

all the Exchange's index options, including sales practice rules, margin requirements and floor trading procedures. Position limits on reduced value long term Index options will be equivalent to the position limits for regular (full value) Index options and would be aggregated with such options (for example, if the position limit for the full value options is 15,000 contracts on the same side of the market, then the position limit for the reduced value options will be 150,000 contracts on the same side of the market).

The exercise settlement value for all of the Index's expiring options will be calculated based upon the primary exchange regular way opening sale prices for the component stocks. In the case of Nasdaq/NMS listed securities, the first reported regular way sale price will be used. If any component stock does not open for trading on its primary market on the last trading day before expiration, then the prior day's last sale price will be used in the calculation.

Exchange Rules Applicable to Stock Index Options

Amex Rules 900C through 980C will apply to the trading of option contracts based on the Index. These rules cover issues such as surveillance, exercise prices, and position limits. Surveillance procedures currently used to monitor trading in each of the Exchange's other index options will also be used to monitor trading in options on the Computer Hardware Index. The Index is deemed to be a Stock Index Option under Rule 901C(a) and a Stock Index Industry Group under Rule 900C(b)(1). With respect to Rule 903C(b), the Exchange proposes to list near-the-money (*i.e.*, within ten points above or below the current index value) option series on the Index at 2½ point strike (exercise) price intervals when the value of the Index is below 200 points. In addition, the Exchange expects that the review required by Rule 904C(c) will result in a position limit of 15,000 contracts with respect to options on this Index.

(2) Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Act⁴ in general and furthers the objectives of Section 6(b)(5)⁵ in particular in that it is 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 facilitating transactions in securities,

and to remove impediments to and perfect the mechanism of a free and open market and a national market system.

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

The Exchange does not believe that the proposed rule change will impose any 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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act.⁶ The Amex may not list options for trading on the Index prior to 30 days after the date the proposed rule change was filed with the Commission. At any time within 60 days of the filing of such 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 the 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, including whether the submission is consistent with the Act. 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 in Washington, D.C. Copies of such filing will also be available for inspection and copying at the principal office of the Amex. All submissions should refer to the file No. SR-Amex

98-14 and should be submitted by May 11, 1998.

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

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39850; File No. SR-DCC-98-02]

Self-Regulatory Organizations; Delta Clearing Corp.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to the Authorization of Tullet & Tokyo Securities, Inc. To Participate as a Broker for Over-the-Counter U.S. Treasury Options Trades

April 10, 1998.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 ("Act"), notice is hereby given that on March 6, 1998, Delta Clearing Corp. ("DCC") 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 primarily by DCC. The Commission is publishing this notice to solicit comments from interested persons on the proposed rule change.

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

The proposed rule change notifies the Commission that Tullet & Tokyo Securities, Inc. ("Tullet") has been authorized by DCC to participate as a broker in the over-the-counter system ("system") operated for options on U.S. treasury securities.

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

In its filing with the Commission, DCC 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. DCC has prepared summaries, set forth in sections (A), (B),

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(5).

⁶ 15 U.S.C. 78s(b)(3)(A).

⁷ 17 CFR 200.30(a)(12).

¹ 15 U.S.C. 78s(b)(1).

and (C) below, of the most significant aspect of such statements.²

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

Pursuant to the Procedures for Clearing of Securities and Financial Instrument Transactions ("Combined Procedures"),³ multiple brokers may participate in the system operated by DCC and new brokers may be authorized by DCC to participate in the system. DCC has authorized Tullet, which is currently an authorized broker in the system for repurchase agreement ("repo") and reverse repo trades, to participate as a broker in the system operated for options on U.S. treasury securities.

DCC believes that the proposed rule change is consistent with the requirements of Section 17A of the Act⁴ and the rules and regulations thereunder because it facilitates the prompt and accurate clearance and settlement of securities transactions.

(B) Self-Regulatory Organization's Statement on Burden on Competition

DCC does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purpose of the Act.

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

Comments were neither solicited nor received.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii)⁵ of the Act and pursuant to Rule 19b-4(e)(4)⁶ promulgated thereunder because the proposal effects a change in an existing service of a registered clearing agency that does not adversely affect the safeguarding of securities or funds in the custody or control of the clearing agency or for which it is responsible and does not significantly affect the respective rights or obligations of the filing of the clearing agency or persons using the

service. At any time within sixty days of the filing of such 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, including whether the proposed rule change is consistent with the Act. 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, 350 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filing also will be available for inspection and copying at the principal office of DCC. All submissions should refer to File No. SR-DCC-98-02 and should be submitted by May 11, 1998.

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

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39852; File No. SR-DTC-97-12]

Self-Regulatory Organizations; The Depository Trust Company; Order Approving a Proposed Rule Change To Establish a Voluntary Redemption and Sales Service for Depository Eligible Units of Unit Investment Trust

April 10, 1998.

On June 27, 1997, The Depository Trust Company ("DTC") filed with the Securities and Exchange Commission ("Commission") and on January 22,

1998, amended as proposed rule change (File No. SR-DTC-97-12) pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act").¹ Notice of the proposal was published in the **Federal Register** on February 19, 1998.² No comment letters were received. For the reasons discussed below, the Commission is approving the proposed rule change.

I. Description

Under the rule change, DTC will establish the investor's voluntary redemptions and sales service ("IVORS"), a redemption and sales service for depository eligible units of unit investment trusts ("UITs"). IVORS will offer two basic UIT services: (1) redemption of units with the UIT transfer agent for cash payment and (2) sales of units to the UIT sponsor for cash payment. IVORS initially will be available to eligible DTC participants by way of DTC's participant terminal system ("PTS").

IVORS will be available only if: (1) the UIT units are DTC-eligible and are held in DTC's fast automated securities transfer ("FAST") system;³ (2) the FAST transfer agent currently is or agrees to become a full service DTC participant; and (3) the UIT's lead sponsor or its clearing agent agrees to participant in IVORS as a DTC participant.

When a UIT becomes eligible for IVORS, its FAST transfer agent will submit initial standing instructions for the UIT to an IVORS database on PTS regarding participants' ability to redeem or to sell units through IVORS. The UIT sponsor will be able to make daily changes to those standing instructions by way of PTS. When a participant holding UIT units in its DTC account submits a request through IVORS to surrender the units for their value, IVORS will determine which of the two basic services (*i.e.*, redemption or sale) is available for the units based on the standing instructions for the UIT in the IVORS database. The participant submitting the UIT units will have the choice of accepting the determination of which of the two services is available or canceling its request to surrender its units.

On the date of the participant's request to surrender the units ("T"), IVORS will move the surrendered units from the participant's free position to its "IVORS pending surrender segregation

² The Commission has modified the text of the summaries prepared by DCC.

³ Securities Exchange Act Release No. 39236 (October 14, 1997) 62 FR 54661 [File No. SR-DCC-97-04] (order approving the Combined Procedures).

⁴ 15 U.S.C. 78q-1.

⁵ 15 U.S.C. 78s(b)(3)(A)(iii).

⁶ 17 CFR 240.19b-4(e)(5).

⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² Securities Exchange Act Release No. 39647 (February 11, 1998), 63 FR 8508.

³ DTC has informed the Commission that DTC-eligible UIT units usually are held in the FAST system.