5. Each Investing Fund will vote its shares of each Money Market Fund in the same proportion as the votes of all other shareholders of such Money Market Funds entitled to vote on the matter.

6. As shareholders of a Money Market Fund, the Investing Funds will receive dividends and bear their proportionate share of expenses on the same basis as other shareholders of such Money Market Funds. A separate account will be established in the shareholder records of each of the Money Market Funds for each of the Investing Funds.

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

Margaret H. McFarland,
Deputy Secretary.
[FR Doc. 96–3666 Filed 2–16–96; 8:45 am]
BILLING CODE 8010–01–M

[File No. 1–11057]

Issuer Delisting; Notice of Application To Withdraw From Listing and Registration; (Colonial Data Technologies Corp., Common Stock, $0.01 Par Value)

February 13, 1996.

Colonial Data Technologies Corp. (''Company'') has filed an application with the Securities and Exchange Commission (''Commission''), pursuant to Section 12(d) of the Securities Exchange Act of 1934 (''Act'') and Rule 12d2–2(d) promulgated thereunder, to withdraw the above specified security (''Security'') from listing and registration on the American Stock Exchange, Inc. (''Amex'').

The reasons alleged in the application for withdrawing the Security from listing and registration include the following:

According to the Company, its Board of Directors unanimously approved resolutions on January 26, 1996 to withdraw the Security from listing on the Amex and instead, to list the Security on the National Association of Securities Dealers Automated Quotations (''Nasdaq'').

The decision of the Board followed a thorough study of the matter and was based upon the belief that listing the Security on the Nasdaq will be more beneficial to the Company's stockholders than the present listing on the Amex for the following reasons:

(a) The Board believes that a reluctance exists to trade in the securities of Amex listed companies among institutional and other investors;

(b) The resulting negative effect such a reluctance could have on the Company's ability to increase analyst coverage of its stock;

(c) The Board believes that Nasdaq will provide increased liquidity with multiple market makers; and

(d) The Board believes that the capital markets associate Nasdaq with technology companies to a greater extent than Amex.

Any interested person may, on or before March 6, 1996 submit by the letter to the Secretary of the Securities and Exchange Commission, 450 Fifth Street NW., Washington, D.C. 20549, facts bearing upon whether the application has been made in accordance with the rules of the exchanges and what terms, if any, should be imposed by the Commission for the protection of investors. The Commission, based on the information submitted to it, will issue an order granting the application after the date mentioned above, unless the Commission determines to order a hearing on the matter.

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

Jonathan G. Katz,
Secretary.
[FR Doc. 96–3629 Filed 2–16–96; 8:45 am]
BILLING CODE 8010–01–M

[Release No. 34–36830; File No. SR–CBOE–95–33]

Self-Regulatory Organizations; Order Approving Proposed Rule Change and Notice of Filing and Order Granting Accelerated Approval of Amendment No. 1 to the Proposed Rule Change by the Chicago Board Options Exchange, Inc., Relating to an Amendment to the Exchange's Crossing Rule

February 12, 1996.

On July 12, 1995, the Chicago Board Options Exchange, Inc. (''CBOE'' or ''Exchange'') filed with the Securities and Exchange Commission (''SEC'' or ''Commission''), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] a proposed rule change to amend CBOE Rule 6.74, '' 'Crossing' Orders,'' by adding Interpretation and Policy .05, which will allow a floor broker who has been continuously representing a limit order to buy or sell equity option contracts in a trading crowd at a limit price which is equal to the highest bid or lowest offer (''resting order''), and who subsequently receives a market or marketable limit order to

sell or buy the same option series, to cross the resting order with the subsequent market or marketable limit order without regard to the provision of CBOE Rule 6.74(a)(iii) that permits a cross only if the higher bid or lower offer is not taken. The proposal is designed to permit a floor broker representing a resting order and a subsequent market or marketable limit order to cross the number of contracts of those orders to the same extent as if the resting order and the subsequent market or marketable limit orders were represented by different floor brokers.

Notice of the proposed rule change appeared in the Federal Register on October 13, 1995.[3] On January 31, 1996, the CBOE amended its proposal.[4] No comments were received on the proposed rule change.

Currently, CBOE Rule 6.74(a) imposes specific order exposure and price improvement requirements on floor brokers seeking to cross buy orders with sell orders. Specifically, CBOE Rule 6.74(a) requires a floor broker seeking to cross orders to buy and sell the same option series to (i) request bids and offers for such option series and make all persons in the trading crowd, including the Board Broker or Order Book Official, aware of his request; and

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[1] 15 U.S.C. 78s(b)(1) (1988).
[2] 17 CFR 240.19b–4 (1995).

[3] *See* Securities Exchange Act Release no. 36343 (October 5, 1995), 60 FR 53444.

[4] The CBOE amended its proposal to clarify that, under the proposal, a floor broker may cross a resting order with a subsequent market or marketable limit order without regard to the provision of CBOE Rule 6.74(a)(iii) which permits a cross only if a floor broker's higher bid or lower offer is not taken. However, a floor broker must comply with the order exposure and price improvement provisions of CBOE Rule 6.74 before being eligible for the proposed exception. In addition, after invoking the exception, the floor broker remains subject to the requirement under CBOE Rule 6.74(a)(iii) that the floor broker announce by open outcry that he is crossing and give the quantity and price at which the cross took place. *See* Letter from Barbara J. Casey, Vice President, Market Regulation, CBOE, to Ivette Lopez, Assistant Director, Division of Market Regulation, Commission, dated January 30, 1996 (''Amendment No. 1''). Amendment No. 1 also provides examples of the operation of the crossing rule and of the effect of the proposed amendment on the crossing rule, as well as explanations of the terms ''continuously represent'' and ''compete equally.'' Specifically, Amendment No. 1 states that it is implicit in the term ''continuously represents'' that after announcing the order in open outcry, the floor broker must give the trading crowd a reasonable amount of time to respond to the announcement before the floor broker can claim the proposed exception to the crossing rule. The term ''compete equally'' is used to limit the extent to which a floor broker is permitted to cross a resting order and a market or marketable limit order. Specifically, the proposal will give a floor broker representing a resting order and a subsequent market or marketable limit order the ability to compete equally with the trading crowd, but only to the extent that such orders would be executed if they were represented by two different floor brokers.

(ii) after providing an opportunity for such bids and offers to be made, he must (A) bid above the highest bid in the market and give a corresponding offer at the same price or at prices differing by the minimum fraction or (B) offer below the lowest offer in the market and give a corresponding bid at the same price or at prices differing by the minimum fraction. If the higher bid or lower offer is not taken, CBOE Rule 6.74(a)(iii) allows the floor broker to cross the orders at the higher bid or lower offer by announcing by public outcry that he is crossing and giving the quantity and price.

According to the CBOE, the provision of CBOE Rule 6.74(a)(iii) that allows a cross only if the higher bid or lower offer is not taken prevents a resting order from competing equally with other pre-existing bids (offers) and allows the trading crowd to trade ahead of the new market or marketable limit order to buy or sell. Thus, the CBOE notes that the resting order and the subsequent market or marketable limit order may be in a less competitive position because the orders were represented by a single floor broker rather than by separate floor brokers.

For example,[5] if a floor broker has been continuously representing[6] a limit order to purchase 20 option contracts at a limit price of $10 where the market is 10–10¼, and the floor broker subsequently receives a market order to sell 20 option contracts of the same series, CBOE Rule 6.74(a) requires a floor broker who wishes to cross the orders to offer at $10 (*i.e.,* less than the lowest offer of 10¼) and corresponding bid at $10.[7] The floor broker may cross the two orders only if the trading crowd does not take the floor broker's bid or offer. However, according to the CBOE, it is likely that the trading crowd will take the floor broker's offer of $10 because the trading crowd was bidding at $10. Accordingly, the resting order will not be filled, even though it may have been previously represented in the crowd for at least as long as the successful bids of other crowd members. Thus, under existing CBOE Rule 6.74(a), a resting limit order held by a floor broker who subsequently receives a market order is unable to compete for

the market order with other limit orders at the same price held by other crowd members.

Proposed Interpretation and Policy .05 is designed to allow a floor broker representing a resting order and a subsequent market or marketable limit order to compete equally with other bids and offers in the trading crowd by allowing the floor broker to cross the orders to the same extent as if the resting order and the subsequent market or marketable limit order were represented by different floor brokers.[8] Thus, in the example described above, if the trading crowd includes four market makers each bidding at $10 who wish to take the entire offer, proposed Interpretation and Policy .05 would allow the floor broker to claim the proposed exception to CBOE Rule 6.74(a)(iii) and participate equally in the 20-contract offer by crossing four contracts of the resting order with four contracts of the sell order at $10, the then existing bid price in the market. The remaining 16 contracts of the market order would be sold to the trading crowd.[9]

Likewise, if the market makers wish to offer at $10 and take the entire resting limit order, the floor broker may claim the proposed exception and compete equally with other offers in the trading crowd by crossing four contracts of the subsequent market order to sell at $10 with four contracts of the resting limit order.[10]

Proposed Interpretation and Policy .05 provides an exemption solely from the provision of CBOE Rule 6.74(a)(iii) that permits a cross only if the higher bid or lower offer is not taken. The floor broker must comply with the order exposure and price improvement provisions of CBOE Rule 6.74(a) (i) and (ii) before being eligible for the proposed exception. After invoking the

exception, the floor broker remains subject to the requirement in CBOE Rule 6.74(a)(iii) that the floor broker announce by open outcry that he is crossing and give the quantity and price at which the cross took place.[11] In addition, the Exchange's rules pertaining to solicited orders, facilitation crosses, and the priority provisions of CBOE Rule 6.45, ''Priority of Bids and Offers,'' will continue to apply.

The Exchange believes that proposed Interpretation and Policy .05 will reduce the possible detrimental effect on the execution of a resting order and subsequent market or marketable limit orders that occurs solely because the orders are represented by the same floor broker. The CBOE states that proposed Interpretation and Policy .05 will permit the orders represented by a single floor broker to compete equally with other bids and offers in the trading crowd by allowing the floor broker to cross those number of contracts of the resting order with subsequent market or marketable limit orders to the same extent as if the resting order and subsequent market or marketable limit orders were represented by different floor brokers.

The CBOE 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 provides an exemption from provisions that currently disadvantage resting limit orders and subsequent market or marketable limit orders held by the same floor broker, and does this in a manner that promotes just and equitable principles of trade, fosters cooperation among persons engaged in facilitating securities transactions, removes impediments to and perfects the mechanism of a free and open market and protects investors and the public interest.

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange, and, in particular, the requirements of Section 6(b)(5)[12] in that it is designed to promote just and equitable principles of trade and to protect investors and the public interest. The Commission believes that proposed Interpretation and Policy .05 provides a limited and narrowly tailored exception to the provision of CBOE Rule 6.74(a)(iii) that permits a cross only if the trading crowd does not take the floor broker's higher bid or lower offer. By

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[5] *See* Amendment No. 1, *supra* note 4.

[6] In the context of the proposal, ''continuously representing'' means that after announcing an order in open outcry, the floor broker must give the trading crowd a reasonable amount of time to respond to his announcement before he may claim the proposed exception to CBOE Rule 6.74(a)(iii). *See* Amendment No. 1, *supra* note 4.

[7] Because the limit price to purchase is $10, the floor broker cannot bid above the highest bid in the market and thus is precluded from crossing at 10⅛ pursuant to CBOE Rule 6.74(a)(ii)(A).

[8] The proposal uses the term ''compete equally'' to limit the extent to which a floor broker is permitted to cross a resting order and a market or marketable limit order. Currently, the CBOE's crossing rule allows a floor broker to cross a resting order and a subsequent order only if the trading crowd does not take the floor broker's bid or offer. However, if the trading crowd decides to take the market order, the resting order will not be able to participate in the transaction with the market or marketable limit order; alternatively, the trading crowd may take the resting order and trade ahead of the subsequent market or marketable limit order. According to the CBOE, proposed Interpretation and Policy .05 will remove the floor broker's competitive disadvantage and allow the floor broker representing a resting order and a subsequent market or marketable limit order to compete with the trading crowd to the extent that such orders would be executed if they were represented by two different floor brokers. *See* Amendment No. 1, *supra* note 4.

[9] *See* Amendment No. 1, *supra* note 4.

[10] *Id.*

[11] *Id.*

[12] 15 U.S.C. 78f(b)(5) (1988 & Supp. V 1993).

creating a limited exception to CBOE Rule 6.74(a)(iii), proposed Interpretation and Policy .05 will permit orders represented by a single floor broker to participate equally with other bids and offers in the trading crowd by allowing the floor broker to cross those number of contracts of the resting order with the subsequent market or marketable limit order to the same extent as if those orders were represented by different floor brokers, thereby eliminating a competitive disadvantage that may arise currently under CBOE Rule 6.74(a).

CBOE Rule 6.74(a)(ii) requires a floor broker seeking to cross orders to (A) bid above the highest bid in the market and give a corresponding offer at the same price or at prices differing by the minimum fraction or (B) offer below the lowest offer in the market and give a corresponding bid at the same price or at prices differing by the minimum fraction. CBOE Rule 6.74(a)(iii) allows the floor broker to cross the orders if the trading crowd does not take the higher bid or lower offer. However, the CBOE states that it is likely that the trading crowd will take the floor broker's bid or offer, thereby leaving either the resting order or the subsequent market or marketable limit order unfilled. By creating an exception to the provision of CBOE Rule 6.74(a)(iii) that permits a cross only if the floor broker's higher bid or lower offer is not taken, proposed Interpretation and Policy .05 will allow a resting order and a subsequent market or marketable limit order represented by a single floor broker to participate equally with other bids and offers at the same price to the same extent as if those orders were represented by different floor brokers.[13]

Thus, as noted above, proposed Interpretation and Policy .05 will allow a floor broker representing a resting limit order to buy at $10 in a 10–10¼ market to compete equally with four market makers in the trading crowd who are also bidding at $10 for a market order to sell 20 contracts, so that the floor broker will be able to cross four contracts of his resting order with four contracts of the market order. The

market makers will take the remaining 16 contracts of the market order. In contrast, under the CBOE's current rule, the market makers could take the entire offer to sell 20 contracts at $10, leaving the resting limit order unfilled even though the resting order also bid $10 (an amount equal to the highest bid in the market) and had been represented in the crowd for as long as the bids of the market makers.[14]

Accordingly, the Commission believes that the proposal is a reasonable effort to modify CBOE Rule 6.74(a)(iii) to ensure that certain equity option orders are not disadvantaged solely because they are represented by a single floor broker. At the same time, the proposal maintains the safeguards provided in CBOE Rule 6.74(a) by requiring floor brokers to comply with the order exposure and price improvement provisions of CBOE Rule 6.74(a) (i) and (ii) before being eligible for the proposed exception to CBOE Rule 6.74(a)(iii). In addition, proposed Interpretation and Policy .05 applies to a floor broker who has been "continuously representing" a resting order.[15] The Commission believes that the requirements of CBOE Rule 6.74(a) (i) and (ii), together with the requirement that a floor broker continuously represent a resting order before claiming the proposed exception to CBOE Rule 6.74(a)(iii), will help to ensure that orders represented by a floor broker who claims the proposed exception will have an opportunity to interact with orders in the trading crowd.

The Commission notes that after invoking the exception, the floor broker remains subject to the requirement in CBOE Rule 6.74(a)(iii) that the floor broker announce by open outcry that he is crossing and give the quantity and price at which the cross took place. Finally, the due diligence and other provisions of CBOE Rule 6.74 continue to apply, as well as the CBOE rules pertaining to solicited orders, facilitation crosses, and the priority provisions of CBOE Rule 6.45.

The Commission finds good cause for approving Amendment No. 1 prior to the thirtieth day after the date of publication of notice of filing thereof in the Federal Register. Amendment No. 1 strengthens and clarifies the CBOE's

proposal by indicating that a floor broker must comply with the order exposure and price improvement provisions of CBOE Rule 6.74(a)(i) and (ii) and, after invoking the exception, must announce by open outcry that he is crossing and give the quantity and price at which the cross took place. In addition, Amendment No. 1 further clarifies the proposal by defining the terms "continuously representing" and "compete equally" as they are used in the proposal. 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 proposal on an accelerated basis.

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 Section, 450 Fifth Street NW., Washington, D.C. Copies of such filing will also be available for inspection and copying at the principal office of the above-mentioned self-regulatory organization. All submissions should refer to the file number in the caption above and should be submitted by March 12, 1996.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,[16] that the rule change (File No. SR–CBOE–95–33), as amended, is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[17]

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96–3633 Filed 2–16–96; 8:45 am]

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[13] The CBOE believes that the exception provided by proposed Interpretation and Policy .05 will be claimed infrequently, both because the proposed exception applies only in very limited circumstances, and because even in the limited applicable circumstances most trading crowds do not use the crossing rule to prevent a resting order from competing equally with other bids or offers in the market or to trade ahead of market or marketable limit orders. The CBOE expects that the proposed exception will be claimed by floor brokers in equity option crowds that preclude floor brokers from crossing orders or in equity trading crowds that have only one full time floor broker and where the volume in the option series to be crossed is limited. *See* Amendment No. 1, *supra* note 4.

[14] Alternatively, if the market makers wish to sell at $10 and take the entire resting limit order, proposed Interpretation and Policy .05 will allow the floor broker to compete equally with the market makers' offers and cross four contracts of the resting order with four contracts of subsequent market order. The market makers will take the remaining contracts in the resting order.

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

[16] 15 U.S.C. 78s(b)(2) (1982).

[17] 17 CFR 200.30–3(a)(12) (1994).