NASD believes these comments are fully addressed by this proposed amendment.

The NASD believes the proposed rule change is consistent with Sections 15A(b)(6) and 11A(a)(1)(C) of the Act and is a particularly timely and germane response to the recommendations contained in the Market 2000 study. Section 15A(b)(6) requires that the rules of a national securities association be 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 regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, 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. Section 11A(a)(1)(C) finds that it is in the public interest to, among other things, assure the availability to brokers, dealers, and investors of information with respect to quotations for and transactions in securities and economically efficient execution of securities transactions.

The SelectNet service has served as an alternative to the telephone in times of market stress and as a system to broadcast orders to market makers for economically efficient negotiations and executions. By permitting non-members to view those broadcast orders, the NASD is removing impediments to transparency of market information and is facilitating transactions for those nonmembers who will now be able to see all broadcast orders in the service and timely arrange for the execution of such orders by a member. Although the orders in SelectNet do not represent quotations or last sale reports, the NASD believes that the information is valuable to investors and market participants and should be transparent and disseminated to non-members.

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

The NASD believes that the proposed rule change will not result in any burden on competition that is not necessary or appropriate in furtherance of purposes 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

Within 35 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the NASD consents, the Commission will:

A. By order approve such proposed rule change, or

B. Institute proceedings to determine whether the proposed rule change should be disapproved.

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 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-94-9 and should be submitted by March 28, 1995.

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

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Deputy Secretary.

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February 28, 1995.

Self-Regulatory Organization; Philadelphia Depository Trust Company; Order Approving Proposed Rule Change Concerning Disposal of Expired Securities Certificates of Warrants and Rights

[Release No. 34–35426; File No. SR– Philadep–94–05]

On October 6, 1994, the Philadelphia Depository Trust Company ("Philadep") filed a proposed rule change (File No. SR–Philadep–94–05) with the Securities and Exchange Commission ("Commission") pursuant to Section 19(b) of the Securities Exchange Act of 1934 ("Act").¹ Notice of the proposal appeared in the Federal Register on January 3, 1995, to solicit comment from interested persons.² No comments were received by the Commission. This order approves the proposal.

I. Description of the Proposal

The proposal authorizes Philadep to implement a program which allows it to destroy certain expired securities certificates, specifically expired warrants and rights. This destruction policy will enable Philadep to reduce the administrative and safekeeping expenses associated with keeping expired warrants and rights related certificates in its vault.

In implementing this program, Philadep will adhere to several procedures to help assure that Philadep destroys only certificates for which the warrant or rights have expired. First, Philadep will contact the transfer agent or the issuer of the securities after the securities have reached their expiration dates to verify that the respective warrants or rights have expired. Second, Philadep will obtain written confirmation from the transfer agent that the certificates representing the warrants or rights have expired. If there is no transfer agent, Philadep will obtain such written confirmation from the issuer. Philadep also will exercise such other reasonable due diligence, as it may deem necessary under the circumstances, to confirm the expired nature of the respective certificates including consulting with Philadep's legal department, its internal audit department, and its senior management. Third, Philadep: (1) Will notify its participants that the certificates have expired in the judgment of the transfer agent or of other appropriate parties where there is no transfer agent; (2) will delete such securities positions from its participants' account on or after the thirtieth day following the date of the notice to the participants; and (3) will mark the securities certificates and send them to its internal audit department for destruction. Additionally, Philadep has agreed to retain copies of all such destroyed certificates on microfilm or on other mediums for not less than one year.3

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

¹ 15 U.S.C. 78s(b) (1988).

² Securities Exchange Act Release No. 35153 (December 27, 1994), 60 FR 161.

³ Telephone conversation between J. Keith Kessel, Compliance Officer, Philadep, and Thomas C. Etter, Continued