("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on April 6, 1995, the New York Stock Exchange, Inc. ("NYSE" or "Exchange") filed with the Securities and Exchange Commission ("Commission" or "SEC") the proposed rule change as described in Items I and II below, which Items have been prepared by the selfregulatory organization. On May 10, 1995, the NYSE submitted to the Commission Amendment No. 1³ and on June 2, 1995, the NYSE submitted Amendment No. 2⁴ to the proposed rule change. The NYSE submitted Amendment No. 3 to the Commission on July 21, 1995.⁵ The NYSE has requested accelerated approval of the proposal. The Commission is approving the proposal and soliciting comments.

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

The Exchange proposes to amend its rules to permit the use of automated telephone voting systems by member organizations or their proxy agents. The proposed rule would amend NYSE Rule 452.16 and the Listed Company Manual Section 402.08(G) by adding the following test:

Instructions from beneficial owners may also be accepted by member organizations or their agents through the use of an automated telephone voting system, which has been approved by the Exchange. Such a system shall utilize an identification code for beneficial owners and provide an opportunity for beneficial owners to validate votes to ensure that they were received correctly. Records of voting including the date of receipt of instructions and the name of the recipient must be retained by the member organization of their agent.

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

President and Secretary, NYSE to Greg Corso, Office of Tender Offers, SEC, dated May 10, 1995. Amendment No. 1 made non-substantive, clarifying changes to the proposal. Amendment No. 1 is further described at note 6, *infra*.

⁴ See letter from James E. Buck, Senior Vice President and Secretary, NYSE, to Sharon Lawson, Assistant Director, SEC, dated May 25, 1995. Amendment No. 2 is further described at note 7, *infra.*

⁵ See letter from James E. Buck, Senior Vice President and Secretary, NYSE to Sharon Lawson, Assistant Director, SEC, dated July 21, 1995. Amendment No. 3 is further described at note 8, *infra*. 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 III 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

1. Purpose

The Exchange proposes to amend its rules in order to permit member organizations or their proxy agents to accept the use of automated telephone voting systems to receive voting instructions from beneficial owners. The voting process that is presently used by member organizations or their agents provides for the transmission of a proxy statement and a voting authorization form to beneficial owners. The appropriate voting selections are indicated on the form by the beneficial owner and it is mailed back to the member organization or its agent.

The automated telephone voting system permits the beneficial owner to give voting instructions on appropriate corporate proposals through a touch tone telephone.⁶ The system utilizes identification codes and provides a validation opportunity in order for the beneficial owner to confirm that voting instructions were received correctly.⁷ Beneficial holders will be informed of this new option by specific language at the top of the voting form.⁸

The system is deemed to be less prone to tabulation error than the current system, in addition to being more efficient and cost effective.

⁷ Under the NYSE rule, only those automated telephone systems which have been approved by the Exchange may be accepted by member organizations. Amendment No. 2 clarifies that the Exchange will consult with the Commission staff to determine whether the proposed system operates in a manner consistent with Section 14(a) of the Act and the rules and regulations thereunder, prior to the Exchange approving any automated system. Currently, Automatic Data Processing Brokerage Information Services Group provides the only approved system.

⁸ Amendment No. 3 provides the specific language that will be added to the voting form for the purpose of informing beneficial owners of their option to vote through an automated telephone voting system. If this language is changed in any manner, the Exchange will contact the Commission and receive approval before using the new language.

2. Statutory Basis

The basis under the Act for this proposed rule change is the requirement under Section 6(b)(5) that an exchange have rules that are 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.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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

The Exchange has neither solicited nor received written comments on 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, 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 at 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 the NYSE. All submissions should refer to File No. SR-NYSE-95-15 and should be submitted by August 28, 1995.

¹15 U.S.C. 78s(b)(1).

² 17 C.F.R. 240.19b-4.

³ See letter from James E. Buck, Senior Vice

⁶ Amendment No. 1 clarified that beneficial owners still have the option to vote in writing using the voting authorization form. The use of the automated telephone voting system is an alternative to the current system.