with a mechanism, if necessary, to attract contra-side interest in any stock.

The Commission finds it appropriate for the BSE to provide for procedures for the handling of MOC orders in market conditions when the NYSE's Rule 80A is in effect. The Commission believes that the rule change clearly informs market participants of the manner in which MOC order can be placed when the NYSE's Rule 80A is in effect. The Commission continues to believe that the provisions of NYSE Rule 80A provide a useful means of addressing market volatility.¹⁴

The Commission is approving the amendments to the BSE's auxiliary closing procedures for expiration days and non-expiration days as part of the existing pilot program that expires on October 31, 1995.

The Commission finds good cause for approving the proposed rule change prior the thirtieth day after the date of publication of notice of filing thereof in the **Federal Register**. This will permit the proposed amendments to be effective simultaneously with the NYSE's amendments to the procedures for handling MOC orders. ¹⁵ In addition, the procedures the BSE proposes to use are identical to NYSE procedures that were published in the **Federal Register** for the full comment period and were approved by the Commission. ¹⁶

It is therefore ordered, pursuant to Section 19(b)(2) ¹⁷ that the proposed rule change is hereby approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority. 18

Jonathan G. Katz,

Secretary.

[FR Doc. 95–14190 Filed 6–8–95; 8:45 am] BILLING CODE 8010–01–M

[Release No. 34–35801; File No. SR-NASD-95-12]

Self-Regulatory Organizations; Notice of Filing Proposed Rule Change by National Association of Securities Dealers, Inc., Relating to Advertising and Sales Literature Filing and Review Requirements Under the Rules of Fair Practice and the Government Securities Rules

June 2, 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 May 10, 1995,¹ 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.

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

The NASD is herewith filing a proposed rule change to Article III, Section 35 of the Rules of Fair Practice and Section 8 of the Government Securities Rules. Proposed new language is italicized and proposed deletions are bracketed.

ARTICLE III

Rules of Fair Practice

* * * * *

Communications With the Public Sec. 35.

(a) Definitions

- (1) Advertisement—For purposes of this section and any interpretation thereof, "advertisement" means material published, or designed for use in, a newspaper, magazine or other periodical, radio, television, telephone or tape recording, videotape display, signs or billboards, motion pictures, telephone directories (other than listings), electronic or other public media.
- (2) Sales literature—For purposes of this section and any interpretation thereof, "sales literature" means any written *or electronic* communication distributed or made generally available to customers or the public, which communication does not meet the

foregoing definition of "advertisement." Sales literature includes, but is not limited to, circulars, research reports, market letters, performance reports or summaries, form letters, telemarketing scripts, seminar texts, and reprints or excerpts of any other advertisement, sales literature or published article.

(b) Approval and Recordkeeping

(1) Each item of advertising and sales literature shall be approved by signature or initial, prior to use *or filing with the NASD*, by a registered principal [(or his designee)] of the member.

(c) Filing Requirements and Review Procedures

(1) Advertisements and sales literature concerning registered investment companies (including mutual funds, variable contracts and unit investment trusts) not included within the requirements of Subsection (c)(2) of this section, and public direct participation programs (as defined in Article III, Section 34 of the Rules of Fair Practice) shall be filed with the Association's Advertising Regulation Department within 10 days of first use or publication by any member. The member must provide with each filing the actual or anticipated date of first use. Filing in advance of use is recommended. Members are not required to file advertising and sales literature which have previously been filed and which are used without change. Any members filing any investment company advertisement or sales literature pursuant to this Subsection that includes or incorporates rankings or comparisons of the investment company with other investment companies shall include a copy of the ranking or comparison used in the advertisement or sales literature.

(2) Advertisements concerning collateralized mortgage obligations registered under the Securities Act of 1933, and advertisements and sales literature concerning registered investment companies (including mutual funds, variable contracts and unit investment trusts) that include or incorporate rankings or comparisons of the investment company with other investment companies where the ranking or comparison category is not generally published or is the creation, either directly or indirectly, of the investment company, its underwriter or an affiliate, shall be filed with the Association's Advertising Regulation Department for review at least 10 days prior to use (or such shorter period as the Department may allow in particular circumstances) for approval and, if

¹⁴ See Securities Exchange Act Release No. 29854 (October 24, 1991), 56 FR 55963.

 $^{^{15}\,\}mathrm{See}$ Release No. 35589, supra note 11.

¹⁶ No comments were received in connection with the most recent proposed rule change which modified the NYSE procedures. See Release No. 35589, *supra* note 11.

^{17 15} U.S.C. 78s(b)(2).

^{18 17} CFR 200.30-3(a)(12).

¹The proposed rule change was initially submitted on April 10, 1995, but was amended on May 10, 1995, in order to make technical changes and clarify rule language.