition of short sale transactions through SOES.

⁵ Securities Exchange Act Release No. 35535 (Mar. 27, 1995), 60 FR 16690 (Mar. 31, 1995).

1995 ("September 1995 Amended SOES Rules"),⁶ and further extended in January 1996 ("January 1996 Amended SOES Rules").⁷ The January 1996 Amended SOES Rules are scheduled to expire on July 31, 1996, and the NASD seeks to extend these rules until January 31, 1997. Without further Commission action, the SOES rules would revert to those in effect prior to January 1994.

Notice of the proposed rule change appeared in the Federal Register on July 5, 1996.⁸ No comments were received in response to the Commission release. For the reasons discussed below, this order approves the proposed rule change until January 31, 1997.

II. Description of the Current and Prior Proposals

The NASD proposed to extend until January 31, 1997 the January 1996 Amended SOES Rules. Specifically, the NASD proposes to extend until January 31, 1997 the SOES Minimum Exposure Limit Rule and the SOES Automated Quotation Update Feature.

III. Discussion

The Commission must approve a proposed NASD rule change if it finds that the proposal is consistent with the requirements of the Act and the rules and regulations thereunder that govern the NASD.⁹ In evaluating a given proposal, the Commission examines the record before it and relevant factors and information.¹⁰ The Commission believes

The March 1995 Amended SOES Rules excluded the following two features of the January 1994 Amended SOES Rules:

(1) A reduction in the maximum size order eligible for SOES execution from 1,000 shares to 500 shares; and

(2) The prohibition of short sales transactions through SOES. (This prohibition also was excluded from the January 1995 Amended SOES Rules.) See *supra*, note 4.

⁶ Securities Exchange Act Release No. 36311 (September 29, 1995), 60 FR 52438 (October 6, 1995). The September 1995 Amended SOES Rules were identical to the March 1995 Amended SOES Rules, and extended the effectiveness of such rules until January 31, 1996.

⁷ Securities Exchange Act Release No. 36795 (January 31, 1996), 61 FR 4504 (February 6, 1996). The January 1996 Amended SOES Rules were identical to the September 1995 and March 1995 Amended SOES Rules, and extended the effectiveness of such rules until July 31, 1996.

⁸ Securities Exchange Act Release No. 37377 (June 27, 1996), 61 FR 35284 (July 5, 1996).

⁹ 15 U.S.C. § 78s(b). The Commission's statutory role is limited to evaluating the rules as proposed against the statutory standards. See S. Rep. No. 75, 94th Cong., 1st Sess. 13 (1975).

¹⁰ In the Securities Acts Amendments of 1975, Congress directed the Commission to use its authority under the Act, including its authority to approve SRO rule changes, to foster the establishment of a national market system and promote the goals of economically efficient securities transactions, fair competition, and best

Continued

⁵ 17 CFR 200.30-3(a)(12).