rights of members from whom the Exchange requests information pursuant to CBOE Rule 15.9(b). Accordingly, the Commission believes it is consistent with Sections 6(b)(5) and 19(b)(2) of the Act to approve Amendment No. 1 to the proposed rule change on an accelerated basis.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, ¹⁰ that the proposed rule change (SR-CBOE-94-39) is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority. 11

Margaret H. McFarland,

Deputy Secretary.

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[Release No. 34-35401; File No. SR-NASD-95-04]

Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change Relating to Amendments to the Examination Specifications and Content Outline for the General Securities Registered Representative (Series 7) Examination

February 22, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on February 13, 1995,² the National Association of Securities Dealers, Inc. ("NASD" or "Association") filed with the Securities and Exchange Commission ("SEC" or "Commission") 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 proposing amendments to the examination specifications and study outline for the General Securities Registered Representative ("Series 7") qualification examination. The amendments revise materials pertaining to recently enacted federal and self-

regulatory organization ("SRO") rules and regulations, new products and changes in industry practices. The number of questions per examination and the examination time are unaffected by the amendments.

The amendments described above do not result in any textual changes to the NASD By-Laws, Schedules to the By-Laws, Rules, practices or procedures.

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 III below. The NASD 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

The Series 7 examination was created in 1974 as an industry-wide qualification examination for persons seeking registration as general securities representatives. The Series 7 examination is required under rules of the SROs for persons who are engaged in the solicitation, purchase and/or sale of securities for the accounts of customers. The purpose of the Series 7 examination is to ensure that registered representatives have the basic knowledge necessary to perform their functions and responsibilities. The Series 7 exam specifications detail the ares covered by the examination and break down the number of examination questions drawn from each area. The Series 7 content outline details the subject coverage and question allocation of the examination.

Revision of the Series 7 examination, specifications and content outline was initiated in April 1993 by an industry committee of self-regulatory organizations and broker-dealer representatives in order to update the examination in view of changes in the securities industry including changes in relevant rules and regulations, the development of new securities products and changes in the job of the registered representative as firms offer an increasingly wide range of financial services. The specifications and content outline for the Series 7 examination have not been revised since 1986.

The industry committee updated the existing statements of the critical functions of registered representatives to ensure current relevance and appropriateness, drafted statements of tasks expected to be performed by entrylevel registered representatives, and conformed the existing content outline to the task statements. The content outline reflects the revised content of the examination. The total number of questions in the Series 7 examination will remain 250. The revised examination will cover all financial product areas covered on the present Series 7 examination as well as several new products, including collateralized mortgage obligations ("CMOs"), long term equity participation securities ("LEAPS") and CAPS,3 with reduced emphasis on direct participation programs.

The Commission recently approved two parallel filings of the New York Stock Exchange ("NYSE").⁴ No comments were received on either filing.

The NASD believes that the proposed rule change is consistent with the provisions of Section 15A(g)(3) of the Act in that the proposed changes to the examination are to ensure persons seeking registration in the securities industry have attained the requisite levels of knowledge and competence.

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

The NASD does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.

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

Written comments were neither solicited nor received.

III. 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, NW., Washington, DC 20549. Copies of the

^{10 15} U.S.C. 78s(b)(2) (1988).

^{11 17} CFR 200.30-3(a)(12) (1994).

¹ 15 U.S.C. Section 78s(b)(1).

² The proposed rule change was originally filed on January 26, 1995. In the amendment, filed on February 13, 1995, the NASD provided both the amended examination specifications and content outline for the Series 7 exam. The examination specifications were filed pursuant to a request by the NASD for confidential treatment.

³ OEX CAPS and SPX CAPS are new securities based on the S&P 100 (OEX) and the S&P 500 (SPX) that give investors the right to participate to a predetermined level in upward or downward movements in either index.

⁴ See Securities Exchange Act Release No. 34853 (October 18, 1994), 59 FR 53694 (October 25, 1994) (File Nos. SR-NYSE-94-26 (revised exam and exam specifications for Series 7 exam), and SR-NYSE-94-27 (revised content outline for Series 7 exam)).