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 NASD. All submissions should refer to file number SR-NASD-95-04 and should be submitted by March 21, 1995.

### IV. Commission's Findings and Order Granting Accelerated Approval of Proposed Rule Change

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to the NASD and, in particular, with the requirements of Sections 15(b)(7), 15A(b)(6), and 15A(g)(3) of the Act. 5 Section 15(b)(7) states that a registered broker or dealer may not effect any transaction in, or induce the purchase or sale of, any security unless such broker or dealer meets such standards of operational capability and all those associated with such broker or dealer meet certain standards of training, experience, competence, and such other qualifications as the Commission finds necessary or appropriate in the public interest or for the protection of investors. Section 15A(b)(6) requires, in relevant part, that the rules of a registered securities association be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and to protect investors and the public interest. Section 15A(g)(3) provides that a registered securities association may deny membership to, or condition the membership of, a registered broker or dealer if such broker or dealer does not meet the requisite levels of knowledge and competence.

The Commission believes that revising the Series 7 exam, specifications, and content outline should help to ensure that only those securities representatives with a comprehensive knowledge of current NASD rules, as well as an understanding of the Act, will be able to solicit, purchase or sell securities for the

5 15 U.S.C. Sections 78*o*(b)(7), 78*o*–3(b)(6), 78*o*–3(g)(3).

accounts of customers. The Commission believes that the revised topics covered by the Series 7 examination, specifications and content outline are appropriate and include a sufficiently broad range of subject matter to ensure an appropriate level of expertise by general securities registered representatives. The revised examination focuses on relevant subject matter in view of changes in applicable laws, rules, regulations, products, and industry practices. By ensuring this requisite level of knowledge, the Commission anticipates that general securities registered representatives will demonstrate an acceptable level of securities knowledge to carry out their responsibilities.

The Commission finds good cause for approving the proposed rule change prior to the 30th day after the date of publication of notice of filing thereof in the **Federal Register**. The Commission believes that accelerated approval is appropriate given the recent approval of two parallel and substantively identical filings by the NYSE,<sup>6</sup> and the importance of industry-wide implementation of the revised content outline and Series 7 examination as soon as practicable.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,<sup>7</sup> that the proposed rule change SR–NASD–95–04 be, and hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.  $^8$ 

### Margaret H. McFarland,

Deputy Secretary.
[FR Doc. 95–4798 Filed 2–27–95; 8:45 am]
BILLING CODE 8010–01–M

#### [Release No. 34-35400; SR-PHLX-95-01]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Philadelphia Stock Exchange, Inc. Relating to the Listing and Trading of DIVS, ZIPS and SPECS

February 21, 1995.

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 January 5, 1995, the Philadelphia Stock Exchange Inc. ("PHLX"), 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 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 PHLX, pursuant to Rule 19b–4 of the Act, hereby proposes to list for trading "DIVS" (Dividend Value of Stock), "ZIPS" (Zero Income Principal of Stock) and "SPECS" (Speculative Equity Component Stock) (collectively hereinafter referred to as the "Products"), which are new hybrid options developed by Americus Stock Process Corp. ("ASPC").

# 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 self-regulatory organization 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 self-regulatory organization 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 PHLX proposes to list a new product developed by and licensed to the PHLX by ASPC that allows the purchase or sale of any of three economic interests inherent in a share of common stock. Each of these new instruments, called DIVS, ZIPS and SPECS, will be traded separately on the PHLX's equity options floor. The Exchange believes that the Products. combined, will have all the characteristics of a share of the underlying common stock, including voting rights, and that the ability to trade the Products as separate component instruments will provide new hedge, arbitrage, speculation and investment opportunities.

The Products will be regulated, except as described herein, by the rules governing standardized options. Position limits of 1 million DIVS, ZIPS and SPECS respectively shall be established respecting any particular stock. See Rule 1001C. The sales practice rules applicable to options (Rules 1024 through 1029) will also be applicable to sales of DIVS, ZIPS and SPECS. (See Rule 1000C(a)). The

<sup>&</sup>lt;sup>6</sup> See note 4, supra.

<sup>&</sup>lt;sup>7</sup> 15 U.S.C. Section 78s(b)(2).

<sup>8 17</sup> CFR 200.30–3(a)(12).