

SR-MSRB-97-2 and should be submitted by April 1, 1997.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁷

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 97-5981 Filed 3-10-97; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-38366; File No. SR-MSRB-97-1]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Municipal Securities Rulemaking Board Relating to Delivery of Official Statements to the Board

March 5, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on February 20, 1997, the Municipal Securities Rulemaking Board ("Board" or "MSRB") filed with the Securities and Exchange Commission ("Commission" or "SEC") the proposed rule change (File No. SR-MSRB-97-1). The proposed rule change is described in Items I, II, and III below, which Items have been prepared by the Board. 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 Board is filing a proposed rule change to rule G-36 and Form G-36(OS), relating to delivery of official statements to the Board (hereafter referred to as the "proposed rule change"), which updates the citation to SEC Rule 15c2-12 in rule G-36 to correspond to the recently revised subsection of that Rule and which makes clear that limited placements only are exempt from rule G-36.

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 Board 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 texts of these statements may be examined at the places specified in Item IV below. The

Board 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

Board rule G-36 requires that managing underwriters deliver to the Board copies of final official statements for most primary offerings of municipal securities, if an official statement was prepared. Rule G-36 also requires Form G-36(OS) to be sent with the official statement. The Board enters the official statement into the Municipal Securities Information Library® ("MSIL®") System.³ Rule G-36 applies to all primary offerings with official statements, except for limited placements that are exempt under SEC Rule 15c2-12(d)(1)(i).

Rule G-36 and Form G-36(OS) contain cross-references to SEC Rule 15c2-12. The proposed rule change to rule G-36(c)(iii) and Form G-36(OS) updates the citation to Rule 15c2-12 to correspond to the recently revised subsection of Rule 15c2-12 and makes clear that limited placements only are exempt from rule G-36.

The Board believes the proposed rule change is consistent with Section 15B(b)(2)(C) of the Act, which provides that the Board's rules shall:

be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in municipal securities, to remove impediments to and perfect the mechanism of a free and open market in municipal securities, and, in general, to protect investors and the public interest.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Board does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

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

The Board has neither solicited nor received comments on the proposed rule change.

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

Because the foregoing proposed rule change: (1) does not significantly affect the protection of investors or the public interest; (2) does not impose any significant burden on competition; (3) does not become operative for thirty days from February 20, 1997, the date on which it was filed, and the MSRB provided the Commission with written notice of its intent to file the proposed rule change at least five business days prior to the filing date, it has become effective pursuant to Section 19(b)(3)(A) of the Act⁴ and Rule 19b-4(e)(6)⁵ thereunder. In particular, the Commission believes the proposal would qualify as a "non-controversial filing" in that the proposed standards do not significantly affect the protection of investors or the public interest and do not impose any significant burden on competition. At any time within sixty days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

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 Room. Copies of the filing will also be available for inspection and copying at the Board's principal offices. All submissions should refer to File No. SR-MSRB-97-1 and should be submitted by April 1, 1997.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁶

⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1) (1988).

² 17 CFR 240.19b-4 (1991).

³ The MUNICIPAL SECURITIES INFORMATION LIBRARY and MSIL are registered trademarks of the Board.

⁴ 15 U.S.C. § 78s(b)(3)(A).

⁵ 17 CFR 240.19b-4(e)(6).

⁶ 17 CFR 200.30-3(a)(12).

Margaret H. McFarland,
Deputy Secretary.
[FR Doc. 97-5982 Filed 3-10-97; 8:45 am]
BILLING CODE 8010-01-M

[Release No. 34-38360; File No. SR-NASD-97-15]

March 4, 1997.

Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change and Amendment No. 1 by the National Association of Securities Dealers, Inc. Relating to Amendments to the Corporate Financing Rule, The Nasdaq Stock Market Rules, and Over-the-Counter Bulletin Board Rules To Effect Compliance With SEC Regulation M

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 March 3, 1997, the National Association of Securities Dealers, Inc. ("NASD" or "Association") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change and Amendment No. 1. The proposed rule change and Amendment No. 1 are 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. For the reasons discussed below, the Commission is granting accelerated approval of the proposed rule change and Amendment No. 1.

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

The NASD is proposing to amend the Corporate Financing Rule in Rule 2710, The Nasdaq Rules, and the Over-the-Counter Bulletin Board Rules of the Association to effect compliance with the Commission's Regulation M. Below is the text of the proposed rule change. Proposed new language is in italics; proposed deletions are in brackets.

2710. Corporate Financing Rule—Underwriting Terms and Arrangements

(a) No change.

(b) Filing Requirements—(1) through (10) No change.

(11) Request for Underwriting Activity Report. Notwithstanding the availability of an exemption from filing under subparagraph (b)(7) of this Rule, a member acting as a manager (or in a similar capacity) of a distribution of a publicly traded subject or reference security that is subject to SEC Rule 101

shall submit a request to the Corporate Financing Department for an Underwriting Activity Report with respect to the subject and/or reference security in order to facilitate compliance with SEC Rules 101, 103, or 104, and other distribution-related Rules of the Association. The request shall be submitted at the time a registration statement or similar offering document is filed with the Department, the SEC, or other regulatory agency or, if not filed with any regulatory agency, at least two (2) business days prior to the commencement of the restricted period under SEC Rule 101. The request shall include a copy of the registration statement or similar offering document (if not previously submitted pursuant to subparagraph (b)(5) of this Rule). If no member is acting as managing underwriter of such distribution, each member that is a distribution participant or an affiliated purchaser shall submit a request for an Underwriting Activity Report, unless another member has assumed responsibility for compliance with this subparagraph. For purposes of this subparagraph, SEC Rules 100, 101, 103, and 104 are rules of the Commission adopted under Regulation M and the following terms shall have the meanings as defined in SEC Rule 100: "distribution," "distribution participant," "reference security," "restricted period," and "subject security."

(c) No change.

4000. The Nasdaq Stock Market

4200. Definitions

(a) For purposes of the Rule 4000 Series, unless the context requires otherwise:

[(a)-(x)] (1)-(23)

[(y) "Penalty bid" means a stabilizing bid that permits the managing underwriter to reclaim a selling concession granted to a syndicate member in connection with the sale of securities in an underwritten offering when the syndicate member resells such securities to the managing underwriter.]

[(z) "Pre-effective stabilizing bid" means a stabilizing bid entered prior to the effective date of an offering.]

[(aa)] (24) "Reported security" means an equity security for which quotations are entered into the Consolidated Quotations Service.

(25) "SEC Rule 100", "SEC Rule 101", "SEC Rule 103", and "SEC Rule 104" mean the rules adopted by the Commission under Regulation M, and any amendments thereto.

[(bb)] (26) "Solicitation expenses" means direct marketing expenses incurred by a member in connection

with a limited partnership rollup transaction, such as telephone calls, broker/dealer fact sheets, members' legal and other fees related to the solicitation, as well as direct solicitation compensation to members.

[(cc)] (27) "Stabilizing bid" means [a bid entered for the purpose of supporting the price of a security to facilitate an offering of such security as permitted by SEC Rules 10b-6 and 10b-7.] the terms "stabilizing" or to "stabilize" as defined in SEC Rule 100.

[(dd)] (28) "Transaction costs" means costs incurred in connection with a limited partnership rollup transaction, including printing and mailing the proxy, prospectus or other documents; legal fees not related to the solicitation of votes or tenders; financial advisory fees; investment banking fees; appraisal fees; accounting fees; independent committee expenses; travel expenses; and all other fees related to the preparatory work of the transaction, but not including costs that would have otherwise been incurred by the subject limited partnerships in the ordinary course of business or solicitation expenses.

(29) "Underwriting Activity Report" is a report provided by the Corporate Financing Department of NASD Regulation, Inc. in connection with a distribution of securities subject to SEC Rule 101 pursuant to Rule 2710(b)(11) and includes forms that are submitted by members to comply with their notification obligations under Rules 4614, 4619, and 4623.

(b) For purposes of Rules 4614, 4619, and 4623, the following terms shall have the meanings as defined in SEC Rule 100: "affiliated purchaser," "distribution," "distribution participant," "independent bid," "net purchases," "passive market maker," "penalty bid," "reference security," "restricted period," "subject security," and "syndicate covering transaction".

4600. Nasdaq Market Maker Requirements

4614. Stabilizing Bids

(a) [Eligibility.]

[A market maker may enter a stabilizing bid in Nasdaq, which bid will be identified with the appropriate identifier on the Nasdaq quotation display.]

Market Maker Obligation/Identifier

A market maker that intends to stabilize the price of a Nasdaq security that is a subject of reference security under SEC Rule 101 shall submit a request to Nasdaq Market Operations