

open-end investment company registered under the Act, subject to the restriction that the Fund may not invest more than 15% (or such other percentage as set forth by the SEC from time to time) of its net assets in illiquid securities and any similar restrictions set forth in the Fund's investment restrictions and policies, if the Adviser cannot sell the instrument, or the Fund's fractional interest in such instrument, pursuant to the preceding condition.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97-31847 Filed 12-4-97; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39370; File No. SR-CTA/CQ-97-3]

Consolidated Tape Association; Notice of Filing and Immediate Effectiveness of Third Charges Amendment to the Second Restatement of the Consolidated Tap Association Plan and Second Charges Amendment to the Restated Consolidated Quotation Plan

November 26, 1997.

Pursuant to rule 11Aa3-2 of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on November 25, 1997, the Consolidated Tap Association ("CTA") and the Consolidated Quotation ("CQ") Plan Participants ("Participants") filed with the Securities and Exchange Commission ("Commission" or "SEC") amendments to the Restated CTA Plan and CQ Plan. The amendments remove from the Plans' rate schedules the Network A "one-cent-per-quote packet" fees for the interrogation services that vendors offer on a pay-for-use basis and recreate the former Network A Class G program classification charge for automated voice response services. The Participants recently established these charges pursuant to the second charges amendment to the Second Restatement of the CTA Plan and the first charges amendment to the Restated CQ Plan.

Pursuant to Rule 11Aa3-2(c)(3)(i), the CTA and CQ Participants have designated the amendments as establishing or changing fees and other charges collected on behalf of all of the sponsors and participants, which

renders the amendments effective upon receipt of this filing by the Commission. The Commission is publishing this notice to solicit comments from interested persons on the amendments.

I. Purpose of the Amendments

A. Rule 11Aa3-2

The Participants under the Plans that make Network A last sale information and quotation information available (the "Network A Participants") recently established a pricing alternative for vendors of, and subscribers to, certain Network A market data interrogation services.² That alternative consists of a fee of one cent for each real-time "quote packet" that vendors disseminate to subscribers on a pay-for-use basis during the hours that the Network A Participants are open for trading (a "per-quote charge").

At the same time, the Network A Participants also classified their Class G program classification charge as a display device fee, based upon device equivalents. That fee is set for any month at the device fee that would apply for a number of devices equal to the maximum number of inquiries to which a vendor's automated voice response system responds simultaneously during that month. As we stated in the September Plan Amendments, the reclassification left the amount and calculation of the charges unchanged. It did not affect the amounts payable by any vendor.

The amendments remove the per-quote charge from the CTA and CQ Plan rate schedules and re-establish the Class G program classification charge in a manner identical to its form prior to the September Plan Amendments. The reason for these amendments is to comply with a request of the staff of the Commission's Division of Market Regulation which received an unfavorable comment letter.³

B. Governing or Constituent Documents

Not applicable.

C. Implementation of Amendment

The Network A Participants are submitting this proposed plan amendment pursuant to Rule 11Aa3-2(c)(3)(i) under the Act. In doing so, the Participants are putting the revisions to the CTA and CQ Plan rate schedules into effect upon the filing of the amendments with the Commission. As a

result, the removal of the per-quote charge from the CTA and CQ Plan schedules, and the re-instatement of the Class G program classification charge, will take effect upon submission of the plan amendments with the Commission. After filing the amendments with the Commission, the Network A Participants will notify affected vendors of the rate schedule changes as necessary.

D. Development and Implementation Phases

See Item I(C).

E. Analysis of Impact on Competition

The Participants believe the proposed amendments will impose no burden on competition.

F. Written Understanding or Agreements Relating to Interpretation of, or Participation in, Plan

Not applicable.

G. Approval by Sponsors in Accordance With Plan

Under Section XII(b)(iii) of the CTA Plan and Section IX(b)(iii) of the CQ Plan, each of the Participants must execute a written amendment to the Plan before an amendment to that Plan can become effective.

H. Description of Operation of Facility Contemplated by the Proposed Amendment

Not applicable.

I. Terms and Conditions of Access

See Item I(A).

J. Method of Determination and Imposition, and Amount of, Fees and Charges

See Item I(A) and the text of the amendments.

K. Method and Frequency of Processor Evaluation

Not applicable.

L. Dispute Resolution

Not applicable.

II. Rule 11Aa3-1 (Solely in Its Application to the Amendments to the CTA Plan)

A. Reporting Requirements

Not applicable.

B. Manner of Collecting, Processing, Sequencing, Making Available and Disseminating Last Sale Information

Not applicable.

C. Manner of Consolidation

Not applicable.

² See Securities Exchange Act Release No. 39235 (October 14, 1997); 62 FR 54886 (October 22, 1997) ("September Plan Amendments").

³ See letter from Sam Scott Miller, Vice President and Associate Counsel, Orrick, Herrington & Sutcliffe LLP, to Jonathan G. Katz, Secretary, SEC, dated October 28, 1997.

¹ 15 U.S.C. 78k-1.

D. Standards and Methods Ensuring Promptness, Accuracy and Completeness of Transaction Reports

Not applicable.

E. Rules and Procedures Addressed to Fraudulent or Manipulative Dissemination

Not applicable.

F. Terms of Access to Transaction Reports

See Item I(A).

G. Identification of Marketplace of Execution

Not applicable.

III. Solicitation of Comments

The CTA has designated this proposal as establishing or changing fees and other charges collected on behalf of all of the sponsors and participants which under Section 11Aa3-2(c)(3)(i) of the Act renders the proposal effective upon receipt of this filing by the Commission.

The Commission may summarily abrogate the amendments within sixty days of its filing and require refiling and approval of the amendments by Commission order pursuant to 11Aa3-2(c)(3)(iii), if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors and maintenance of fair and orderly markets, to remove impediments to and perfect the mechanisms of a National Market System, or otherwise in furtherance of the purposes of the Act.

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 such filing will also be available for inspection and copying at the principal office of the CTA. All submissions should refer to the file number in the caption above and should be submitted by December 29, 1997.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁴

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97-31878 Filed 12-4-97; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39372; File No. SR-GSCC-97-07]

Self-Regulatory Organizations; Government Securities Clearing Corporation; Order Approving Proposed Rule Change Relating to Election of Directors

November 28, 1997

On July 23, 1997, the Government Securities Clearing Corporation ("GSCC") filed with the Securities and Exchange Commission (the "Commission") pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and on August 18, 1997, amended the proposed rule change (File No. SR-GSCC-97-07). Notice of the proposal was published in the **Federal Register** on September 22, 1997.² No comment letters were received. For the reasons discussed below, the Commission is approving the proposed rule change.

I. Description

The proposed rule change modifies GSCC's Shareholder Agreement ("Agreement"),³ By-laws, and Certificate of Incorporation relating to GSCC's procedures for election of directors and to restrictions currently placed on transfers of GSCC's securities. As described more fully below, the proposed rule change amends GSCC's procedures in four major categories: (a) nomination and election process for board members, (b) composition of the board, (c) restrictions on issuance and transfer of shares, and (d) miscellaneous.

A. Nomination and Election Process for Board Members

Similar to the process in place at NSCC and other clearing corporations, GSCC has a nominating committee that

will be responsible for nominating candidates for election as participant directors to the board.⁴ NSCC will continue to nominate and to elect two directors to the board outside the nominating committee process. The board seat for a management representative and for the GSCC president also will remain outside the nominating committee process.

The nominating committee consists of five individuals, a majority of whom are representatives from active participants. With the exception of the initial nominating committee, an individual cannot serve on the nominating committee if he or she has served on the board or the nominating committee within the past year. The term of a nominating committee member is two years, and the terms of nominating committee members are staggered.⁵

With the exception of the first nominating committee, incoming nominating committee members will be designated by the board after consideration of the recommendations of current nominating committee members. The participant category is irrelevant for purposes of the selection of nominating committee members. However, as a general guideline, the individuals serving on the nominating committee will reflect GSCC's overall membership and potential membership base.

Participants will be provided an opportunity early in the nomination process to suggest one nominee for each open board seat. After consideration of the participants' suggestions, the nominating committee will then select its candidates. The nominating committee will nominate one nominee for each open participant director seat. Participants will then be notified of the nominating committee's slate of candidates for open board seats.

⁴ The procedures governing the selection of the nominating committee are contained in Section 2.B of the Agreement, and the nomination procedures are contained in Section 2.C of the Agreement. The prior nomination process for participant directors was open to all members with every member being able to nominate any shareholder member, including itself. However, a member was restricted to submitting nominations only for its own correlative participant category (*i.e.*, broker participants nominated broker participant directors, clearing agent bank participants nominated clearing agent bank participant directors, and all other participants nominated dealer participant directors). The election process involved ballots being circulated to every member with such voting being similarly limited to one's own correlative participant category.

⁵ Initially, one class with two individuals will be designated for a one year term, and another class with three individuals will be designated for a two year term. After these initial terms, both classes will serve two year terms. Therefore, subsequent nominating committees will have two staggered classes of members.

⁴ 17 CFR 200.30-3(a)(27)

¹ 15 U.S.C. 78s(b)(1).

² Securities Exchange Act Release No. 39068 (September 12, 1997), 62 FR 49548.

³ The Agreement was first executed in 1988 before GSCC had a set of rules in place. GSCC currently has forty-six shareholders, each of which is a party to the Agreement. The National Securities Clearing Corporation ("NSCC") is the largest shareholder, holding approximately eighteen percent of GSCC's shares.