

Docketing and Services Branch, or may be delivered to the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, by the above date. Where petitions are filed during the last 10 days of the notice period, it is requested that the petitioner promptly so inform the Commission by a toll-free telephone call to Western Union at 1-(800) 248-5100 (in Missouri 1-(800) 342-6700). The Western Union operator should be given Datagram Identification Number N1023 and the following message addressed to Gail H. Marcus: petitioner's name and telephone number, date petition was mailed, plant name, and publication date and page number of this Federal Register notice. A copy of the petition should also be sent to the Office of the General Counsel, U.S. Nuclear Regulatory Commission, Washington, DC 20555, and to Jack Newman, Kathleen H. Shaw; Morgan, Lewis & Bockius, P.C.; 1800 M Street NW., Washington, DC 20036, attorneys for the licensee.

Nontimely filings of petitions for leave to intervene, amended petitions, supplemental petitions and/or requests for hearing will not be entertained absent a determination by the Commission, the presiding officer or the presiding Atomic Safety and Licensing Board that the petition and/or request should be granted based upon a balancing of the factors specified in 10 CFR 2.714(a)(1)(i)-(v) and 2.714(d).

For further details with respect to this action, see the applications for amendment dated July 21, 1995, August 8, 1995, and December 15, 1995, which are available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, and at the local public document room located at the Cedar Rapids Public Library, 500 First Street SE, Cedar Rapids, Iowa.

Dated at Rockville, Maryland, this 29th day of January 1996.

For the Nuclear Regulatory Commission.
Glenn B. Kelly,
Project Manager,
Project Directorate III-3 Division of Reactor Projects—III/IV Office of Nuclear Reactor Regulation.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-36783; File No. SR-NASD-95-53]

Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Order Approving Proposed Rule Change Requiring Members That Participate in the Transfer of Limited Partnership Securities to Use Standard Transfer Forms

January 29, 1996.

I. Introduction

On December 15, 1995, the National Association of Securities Dealers, Inc. ("NASD" or "Association") filed with the Securities and Exchange Commission ("SEC" or "Commission") a proposed rule change¹ pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")² and Rule 19b-4 thereunder.³ The rule change amends Section 1 and adds new Section 73 and Exhibit A to the NASD's Uniform Practice Code ("Code").

Notice of the proposed rule change, together with its terms of substance was provided by issuance of a Commission release⁴ and by publication in the Federal Register.⁵ No comments were received in response to the Commission release. This order approves the proposed rule change.

II. Description

The NASD intends to standardize the format for gathering transfer information by registered representatives and eliminate delays and inefficiencies in the transfer and settlement process by requiring the use of standardized transfer forms.⁶ Under new Section 73 of the Code, each member that participates in the transfer of limited partnership securities, as defined in Article III, Section 34 of the NASD's Rules of Fair Practice, will be required to use the forms. This new section will

not apply to limited partnership securities which are traded on The Nasdaq Stock Market or a registered national securities exchange. Although only NASD members would be required to use the standardized forms under the proposed amendments, the NASD has worked closely with various transfer agents, and the Investment Program Association, a trade organization for the partnership industry, to build a general consensus favoring the use and recognition of the forms throughout the industry.⁷

The standard transfer forms will be set forth in Exhibit A to new Section 73. The four forms are as follows: (1) the "Transferor's (Seller's) Application For Transfer;" (2) the "Transferee's (Buyer's) Application for Transfer;" (3) the "Registration Confirmation Form;" and (4) the "Distribution Allocation Agreement." The Transferor and Transferee forms are each two pages in length and contain important information, including customer identification, partnership identification, tax identification, quantity transferred, broker-dealer and registered representative identification, and signature execution.

The Registration Confirmation Form acts to confirm to the buyer/transferee that the transfer has been completed. This form contains information including the partnership's NASD symbol, CUSIP number, tax identification number, total number of units transferred, and the effective/admission date.

The Distribution Allocation Agreement is designed to be completed at the time the transfer documents are completed and sent to the general partner of the limited partnership security to be transferred. The agreement contains certain affirmations on which the transferor and transferee agree, and is intended to act as a contract between the buyer and seller setting forth their agreement regarding all unpaid distributions. The agreement specifies when the unitholder of record is entitled to cash distributions and capital distributions, as well as the party

¹ The proposed rule change was initially submitted on November 8, 1995, but was subsequently amended on December 11, 1995, and again on December 15, 1995, in order to clarify that the proposed rule change does not apply to limited partnership securities that are traded on The Nasdaq Stock Market or a registered national securities exchange.

² 15 U.S.C. § 78s(b)(1).

³ 17 CFR 240.19b-4.

⁴ Securities Exchange Act Release No. 36611 (December 20, 1995).

⁵ 60 FR 67146 (December 28, 1995).

⁶ The NASD has requested an effective date for the proposed rule of 60 days after the date on which SEC approval of the proposed rule is announced in a NASD Notice to Members, which announcement shall be made no later than 45 days after the date of Commission approval.

⁷ The NASD's Direct Participation Program Committee and the special Ad Hoc Committee on Uniform Settlement and Transfer Procedures for Direct Participation Program Securities have gathered and assessed information in order to develop forms with universal applicability. In addition, both the NASD staff and the members of the NASD's Direct Participation Program Committee are planning to explore other initiatives designed to develop a broad, accessible framework through which the transfer and distribution process for limited partnership securities will become more efficient and consistent. See Securities Exchange Act Release No. 36611 (December 20, 1995) at 9-10.

responsible of correcting a distribution made to the wrong party.

III. Discussion

The Commission has determined to approve the NASD's proposal. The Commission finds that the rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to the NASD, including the requirements of Section 15A(b)(6) of the Act.⁸ Section 15A(b)(6) requires, in part, that the rules of a national securities association be designed to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities.

Historically, limited partnership securities were not structured to be transferred freely in secondary market transactions, unless the issuer listed the securities on an exchange or qualified them for inclusion in Nasdaq. Over-the-counter markets now exist, however, for many limited partnership securities, and trading volumes reportedly have increased. As a result, quick and accurate processing of the transfer of limited partnership securities has become even more critical.

Generally, before the transfer of a limited partnership interest may take place, it must be approved by the general partner(s). The elements for a valid transfer are dictated by the terms of partnership agreements under various state limited partnership statutes. As a result, when transferring limited partnership interests, NASD members are currently confronted with transfer requirements unique to each partnership which may vary widely on the type and amount of documentation necessary for the valid transfer of a limited partnership interest. This, in turn, results in non-standardized transfers of limited partnerships that, in some instances, may take many weeks or even months to become finalized.

In addition, partnership terms for record dates and distribution or dividend payment dates are equally varied. Transfer delays and non-standardized payment provisions have caused or contributed to delays or mistakes in the allocation of cash distributions between buyers and sellers. For example, a seller of a limited partnership interest, as the recordholder of the securities until a change is made on the records of the partnership, often receives distributions that rightly should have accrued to the buyer. Particularly problematic are special distributions other than cash

distributions (e.g., proceeds from capital transactions, capital distributions, sale or refinancing proceeds, liquidating distributions) which, under many partnership agreements, are paid to the owner of record of the partnership unit in the prior quarter. Thus, under current transfer standards and practices, buyers and sellers of limited partnership securities in the secondary market are unable to protect their rights to such distributions.

The use and recognition of standardized forms will bring greater consistency and certainty in transactions involving limited partnership securities. Such forms should act to significantly reduce the time and effort required by member firms to process the transfer of limited partnership securities. In addition, the use of the Distribution Allocation Agreement will provide certainty to the buyer/transferee and seller/transferor regarding the method for handling various distributions of the limited partnership.

To be effective, however, the forms approved today must meet the legitimate needs of issuers and transfer agents. The Commission encourages the NASD to monitor the currency of the forms on a periodic basis.

It is therefore ordered, pursuant to section 19(b)(2) of the Act, that the proposed rule change SR-NASD-95-53 be, and hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegate authority.⁹

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 96-2221 Filed 2-1-96; 8:45 am]

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[Release No. 34-36782; International Series Release No. 923; File No. SR-Philadep-96-01]

Self-Regulatory Organizations; Philadelphia Depository Trust Company; Notice of Filing and Order Granting Accelerated Approval on a Temporary Basis of a Proposed Rule Change to Appoint the West Canada Depository Trust Company as a Correspondent Depository

January 26, 1996

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on January 25, 1996, the Philadelphia Depository Trust Company ("Philadep") filed with the Securities and Exchange

Commission ("Commission") the proposed rule change (File No. SR-Philadep-96-01) as described in Items I and II below, which items have been prepared primarily by Philadep. On January 25, 1996, and on January 26, 1996, Philadep filed amendments to the proposed rule change.² The Commission is publishing this notice and order to solicit comments on the proposed rule change from interested persons and to grant accelerated approval of the proposed rule change on a temporary basis through June 30, 1996.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The purpose of the proposed rule change is to allow Philadep to appoint the West Canada Depository Trust Company ("WCDTC") as Philadep's nonexclusive agent and custodian in receiving Philadep.

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

In its filing with the Commission, Philadep included statements concerning the purpose of and basis for the proposed rule change and discussed any comments that it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. Philadep 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

The purpose of the proposed rule change is to allow Philadep to authorize WCDTC to act as a nonexclusive agent and custodian for Philadep in receiving securities deposited by certain WCDTC sponsored participants for credit to their respective subaccounts in WCDTC's omnibus account at Philadep. These participant and custodial arrangements will be effectuated by contracts executed between Philadep and WCDTC and as to the Philadep participant arrangement by the rules and procedures of Philadep.

At or before 12:45 p.m. (Philadelphia time) on any business day Philadep is open, WCDTC will notify Philadep via facsimile transmission or through

² Letters from William W. Uchimoto, General Counsel, Philadep, to Jerry W. Carpenter, Assistant Director, Division of Market Regulation, Commission (January 25, 1996 and January 26, 1996).

⁸ 15 U.S.C. § 78o-3(b)(6).

⁹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. § 78s(b)(1) (1988).