

incurred in connection with the reorganization were paid by SHIP I after the reorganization.

7. As of the date of the application, applicant had no shareholders and no securities outstanding, and has no debts or other liabilities outstanding. Applicant is not a party to any litigation or administrative hearing. Applicant is neither engaged, nor proposes to engage, in any business activities other than those necessary for the winding up of its affairs.

8. Applicant filed articles of merger with the State of Maryland on April 12, 1996, which became effective on April 15, 1996.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 97-242 Filed 1-6-97; 8:45 am]

BILLING CODE 8010-01-M

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 January 6, 1997.

A closed meeting will be held on Wednesday, January 8, 1997, 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 Johnson, 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 Wednesday, January 8, 1997, at 10:00 a.m., will be:

Injunction and settlement of injunctive actions.

Institution and settlement of administrative proceedings of an enforcement nature.

Formal order of investigation.

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: January 3, 1997.

Jonathan G. Katz,

Secretary.

[FR Doc. 97-441 Filed 1-3-97; 3:53 pm]

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[Release No. 34-38098; File No. SR-CHX-96-26]

Self-Regulatory Organizations; Chicago Stock Exchange, Inc.; Order Approving and Notice of Filing and Order Granting Accelerated Approval of Amendment No. 2 to Proposed Rule Change Relating to Enhanced SuperMAX and Timed Enhanced SuperMAX

December 30, 1996.

I. Information

On October 9, 1996, the Chicago Stock Exchange, Incorporated ("CHX" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposal relating to its SuperMAX system, seeking permanent approval of the existing pilot program. The proposed rule change was published for comment in the Federal Register on November 20, 1996.³ The CHX filed an amendment ("Amendment No. 2") to the proposal on December 30, 1996.⁴ No comments were received on the proposed rule change. This order approves the Exchange's proposal as amended.

II. Description of the Proposal

On May 22, 1995, the Commission approved a proposed rule change of the CHX that allows specialists on the Exchange, through the Exchange's MAX system, to provide order execution guarantees that are more favorable than those required under CHX Rule 37(a),

¹ 15 U.S.C. § 78s(b)(1).

² 17 CFR 240.19b-4.

³ Securities Exchange Act Release No. 37947 (November 13, 1996), 61 FR 59124. In Amendment No. 1 to the proposed rule change, submitted on November 8, 1996, the Exchange replaced the text of the proposed rule change originally filed with rule text changed to reflect previously inadvertently omitted language. See Securities Exchange Act Release No. 37947 at note 2.

⁴ Letter from David T. Rusoff, Esq., Foley & Lardner, to Janet W. Russell-Hunter, Special Counsel, Office of Market Supervision, Division of Market Regulation, SEC, dated December 23, 1996. In Amendment No. 2, the CHX amended the proposed rule change to request an extension of the pilot through March 1, 1997, rather than a request for permanent approval of the program, and agreed to submit additional data regarding the pilot by January 31, 1997.

Article XX.⁵ That approval order contemplated that the CHX would file with the Commission specific modifications to the parameters of MAX that are required to implement various options available under this new rule.

On July 27, 1995, the Commission approved a proposed rule change of the CHX that implemented two options available under this new rule.⁶ These two new options, Enhanced SuperMAX and Timed Enhanced SuperMAX, were approved on a pilot basis until July 31, 1996. The Commission extended the pilot program until December 31, 1996 and requested that the CHX provide a report to the Commission, by August 31, 1996,⁷ describing its experience with the pilot program. On August 30, 1996, the CHX submitted a report.

The Exchange, based on its amended proposal, has requested a further extension for its Enhanced SuperMAX and Timed Enhanced SuperMAX pilot program⁸ through March 1, 1997. As stated above, the two options available in the pilot program are Enhanced SuperMAX and Timed Enhanced SuperMAX. Enhanced SuperMAX is merely a reactivation of the Exchange's Enhanced SuperMAX program, a program originally approved by the Commission on a pilot basis in 1991.⁹ The proposed Enhanced SuperMAX program differs from the original pilot program approved in 1991 in that it is available starting at 8:45 a.m. instead of 9:00 a.m. This program also differs from the Exchange's SuperMAX program in that under this program, certain orders are "stopped" at the consolidated best bid or offer and are executed with reference to the *next* primary market sale instead of the previous primary market sale. Timed Enhanced SuperMAX is a slight variation on the Enhanced SuperMAX program. It executes orders in the same manner as the Enhanced SuperMAX program except that if there are no executions in the primary market after the order has been stopped for a designated time period, the order is executed at the stopped price at the end of such period. Such period, known as a time out period, is pre-selected by a specialist on a stock-by-stock basis based on the size of the order, may be changed by a specialist no more frequently than once

⁵ See Securities Exchange Act Release No. 35753 (May 22, 1995), 60 FR 28007.

⁶ See Securities Exchange Act Release No. 36027 (July 27, 1995), 60 FR 39465.

⁷ See Securities Exchange Act Release No. 37491 (July 29, 1996), 61 FR 40690.

⁸ CHX Rule 37 (e)-(f).

⁹ See Securities Exchange Act Release No. 30058 (December 10, 1991), 56 FR 65765.

a month, and may be no less than 30 seconds.

III. Discussion

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, with Section 6(b)(5) of the Act, in that the proposal is designed to promote just and equitable principles of trade, to remove impediments to and to perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Specifically, the Commission continues to believe that the pricing and execution procedures of Enhanced SuperMAX and Timed Enhanced SuperMAX are consistent with the maintenance of fair and orderly auction markets on national securities exchanges. The Commission asked the Exchange to monitor the operation of the systems and determine their effectiveness and to submit a report to the Commission describing its experience with the pilot program.¹⁰ While the Exchange submitted a report on August 30, 1996, the Commission has requested and the Exchange has agreed to submit, by January 31, 1997, certain supplemental data regarding the pilot program.

The Commission believes that this additional data and conclusions reached therefrom will be critical in determining whether to further extend or permanently approve the program. Moreover, extending the effectiveness of the pilot program until March 1, 1997 will give the Commission an opportunity to carefully and comprehensively evaluate the information provided by the Exchange. Accordingly, the Commission believes it is reasonable to extend the Enhanced SuperMAX and Timed Enhanced SuperMAX pilot program until March 1, 1997, and to request that the Exchange submit additional data to the Commission by January 31, 1997.

Any requests to modify this pilot program, extend its effectiveness, or to seek permanent approval for the pilot program should be submitted to the Commission by January 31, 1997 as a proposed rule change pursuant to Section 19(b) of the Act.

The Commission finds good cause for approving Amendment No. 2 to the proposed rule change prior to the thirtieth day after the date of publication of notice thereof in the

Federal Register. Amendment No. 2 requests that rather than being approved on a permanent basis, that the Enhanced SuperMAX and Timed Enhanced SuperMAX features of the SuperMAX system be approved through March 1, 1997, which will permit the pilot program to remain in effect without interruption. In addition, the Exchange has represented that no problems have arisen and no complaints have been received concerning the pilot program since its implementation.¹¹ Accordingly, the Commission believes there is good cause, consistent with Sections 6(b)(5) and 19(b)(2) of the Act, to approve Amendment No. 2 on an accelerated basis.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning Amendment No. 2. 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, N.W., Washington, D.C. 20549. Copies of such filing will also be available for inspection and copying at the principal office of the Exchange. All submission should refer to File No. SR-CHX-96-26 and should be submitted by January 28, 1997.

V. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹² that the proposed rule change (SR-CHX-96-26), as amended, is approved, and accordingly, that the pilot program is extended until March 1, 1997.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹³

¹¹ Telephone conversation between David T. Rusoff, Esq. Foley & Lardner, and Janet Russell-Hunter, Special Counsel, Office of Market Supervision, Division of Market Regulation, SEC, on December 23, 1996.

¹² 15 U.S.C. 78s(b)(2).

¹³ 17 CFR 200.20-3(a)(12).

Margaret H. McFarland,
Deputy Secretary.
[FR Doc. 97-237 Filed 1-6-97; 8:45 am]
BILLING CODE 8010-01-M

[Release No. 34-38097; File No. SR-NASD-96-45]

Self-Regulatory Organizations; Notice and Immediate Effectiveness of Proposed Rule Change by National Association of Securities Dealers, Inc., Relating to Small Order Execution System Tier Size Classifications

December 30, 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 December 18, 1996, the National Association of Securities Dealers, Inc. ("NASD" or "Association") filed with the Securities and Exchange Commission ("Commission" or "SEC") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the NASD. 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 NASD is submitting this filing to effectuate The Nasdaq Stock Market, Inc.'s ("Nasdaq") periodic reclassification of Nasdaq Market ("NNM") securities into appropriate tier sizes for purposes of determining the maximum size order for a particular security eligible for execution through Nasdaq's Small Order Execution System ("SOES") and the minimum quote size requirements for Nasdaq market makers in NNM securities. Specifically, under the proposal, 762 NNM securities will be reclassified into a different SOES tier size effective January 2, 1997. Since the NASD's proposal is an interpretation of existing NASD rules, there are no language changes.

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 NASD 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 NASD has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

¹⁰ See Securities Exchange Act Release No. 36027, *supra* note 6.