

Holding issued and outstanding immediately prior to the transaction will be cancelled. Outstanding shares of ENSERCH preferred stock and ENSERCH convertible debentures will remain outstanding ENSERCH securities after the Mergers, and the debentures will be convertible into TUC Holding common stock. The Mergers are expected to qualify as tax-free transactions under section 351 of the Internal Revenue Code of 1986, as amended. Based on the Average TUC Price if the Mergers had been consummated on April 12, 1996 (the date of the Merger Agreement), and the capitalization of TUC and ENSERCH on that date, the shareholders of TUC and ENSERCH would own securities representing approximately 94.3% and 5.7%, respectively, of the outstanding common stock of TUC Holding.

As a result of the Mergers, TUC Holding will be a public-utility holding company as defined in section 2(a)(7) of the Act with three public-utility subsidiaries, TU Electric, SESCO and ENSERCH. TUC Holding will change its name to Texas Utilities Company. It states that following consummation of the Mergers, it will be entitled to an exemption from all provisions of the Act except section 9(a)(2) because it and each of its public-utility subsidiaries from which it derives a material part of its income will be predominantly intrastate in character and will carry on their utility businesses substantially within the state of Texas.

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

Margaret H. McFarland,  
Deputy Secretary.

[FR Doc. 96-29790 Filed 11-20-96; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 35-26606]

### Filings Under the Public Utility Holding Company Act of 1935, as Amended ("Act")

November 15, 1996.

Notice is hereby given that the following filing(s) has/have been made with the Commission pursuant to provisions of the Act and rules promulgated thereunder. All interested persons are referred to the application(s) and/or declaration(s) for complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendments thereto is/are available for public inspection through the Commission's Office of Public Reference.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by December 9, 1996, to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549, and serve a copy on the relevant applicant(s) and/or declarant(s) at the address(es) specified below. Proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. Any request for hearing shall identify specifically the issues of fact or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After said date, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

National Fuel Gas Company (70-8943)

#### *Notice of Proposal to Issue Common Stock; Order Authorizing Solicitation of Proxies*

National Fuel Gas Company ("NFG"), 10 Lafayette Square, Buffalo, New York 14203, a gas registered holding company, has filed a declaration under sections 6(a), 7 and 12(e) of the Act and rules 62 and 65 thereunder.

By resolutions adopted by the Board of Directors of NFG ("Board") on September 19, 1996, NFG's By-laws were amended to establish a shares payment policy ("Plan") whereby nonemployee NFG directors ("Eligible Directors") would receive compensation in the form of NFG Common Stock, \$1 par value ("Common Stock") for serving on the Board. Under the Plan one hundred shares of Common Stock would be issued quarterly to each Eligible Director and would constitute a portion of such Eligible Director's annual retainer. The Plan provides for a proration of such payments for any quarter during which an Eligible Director has rendered only partial service. Common Stock issued pursuant to the Plan would be non-transferable until the later of two years from date of issuance or six months after the Eligible Director's cessation of service as a director. NFG states that from time to time the Board will make adjustments in the number of shares issuable to each Eligible Director, as the Board in its discretion deems appropriate in light of then existing circumstances. It is anticipated that the initial issuance of Common Stock under the Plan will take place in respect of the quarter commencing January 1, 1997.

One hundred thousand shares of Common Stock, which may be

authorized but unissued shares, treasury shares or a combination thereof, have been reserved for issuance under the Plan. The Board may also adjust the number of these shares, reserved or issued, in order to prevent dilution or enlargement in the event of a stock split, reverse stock split, reorganization or similar event with respect to which the Board determines that an equitable adjustment is appropriate.

NFG requests authorization to implement the Plan through December 31, 2001, to issue up to one hundred thousand shares of Common Stock pursuant to the Plan, effective January 1, 1997, and to adjust the number of shares of Common Stock that may be issued under the Plan. In addition, NFG proposes to solicit proxies from its shareholders to approve amendments to NFG's By-laws establishing the Plan at the next annual meeting, scheduled for February 20, 1997. Accordingly, NFG requests that an order authorizing the solicitation of proxies be issued as soon as practicable pursuant to rule 62(d).

It appearing to the Commission that NFG's declaration regarding the proposed solicitation of proxies should be permitted to become effective forthwith:

*It is ordered*, that the declaration regarding the proposed solicitation of proxies be, and it hereby is, permitted to become effective forthwith, pursuant to rule 62 and subject to the terms and conditions prescribed in rule 24 under the Act.

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

Margaret H. McFarland,  
Deputy Secretary.

[FR Doc. 96-29793 Filed 11-20-96; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-37960; International Series Release No. 1028; File No. SR-Amex-96-38]

### Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by American Stock Exchange, Inc., Relating to the Listing and Trading of Index Warrants Based on the BEMI Latin America Index

November 15, 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 October 15, 1996, the American Stock Exchange, Inc. ("Amex" or "Exchange") filed with

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

<sup>2</sup> CFR 240.19b-4.

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.

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

The Amex, pursuant to Rule 19b-4 of the Act proposes to approve for listing and trading under Section 106 of the Amex *Company Guide* index warrants based on the BEMI Latin America Index ("Index"), a market capitalization-weighted broad-based index developed by ING Barings Securities Limited comprised of companies from seven Latin American countries representing eleven different industry groups.

#### 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

Under Section 106 (Currency and Index Warrants) of the Amex *Company Guide*, the Exchange may approve for listing index warrants based on foreign and domestic market indices. The Amex has received approval to trade a number of index warrant products pursuant to Section 106.<sup>3</sup> The Amex represents that the listing and trading of warrants on the Index will comply in all respects to Exchange Rules 1100 through 1110 for the trading of stock index and currency warrants.

Warrant issues on the Index will conform to the listing guidelines under

Section 106, which provide, among other things, that (1) the issuer shall have tangible net worth in excess of \$250,000,000 and otherwise substantially exceed earnings requirements in Section 101(A) of the *Company Guide* or meet the alternate guideline in paragraph (a); (2) the term of the warrants shall be for a period ranging from one to three years from date of issuance; and (3) the minimum public distribution of such issues shall be 1,000,000 warrants, together with a minimum of 400 public holders, and have an aggregate market value of \$4,000,000.

Index warrants will be direct obligations of their issuer subject to cash-settlement during their term, and either exercisable throughout their life (*i.e.*, American style) or exercisable only on their expiration date (*i.e.*, European style). Upon exercise, or at the warrant expiration date (if not exercisable prior to such date), the holder of a warrant structured as a "put" would receive payment in U.S. dollars to the extent that the Index has declined below a pre-stated cash settlement value. Conversely, holders of a warrant structured as a "call" would, upon exercise or at expiration, receive payment in U.S. dollars to the extent that the Index has increased above the pre-stated cash settlement value. If "out-of-the-money" at the time of expiration, the warrants would expire worthless.

The Amex has adopted suitability standards applicable to recommendations to purchasers of Index warrants and transactions in customer accounts. Amex Rule 411, Commentary .02 recommends that index warrants under Section 106 of the *Company Guide* be sold only to investors whose accounts have been approved for options trading pursuant to Rule 921. The requirements under Rule 923 (Suitability) shall apply to recommendations in index warrants both with respect to customer accounts that have been approved for options trading and customer accounts that have not been so approved. Amex Rule 421, Commentary .02 requires a Senior Registered Options Principal or a Registered Options Principal to approve and initial a discretionary order in Index warrants on the day the order is entered. In addition, the Amex, prior to the commencement of trading of Index warrants, will distribute a circular to its membership calling attention to specific risks associated with warrants on the Index.

The Amex is proposing to list index warrants based on the Index, an internationally-recognized capitalization-weighted index

representing a broad-based portfolio of 119 large, actively traded stocks from seven Latin American countries.<sup>4</sup> The total market capitalization of the Index was \$237.4 billion on September 30, 1996. The total available market capitalization<sup>5</sup> of the Index was \$104.5 billion on September 30, 1996. The median available capitalization of the companies in the Index on that date was \$429 million and the average available market capitalization of these companies was \$878 million. The individual available market capitalization of the companies ranged from \$15.9 million to \$8.8 billion.

The Index was designed by and is maintained by ING Barings. The stocks selected for inclusion in the Index were chosen on the basis of both country and company criteria. To be included in the Index a country must have a minimum Gross Domestic Product per capita of \$400 and a minimum market trading value of \$2 billion per year, in at least one of the last three years. The companies included in the Index are drawn from a database of stock entities, which may represent individual companies in their entirety, or separate lines of stock, *e.g.* A shares and B shares, of the same company. The criteria for stock entities to be included are: Capitalization value greater than 1% of the ING Barings database for that country, minimum free-float of 10%, minimum average daily trading value of \$100,000. In addition shares that rank first or second in their industry sector may be included if they have a minimum capitalization of 0.5% of the ING Baring database for that country and meet the normal free-float and daily trading value rules.

The number of stocks and weighting in the Index as of 9/30/96 is as follows: Argentina 22 stocks/12.71% weighting, Brazil 23 stocks/39.36% weighting, Chile 16 stocks/12.30% weighting, Columbia 13 stocks/1.94% weighting, Mexico 27 stocks/25.35% weighting, Peru 12 stocks/7.13% weighting, and Venezuela 6 stocks/1.19% weighting. The Index is composed of companies from 11 industry groups including: consumer goods, energy, capital equipment, basic materials, agriculture/food and financial. The largest stock accounts for 8.43% of the Index, while

<sup>4</sup> The list of the component securities and their respective weights in the Index were attached to the proposed rule filing as Exhibit A, and are available for examination at the Amex or at the Commission as specified in Item IV.

<sup>5</sup> Available market capitalization refers to market capitalization that is available to foreign investors and that reflects the restrictions in place in many emerging markets where large and variably defined portions of a company's market capitalization are not available to foreign investors.

<sup>3</sup> See Securities Exchange Act Release No. 36070 (August 9, 1995), 60 FR 42205 (August 14, 1996) (approval for index warrants on the Deutscher Aktienindex); Securities Exchange Act Release No. 33036 (October 8, 1993), 58 FR 53588 (October 15, 1993) (approval for index warrants on the Amex Hong Kong 30 Index); and Securities Exchange Act Releases No. 31016 (August 11, 1992), 57 FR 37012 (August 17, 1992) (approval for index warrants on the Japan Index).

the smallest accounts for 0.015%. The top five stocks in the Index by weight account for 29.62%. The Exchange believes that the Index is a Stock Index Group and a Broad Stock Index Group pursuant to Rule 1100(b).

The Exchange also believes that the proposed Index complies with the information sharing standards of Section 106(g) of the Company Guide.<sup>6</sup> In this regard, the Commission previously has permitted U.S. derivatives markets to list derivatives on securities where the home market for such securities is located in Argentina, Brazil, Chile and Mexico based upon the Commission's and the Exchange's information sharing arrangements with the appropriate government or self-regulatory authorities in such countries. (The Commission has Memoranda of Understanding with government authorities in Argentina, Brazil, Chile and Mexico; the Exchange has information sharing agreements with the securities markets and/or self-regulators in Argentina, Brazil and Chile.) Because Argentinean, Brazilian, Chilean, and Mexican securities comprise 89.73% of the value of the Index, the Exchange represents that the Index meets the information sharing standards of Section 106(g) of the Company Guide.

The Index is capitalization-weighted and based on available capitalization. The Index is quoted in U.S. dollars and disseminated daily shortly after 4 p.m. New York time using local market closing prices and Reuters 4 p.m. exchange rates. The Index was first calculated on January 7, 1992 with a benchmark value of 100.

The Index is maintained by ING Barings Recomposition Committee. The Recomposition Committee, established at the time of the launch of the Index, reviews on a quarterly basis the Index rules and composition. The committee implements changes or fixes standards as appropriate and oversees the security environment of the Index and its record-keeping. The quarterly recomposition meeting is normally held in the second week of the last month of the quarter. The date of these meetings is posted at least two months in advance on Reuters and the results are posted on Reuters the day after a committee meeting. Any changes in the composition of the Index are implemented on the last day of the

month that the committee meeting is held. This is approximately two weeks after the committee meeting.

According to the Exchange, membership of the committee is regulated by a "Fire Wall." All members are isolated from sales, trading functions and corporate finance functions. Members are drawn from Index research, calculations group, and the legal department of ING Barings. To ensure impartiality and good practice, the committee has retained Russell Systems Limited (Part of the Frank Russell Group) to attend all meetings and to provide an audit of attendance and appropriateness of the agenda. Russell Systems Limited also provides advice on good practice in indexation and on how to ensure the use of the best available information on emerging markets.

## 2. Basis

The Amex 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<sup>7</sup> 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 Amex does not believe that the proposed rule change will impose any inappropriate 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 so finding or (ii) as to which the self-regulatory organization 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 File No. SR-Amex-96-38 and should be submitted by December 12, 1996.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>8</sup>

Margaret H. McFarland,

*Deputy Secretary.*

[FR Doc. 96-29789 Filed 11-20-96; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-37946; File No. SR-CHX-96-27]

### **Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Chicago Stock Exchange, Incorporated Relating to Permanent Approval of Its Pilot Program for Automatic Execution of Limit Orders**

November 13, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. 78s(b)(1), notice is hereby given that on October 15, 1996, the Chicago Stock Exchange, Incorporated ("CHX" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to

<sup>6</sup> Section 106(g) of the Company Guide states that foreign country securities or American Depository Receipts thereon that are not subject to a comprehensive surveillance agreement, and have less than 50% of their global trading volume in dollar value within the United States, shall not in the aggregate, represent more than 20% of the weight of an index, unless such index is otherwise approved for warrant or option trading.

<sup>7</sup> 15 U.S.C. 78f(b)(5).

<sup>8</sup> 17 CFR 200.30-3(a)(12).