

withdraw the Security from listing on the Amex and, instead, to list the Security on the Nasdaq National Market. The decision of the Board followed a through study by management of the matter and was based upon the belief that the Company's shareholders would benefit from greater liquidity and broader research coverage by listing of the Security on the Nasdaq National Market rather than the Amex.

Any interested person may, on or before August 13, 1996 submit by letter to the Secretary of the Securities and Exchange Commission, 450 Fifth Street, N.W., 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. 96-19185 Filed 7-26-96; 8:45 am]

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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 July 29, 1996.

A closed meeting will be held on Thursday, August 1, 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 Hunt, 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 1, 1996, at 10:00 a.m., will be:

Institution and settlement of injunctive actions.

Institution 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: July 25, 1996.

Jonathan G. Katz,
Secretary.

[FR Doc. 96-19371 Filed 7-25-96; 8:45 am]

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[Release No. 34-37461; File No. SR-GSCC-96-06]

Self-Regulatory Organizations; Government Securities Clearing Corporation; Notice of Filing of Proposed Rule Change To Permit Netting Members To Receive Credit Forward Mark Adjustment Payments

July 19, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on June 15, 1996, the Government Securities Clearing Corporation ("GSCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change (File No. SR-GSCC-96-06) as described in Items, I, II, and III below, which items have been prepared primarily by GSCC. 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 change will amend GSCC's rules to permit GSCC netting members to receive credit forward mark adjustment payments from GSCC pursuant to GSCC's funds-only settlement process.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, GSCC 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. GSCC has prepared summaries, set forth in sections (A), (B),

and (C) below, of the most significant aspects of such statements.²

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

The purpose of the proposed rule change is to amend GSCC Rule 13 to permit all netting members to receive credit forward mark adjustment payments from GSCC pursuant to GSCC's funds-only settlement process. The forward mark adjustment is a daily mark-to-market process for all net settlement positions designed to account for GSCC's ongoing exposure on each forward net settlement position. As the novation of forward settling trades occurs prior to the settlement of such trades, GSCC incurs multiday settlement exposure on such trades. To mitigate this risk, GSCC collects on a daily basis an amount equivalent to the difference between the contract value of netting members' positions and GSCC's system value based on current market value ("collateral mark"). GSCC also collects a financing mark based on the rate for all forward repurchase and reverse repurchase transactions ("repos").³ A member's forward mark adjustment payment is the sum of all collateral marks and all financing marks.

GSCC collects forward mark adjustment payments from those netting members with a negative forward mark adjustment on a particular business day with regard to a particular CUSIP and remits forward mark adjustment payments to category 1 dealer and bank netting members that are in a positive forward mark position with regard to such CUSIP. A member's required payment is recalculated each day with any debit or credit from the previous day reversed, and a new forward mark adjustment payment obligation is established. Only cash can be used to fund forward mark adjustment payments because GSCC passes through credit forward mark adjustment payments.

GSCC's rules currently provide that only category 1 dealer netting members and bank netting members that have been members for at least sixty calendar days are entitled to receive credit forward mark adjustment payments. This limitation was put into effect in connection with the implementation of GSCC's netting service for repos.⁴ GSCC

² The Commission has modified the text of the summaries prepared by GSCC.

³ The financing mark is equal to the product of the market value of the repo, GSCC's system repo rate, and the repo term.

⁴ For a complete description of GSCC's repo netting system, refer to Securities Exchange Act

¹ 15 U.S.C. 78s(b)(1) (1988).

believed that limiting credit pass throughs in this manner was a prudent measure to ensure that the revised forward mark adjustment process did not pose undue risk to GSCC. However, with the benefit of some experience with the new forward mark adjustment process, GSCC now believes it is appropriate to pass through credit forward mark adjustment payments to all netting members provided that GSCC maintains sufficient clearing fund margin protection. In addition, GSCC believes that the sixty day waiting period set forth in Section 1 of GSCC Rule 13 is no longer necessary.

Although GSCC proposes to extend to all netting members the right to receive credit forward mark adjustments, GSCC believes it is prudent to obtain additional margin protection from category two dealer netting members and category two futures commission merchant ("FCM") netting members in return for acquiring such right. Under GSCC's current rules, category two dealer netting members and category two FCM netting members are required to provide GSCC with additional clearing fund margin protection.⁵ This is due in part to the more modest minimum net worth requirements for such types of netting members.⁶ Therefore, GSCC proposes that each category two dealer netting member and category two FCM netting member be given an option as to whether it wishes to either (i) receive a full credit forward mark adjustment payment and have the haircut applicable to its clearing fund deposit raised from the current levels to levels that are based on historical two day volatility designed to cover ninety-five percent of price movements, as determined by using the greater of the price movements from the last quarter or the last year or (ii) not receive credit forward mark adjustment payments and retain its current clearing fund margin level. If such netting member elects to receive forward mark adjustments, the increase in the member's margin factors

should help ensure that even in a situation involving a delay in the liquidation of such member's positions GSCC's exposure will be limited.

GSCC believes that the proposed rule change is consistent with Section 17A of the Act and the rules and regulations thereunder because it will facilitate the prompt and accurate clearance and settlement of securities transactions.⁷

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

GSCC does not believe that the rule filing will have an impact on or impose a burden on competition.

(C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

Written comments relating to the proposed rule change have not yet been solicited or received. GSCC members will be notified of the filing of the proposed rule change. GSCC will notify the Commission of any written comments received by GSCC.

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

Within thirty-five 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 ninety 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 GSCC 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 submission should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of the submissions, 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 Room, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filings will also be available for inspection and copying at the principal office of GSCC. All submissions should refer to the file number SR-GSCC-96-06 and should be submitted by August 19, 1996.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 96-19120 Filed 7-26-96; 8:45 am]

BILLING CODE 8010-01-M

UNITED STATES SENTENCING COMMISSION

Rules of Practice and Procedure

AGENCY: United States Sentencing Commission.

ACTION: Notice of proposed rules of practice and procedure. Request for public comment.

SUMMARY: Pursuant to its authority under 995(a)(1) of title 28, United States Code, the Sentencing Commission is considering the promulgation of internal rules of practice and procedure. The proposed rules are set forth below. The Commission invites comment on these proposed rules.

DATES: Written comment should be submitted to Michael Courlander, Public Information Specialist, no later than November 1, 1996.

ADDRESSES: Comments should be sent to: United States Sentencing Commission, One Columbus Circle, N.E., Suite 2-500, South Lobby, Washington, D.C. 20002-8002, Attention: Public Information.

FOR FURTHER INFORMATION CONTACT: Michael Courlander, Public Information Specialist, Telephone: (202) 273-4590.

SUPPLEMENTARY INFORMATION: Section 995(a)(1) of title 28 authorizes the U.S. Sentencing Commission, an independent agency in the judicial branch of the United States Government, to establish general policies and promulgate rules and regulations for the Commission as necessary to carry out the purposes of the Sentencing Reform Act of 1984.

These rules of practice and procedure are designed to facilitate public understanding and participation in the work of the Sentencing Commission. For the most part these rules do not

Release No. 36491 (November 17, 1995), 60 FR 49649 [File No. SR-GSCC-95-02] (order approving proposed rule change implementing GSCC's netting services for non-same-day-settling aspects of next-day and term repo transactions).

⁵ Category two dealer and FCM netting members now have applicable margin factors as set by GSCC's Board of Directors which can be no lower than ninety-nine percent of historical one day price volatility. All other GSCC members have applicable margin factors as set by GSCC's Board of Directors which can be no lower than ninety-five percent of historical one day price volatility.

⁶ For example, category two dealer netting members and FCM netting members must maintain a net worth of \$25 million, but category one banks and category one dealers and FCMs must maintain a minimum net worth of \$100 million and \$50 million, respectively.

⁷ 15 U.S.C. 78q-1 (1988).

⁸ 17 CFR 200.30-3(a)(12) (1995).