

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 CBOE. All submissions should refer to the file number in the caption above and should be submitted by February 17, 1998.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁵

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39557; File No. SR-CHX-97-33]

Self-Regulatory Organizations; Chicago Stock Exchange; Notice of Filing of and Immediate Effectiveness of Proposed Rule Change Regarding Regulatory Cooperation

January 16, 1998.

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 11, 1997, the Chicago Stock Exchange, Incorporated ("CHX" or "Exchange") 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 self-regulatory organization. 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 Exchange proposes to amend Article VIII, Rule 11 of its Rules to clarify the existing Rule and to require regulatory cooperation by members, member organizations, and others over

whom the Exchange has jurisdiction in connection with certain investigations and proceedings that are initiated by other exchanges or self-regulatory organizations.

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 Exchange 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 Exchange 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

1. Purpose

Currently, Article VIII, Rule 11 requires members (and certain others) to submit books and papers, furnish information, and appear and provide testimony to the Exchange's Board and other committees or officers of the Exchange, among other things. While the Exchange believes that the current rule provides adequate authority to require members (and others specified in the rule) to provide information to other regulatory organizations, the Exchange believes that clarifying this provision to expressly provide for such information is desirable, especially because other self-regulatory organizations have recently amended their rules to clarify their information-sharing authority.

The proposed rule change would expressly provide that no member, member organization, or partner, officer, director or other person associated with a member or other person or entity subject to the jurisdiction of the Exchange shall refuse to appear and testify before another exchange or self-regulatory organization in connection with a regulatory investigation, examination or disciplinary proceeding, or refuse to furnish documentary materials or other information, or otherwise impede or delay such investigation, examination or disciplinary proceeding if the Exchange requests such information or testimony in connection with an inquiry resulting from an agreement entered into by the Exchange with other exchanges or self-regulatory organizations with whom the

Exchange has entered into agreements for the sharing of information and other forms of mutual assistance, including but not limited to members and affiliate members of the Intermarket Surveillance Group.¹ The proposed rule change would explicitly provide that the Exchange may enter into agreements with domestic and foreign self-regulatory organizations providing for the exchange of information and other forms of mutual assistance for market surveillance, investigative, enforcement and regulatory purposes. The requirements of the proposed rule would apply regardless of whether the Exchange had itself initiated a formal investigation or disciplinary proceeding.

The proposed rule change would also provide that any person or entity required to furnish information or testimony pursuant to the new rule must be afforded the same rights and procedural protections as that person or entity would have if the Exchange had initiated the request for information or testimony.

While the Exchange believes that the current rule provides adequate authority to require members and specified others to provide testimony, documentary materials or other information to the Exchange's Board or to the Exchange (or any committee, subcommittee or officer thereof) and refrain from impeding or delaying any examination, inquiry, or investigation (whether formal or informal) the Exchange believes that changes are desirable to conform this text to the new provisions added above. Specifically, the proposed rule change would provide that no member, member organization, or partner, officer, director or other person associated with a member or other person or entity subject to the jurisdiction of the Exchange shall impede or delay an Exchange examination, inquiry or investigation (whether formal or informal) with respect to possible violations within the disciplinary jurisdiction of the Exchange or with respect to possible limitations on access to Exchange services or otherwise with respect to the discharge of its duties nor refuse to furnish testimony, documentary materials or other information requested by the Board of Governors or by the Exchange (or by any committee, subcommittee, or officer thereof) during

¹ The Intermarket Surveillance Group ("ISG") is an organization of securities industry self-regulatory organizations formed in 1983 to coordinate and develop intermarket surveillance programs designed to identify and combat fraudulent and manipulative acts and practices. In order to promote its purposes, members agree to exchange such information as is necessary for ISG members to perform their self-regulatory and market surveillance functions.

⁵ 17 CFR 200.30-3(a)(12).

the course of such examination, inquiry or investigation or otherwise in furtherance of the discharge of its or his duties. Failure to furnish such testimony, documentary materials or other information requested pursuant to the proposed rule on the date or within the time period requested would be considered obstruction of an Exchange inquiry or investigation and would not be subject to formal disciplinary action.

2. Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b)(5) of the Act in that it is designed to promote just and equitable principles of trade, to foster cooperation and coordination with persons regulating securities transactions, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest.

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

The Exchange has neither solicited nor received written comments on the proposed change.

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

Because the 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; and (3) does not become operative for 30 days from December 11, 1997, the date of which it was filed, and the Exchange provided the Commission with written notice of its intent to file the proposed rule change at least five days prior to the filing date, it has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(e)(6) thereunder.

At any time within 60 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 purpose of this 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 at the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the CHX. All submissions should refer to File No. SR-CHX-97-33 and should be submitted by February 17, 1998.

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

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39561; File No. SR-DTC-97-17]

Self-Regulatory Organizations; the Depository Trust Company; Notice of a Proposed Rule Change Relating to a Modification of the Coupon Collection Service

January 20, 1998.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on August 7, 1997, The Depository Trust Company ("DTC") filed with the Securities and Exchange Commission ("Commission") and on December 22, 1997, amended the proposed rule change as described in Items I, II, and III below, which items have been prepared primarily by DTC. The Commission is publishing this notice to solicit comments from interested persons on the proposed rule change.

¹ 15 U.S.C. 78s(b)(1).

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

The proposed rule change will expand DTC's coupon collection service ("CCS") to include the collection of interest relating to coupons from corporate bearer bonds.

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

In its filing with the Commission, DTC 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. DTC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.²

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

CCS currently provides DTC participants with a method for the collection of interest relating to coupons from municipal bearer bonds.³ Participants using CCS are required to deposit coupons in a standard sealed envelop or "shell," each of which may contain no more than 200 coupons for the same CUSIP number, series, and payable date. DTC submits the contents of the shells to the appropriate issuer or paying agent and then credits the interest to the participant's account.

Under the proposed rule change, CCS will be modified to process corporate bearer bonds in addition to municipal bearer bonds. With certain exceptions, DTC will handle shells containing corporate bearer bonds in the same manner in which it currently handles municipal bearer bonds.

First, DTC will contact the corporate paying agent before submitting the coupons for payment to determine whether the coupon proceeds are payable in U.S. dollars. To be eligible for CCS, corporate bearer bonds must be payable in either U.S. dollars or Canadian funds. Where the corporate bearer bonds are payable in Canadian funds, DTC will request the paying agent to convert the funds to U.S. dollars in accordance with the

² The commission has modified the text of the summaries prepared by DTC.

³ For a complete description of CCS, refer to Securities Exchange Act Release No. 35750 (January 22, 1996), 61 FR 2852 [File No. SR-DTC-95-18] (order approving proposed rule change).