

Act in that it is designed to promote just and equitable principles of trade.

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

The proposed rule change will impose no burden on competition.

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

No written comments were solicited or received with respect to the proposed rule change.

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, D.C. 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 at the Commission's Public Reference Section, 450 Fifth Street, NW., Washington, D.C. 20549. Copies of such filing will also be available for inspection and copying at the principal office of the Exchange. All submissions should refer to File No. SR-CHX-95-17 and should be submitted by August 18, 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 a national securities exchange and, in particular, with section 6(b)(5) ⁷ and Section 11(b) ⁸ of the Act. The Commission believes that proposed interpretation and policy ⁹ to Rule 37 should further the objectives of Section 6(b)(5) and Section 11(b) through pilot program procedures designed to allow stops, in minimum variation markets, under limited circumstances that offer primary market price protection for customers whose

orders are granted stops, while still adhering to traditional auction market rules of priority and precedence.

In the orders approving the pilot procedures,⁹ the Commission asked the CHX to study the effects of stopping stock in a minimum variation market. The Exchange has submitted to the Commission several monitoring reports regarding its pilot program. The Commission believes that the monitoring reports, especially the latest report, provide useful information regarding the effectiveness of the program during the pilot period. The Commission, however, finds that additional time is necessary to evaluate carefully and comprehensively the information provided by the Exchange and the CHX's use of its pilot procedures. Accordingly, the Commission believes that it is reasonable to extend the pilot program until October 21, 1995, to avoid compromising the benefit that investors might receive under Rule 37, as amended, while the Commission is deciding whether to grant permanent approval of the pilot program.¹⁰

The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of the notice of filing thereof. This will permit the pilot program to continue on an uninterrupted basis. In addition, the procedures the Exchange proposes to continue using are the identical procedures that were published in the **Federal Register** for the full comment period and were approved by the Commission. No comments were received at that time.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹¹ that the proposed rule change (SR-CHX-95-17) is hereby approved on a pilot basis until October 21, 1995.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹²

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-18605 Filed 7-27-95; 8:45 am]

BILLING CODE 8010-01-M

⁹ See *supra*, note 1.

¹⁰ See Securities Exchange Act Release No. 35910 (June 28, 1995), 60 FR 34563 (July 3, 1995) (notice of filing of proposed rule change relating to permanent approval of CHX's pilot program for stopping stock in minimum variation markets).

¹¹ 16 U.S.C. 78s(b)(2) (1988).

¹² 17 CFR 200.30-3(a)(12) (1994).

[Release No. 34-36015; File No. SR-NYSE-94-34]

Self-Regulatory Organizations; Notice of Filing of Amendment No. 2 to Proposed Rule Change by New York Stock Exchange, Inc. Relating to Amendment of Exchange Rule 92

July 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 July 13, 1995, the New York Stock Exchange, Inc. ("NYSE" or "Exchange") 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

As originally filed,¹ the proposed rule change extended the applicability of Rule 29 to trades by a member or member organization on any market center and provided a limited exemption to permit member organizations to trade along with their customers when liquidating a block facilitation position. Amendment No. 1 to SR-NYSE-94-34 expanded the purpose section of the original filing.² This Amendment No. 2 to SR-NYSE-94-34 revises the proposed rule change to specifically exclude transactions in securities not listed on the NYSE, transactions by a member organization acting in the capacity of a specialist or market maker on a regional exchange, to the extent that a principal trade is effected and immediately liquidated at the same price to a customer on that exchange. An additional limited exemption also would allow a member or member organization to trade along with a customer when engaging in bona fide arbitrage or risk arbitrage provided certain conditions are met.³

The following is the text of the proposed rule change marked to reflect all of the proposed changes to the current rule. Additions to the current

¹ The filing was published for public comment in Securities Exchange Act Release No. 35139 (December 22, 1994), 60 FR 156 (January 3, 1995). The Commission published notice of an extension of the comment period in Securities Exchange Act Release No. 35274 (January 25, 1995), 60 FR 6330 (February 1, 1995).

² Amendment No. 1 was included in the original publication for public comment. See Securities Exchange Act Release No. 35139, *supra* note 1.

³ 17 CFR 240.19c-3 (1994).

⁷ 15 U.S.C. 78f (1988 & Supp. V 1993).

⁸ 15 U.S.C. 78k (1988).