not adversely affect the safeguarding of securities or funds in MSTC's custody or control and does not significantly affect the respective rights or obligations of MSTC or persons using MSTC's services. 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. 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 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 NW., Washington, DC 20549. Copies of such filing will also be available for inspection and copying at the principal office of MSTC. All submissions should refer to File No. SR-MSTC-95-01 and should be submitted by March 27, 1995.

For the Commission by the Division of Market Regulation, pursuant to delegated authority. ⁶

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-5373 Filed 3-3-95; 8:45 am]

BILLING CODE 8010-01-M

Self-Regulatory Organizations; Midwest Securities Trust Company; Notice of Filing of Proposed Rule Change Seeking To Establish an Automated Program for the Transfer of Certain Securities Between the Midwest Securities Trust Company and Transfer Agents

February 28, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on December 28, 1994, the Midwest Securities Trust Company ("MSTC") 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 MSTC. 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

MSTC proposes to establish an automated program, to be known as ATS, for the transfer of certain securities between MSTC and transfer agents.

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

In its filing with the Commission, MSTC 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. MSTC 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 proposed rule change seeks to establish an automated program for the transfer of securities between MSTC and transfer agents. Under MSTC's proposed program, MSTC and the transfer agents participating in the program will use a master balance certificate ² to evidence

the number of securities of a particular issue registered in MSTC's nominee name and transferred into or out of MSTC through the transfer agents. The transfer agents will have custody of the securities in the form of balance certificates registered in MSTC's nominee name. The balance certificates will be adjusted daily to reflect MSTC's withdrawal and deposit activity.

Currently, if a participant requests the withdrawal of one hundred shares of a security from MSTC, MSTC will send a written instruction to the transfer agent followed by a physical surrender of the shares to the transfer agent. The transfer agent will reissue the shares in the requested name and will send the shares back to MSTC. Using the ATS program, an electronic instruction will immediately effectuate the withdrawal transfer thus eliminating the extra step of physically surrendering the security from MSTC to the transfer agent.

For issues eligible for ATŠ, MSTC will deliver to participating transfer agents nominee and/or non-nominee certificates ³ for each issue. The transfer agent will cancel the certificates delivered and issue one or more balance certificates per issue. The transfer agent will retain possession of the balance certificates and hold them in a secured area at all times.

In its normal course of business, MSTC will continue to deliver to participating transfer agents nominee certificates and/or non-nominee certificates with the instructions to register the transfer of the non-nominee certificates into the account of Kray & Co. MSTC also will instruct the transfer agent to include the securities evidenced by the nominee and/or nonnominee certificates in the balance certificate for the issue represented by such balance certificate. MSTC also may issue instructions to the transfer agent to register the transfer of all or some of the securities evidenced by a balance certificate to a name other than Kray & Co. or to issue a certificate to a name other than Kray & Co. The transfer agent will increase or decrease the number of securities evidenced by the balance certificate so that at the end of each day the balance certificate will evidence the number of securities equal to the

[[]Release No. 34–35424; File No. SR–MSTC–94–21]

¹ 15 U.S.C. 78s(b)(1) (1988).

² For the purpose of the ATS program, "balance certificates" shall mean a certificate registered in the name Kray & Co., which is MSTC's nominee name, which evidences (1) record ownership by Kray & Co. of the number of shares or units of the issue shown from time to time on the records of the

issuer thereof or (2) the duties of the issuer thereof to perform the obligations shown from time to time on the records of the issuer thereof, which records are maintained by a transfer agent, as being evidenced by such certificate, which certificate shall be retained by a transfer agent.

³For the purpose of the ATS program, the term "nominee certificates" shall mean a certificate of an issue registered in the name of Kray & Co. The term "non-nominee certificate" shall mean a certificate of an issue registered in a name other than Kray & Co.

^{6 17} CFR 200.30-3(a)(12) (1994).