

advisory fees charged under the contract are based on services provided that are in addition to, rather than duplicative of, services provided under any Underlying Portfolio or Underlying Distributor Fund advisory contract. The finding, and the basis upon which the finding was made, will be recorded fully in the minute books of the Portfolio or Distributor Fund of Funds.

6. Applicants agree to provide the following information, in an electronic format, to the Chief Financial Analyst of the SEC's Division of Investment Management: monthly average total assets of each Portfolio and Distributor Fund of Funds, and each respective Underlying Portfolio and Underlying Distributor Fund; monthly purchases and redemptions (other than by exchange) for each Portfolio and Distributor Fund of Funds and each respective Underlying Portfolio and Underlying Distributor Fund; monthly exchanges into and out of each Portfolio and Distributor Fund of Funds and each respective Underlying Portfolio and Underlying Distributor Fund; month-end allocations of each Portfolio's assets among the Underlying Portfolios and of the assets of each Distributor Fund of Funds among its Underlying Distributor Funds; annual expense ratios for each Portfolio and each Distributor Fund of Funds and each respective Underlying Portfolio and any Underlying Distributor Fund; and a description of any vote taken by the shareholders of any Underlying Portfolio and Underlying Distributor Fund, including a statement of the percentage of votes cast for and against the proposal by the Portfolio and the Distributor Fund of Funds and by the other shareholders of the Underlying Portfolio and Underlying Distributor Fund. The information will be provided as soon as reasonably practicable following each fiscal year-end of the Portfolio and each Distributor Fund of Funds (unless the Chief Financial Analyst notifies applicants in writing that the information need no longer be submitted.)

For the Commission, by the Division of Investment Management, under delegated authority.  
Margaret H. McFarland,  
Deputy Secretary.

[FR Doc. 96-21754 Filed 8-26-96; 8:45 am]

BILLING CODE 8010-01-M

### Sunshine Act Meeting

"FEDERAL REGISTER" CITATION OF PREVIOUS ANNOUNCEMENT: [To be Published].

STATUS: Open meeting.

PLACE: 450 Fifth Street, N.W., Washington, D.C.

DATE PREVIOUSLY ANNOUNCED: To be Published.

CHANGE IN THE MEETING: Additional Item.

The following item will be considered at an open meeting scheduled to be held on Wednesday, August 28, 1996, at 10:00 a.m.:

The Commission will consider whether to propose additional amendments to the Quote Rule. These amendments would require continuous two-sided quotations from exchange specialists and over-the-counter market makers that are responsible for more than 1% of the quarterly transaction volume for an OTC security included in the Nasdaq Stock Market, Inc. For further information, please contact Gail Marshall, Division of Market Regulation, at (202) 942-7129.

Commissioner Johnson, as duty officer, determined that Commission business required the above change and that no earlier notice thereof was possible.

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 (202) 942-7070.

Dated: August 23, 1996.  
Jonathan G. Katz,  
Secretary.  
[FR Doc. 96-22008 Filed 8-23-96; 3:46 pm]  
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[Release No. 34-37587; File No. SR-Amex-96-31]

### Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by American Stock Exchange, Inc. Relating to The Listing Criteria for Equity Linked Notes

August 20, 1996.

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 14, 1996, the American Stock Exchange, Inc. ("Amex" or "Exchange") filed with the Securities and Exchange Commission the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Amex. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

<sup>2</sup> 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 amend Section 107B of the Amex *Company Guide* to provide greater flexibility for issuers listing Equity Linked Notes.

The text of the proposed rule change is available at the Office of the Secretary, Amex 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 Amex 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 Amex 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 the Statutory Basis for, the Proposed Rule Change

##### (1) Purpose

On May 20, 1993<sup>3</sup> and December 13, 1993,<sup>4</sup> the Commission approved amendments to Section 107 of the Amex *Company Guide* to provide for the listing and trading of Equity Linked Term Notes ("ELNs"). ELNs are intermediate term (two to seven years), hybrid debt instruments, the value of which is linked to the performance of a highly capitalized, actively traded U.S. common stock.

The Exchange now proposes to amend Section 107B of the *Company Guide* to provide for greater flexibility in the listing criteria for ELNs. Specifically, the Exchange proposes to provide for an alternative minimum tangible net worth criteria for issuers of ELNs. An issuer with minimum tangible net worth in excess of \$250,000,000 will not be limited to offerings of equity linked notes that do not exceed 25% of their net worth. The Exchange believes that this strikes an appropriate balance between the Exchange's responsiveness to innovations in the securities markets and its need to ensure the protection of investors and the maintenance of fair and orderly markets. Moreover, the Exchange believes that these changes will not have an adverse impact on the market for equity linked notes nor its

<sup>3</sup> See Securities Exchange Act Release No. 32345 (File No. SR-Amex-92-42).

<sup>4</sup> See Securities Exchange Act Release No. 33328 (File No. SR-Amex-93-35).

investors since issuers with the lower net worth of \$150,000,000 will still be required to limit the amount of their equity linked note offerings to 25% of their net worth. Finally, such alternative criteria is currently in place for issuers of currency and index warrants listed on the exchange.<sup>5</sup>

## (2) Basis

The Exchange believes that the proposed rule change 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 prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and is not designed to permit unfair discrimination between customers, issuers, brokers or dealers.

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

The proposed rule change will impose no 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

Within 35 days of the date of 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 no finding or (ii) as to which the Amex consents, the Commission will:

(A) By order approve such 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 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 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 Amex. All submissions should refer to the File No. SR-Amex-96-31 and should be submitted by [insert date 21 days from date of publication].

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>6</sup>

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96-21755 Filed 8-26-96; 8:45 am]

BILLING CODE 8010-01-M

[Docket No. 34-37591; File No. SR-MSRB-96-8]

## Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Municipal Securities Rulemaking Board Relating to Interpretation of Rule G-37 on Political Contributions and Prohibitions on Municipal Securities Business

August 21, 1996.

On August 6, 1996, the Municipal Securities Rulemaking Board ("Board" or "MSRB") filed with the Securities and Exchange Commission ("Commission" or "SEC") a proposed rule change (SR-MSRB-96-8), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. 78s(b)(1), and Rule 19b-4 thereunder. The proposed rule change is described in Items I, II, and III below, which Items have been prepared by the Board. The Board has designated this proposal as constituting a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule of the Board under Section 19(b)(3)(A) of the Act, which renders the proposal effective upon receipt of this filing by the Commission. 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 Board is filing herewith a notice of interpretation concerning rule G-37 on political contributions and prohibitions on municipal securities business (hereafter referred to as "the proposed rule change"). The proposed rule change is as follows:

### Rule G-37: Political Contributions and Prohibitions on Municipal Securities Business

#### *Contributions to a Non-Dealer Associated PAC and Payments to a State or Local Political Party*

1. Q: Could contributions to a non-dealer associated PAC or payments to a state or local political party lead to a ban on municipal securities business with an issuer under rule G-37?

A: Rule G-37(d) prohibits a dealer and any municipal finance professional from doing any act indirectly which would result in a violation of the rule if done directly by the dealer or municipal finance professional. A dealer would violate rule G-37 by doing business with an issuer after providing money to any person or entity when the dealer knows that such money will be given to an official of an issuer who could not receive such a contribution directly from the dealer without triggering the rule's prohibition on business. For example, in certain instances, a non-dealer associated PAC or a local political party may be soliciting funds for the purpose of supporting a limited number of issuer officials. Depending upon the facts and circumstances, contributions to the PAC or payments to the political party might well result in the same prohibition on municipal securities business as would a contribution made directly to the issuer official.

2. Q: If a dealer receives a fund raising solicitation from a non-dealer associated PAC or a political party with no indication of how the collected funds will be used, can the dealer make contributions to the non-dealer associated PAC or payments to the political party without causing a ban on municipal securities business?

A: Dealers should inquire of the non-dealer associated PAC or political party how any funds received from the dealer would be used. For example, if the non-dealer associated PAC or political party is soliciting funds for the purpose of supporting a limited number of issuer officials, then, depending upon the facts and circumstances, contributions to the PAC or payments to the political party might well result in the same prohibition on municipal securities business as would a contribution made directly to the issuer official.

#### *Two-Year Designation Period for Municipal Finance Professionals*

3. Q: Rule G-37(g)(iv) states that each person designated a municipal finance professional shall retain this designation for two years after the last activity or position which gave rise to the designation. If a dealer

<sup>5</sup> See Section 106 of the Amex Company Guide.

<sup>6</sup> 17 CFR 200.30-3(a)(12).