The NASD believes that the proposal is consistent with Section 15A(b)(6) of the Act. 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. Specifically, the NASD believes the proposal is consistent with Section 15A(b)(6) of the Act because it should improve the NASD's ability to surveil for and deter violations of the Exercise Cut-Off Time for expiring equity options. In addition, the NASD believes that the requirement that a member must submit a written memorandum describing the circumstances surrounding the late submission of a Contrary Exercise Advice will better enable the NASD to surveil for instances where exercise decisions are impermissibly made or changed on the basis of material information released after the Exercise Cut-Off Time.

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

The NASD does not believe that the proposed rule change will impose any burden on competition.

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

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

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 self-regulatory

1994) (order approving File No. SR-PHLX-93-37); 34807 (October 7, 1994), 59 FR 52329 (October 17, 1994) (order approving File No. SR-CBOE-94-06); 34808 (October 7, 1994), 59 FR 52324 (October 17, 1994) (order approving File No. SR-AMEX-94-01); 34810 (October 7, 1994), 59 FR 52334 (October 17, 1994) (order approving File No. SR-PSE-94-12); and 34818 (October 11, 1994), 59 FR 52331 (October 17, 1994) (order approving File No. SR-NYSE-94-12); and 34818 (October 11, 1994), 59 FR 52331 (October 17, 1994) (order approving File No. SR-NYSE-94-12).

organization 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, N.W. 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 in the Commission's Public Reference Section, 450 Fifth Street, N.W., Washington, D.C. 20549. 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-94-78 and should be submitted by February 15, 1995.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority. 13

Margaret H. McFarland,

BILLING CODE 8010-01-M

Deputy Secretary. [FR Doc. 95–1783 Filed 1–24–95; 8:45 am]

[Rel. No. IC-20846; File No. 812-9140]

Anchor National Life Insurance Company, et al.

January 19, 1995.

AGENCY: Securities and Exchange Commission ("SEC" or the "Commission").

ACTION: Notice of application for an order under the Investment Company Act of 1940 (the "1940 Act").

APPLICANTS: Anchor National Life Insurance company ("Anchor National"), Variable Annuity Account Two ("Separate Account") and Vista Broker-Dealer Services, Inc. ("Vista"). RELEVANT 1940 ACT SECTIONS: Order requested under Section 6(c) of the 1940 Act for exemptions from Sections 26(a)(2) and 27(c)(2) thereof.

SUMMARY OF APPLICATION: Applicants seek an order to the extent necessary to permit the deduction of mortality and expense risk charges and a distribution expense charge from the assets of the Separate Account under certain individual and group variable annuity contracts (the "Contracts") funded through the Separate Account and under materially similar contracts which may be funded in the future by the Separate Account (the "future contracts"), and from the assets of any other separate account established in the future by Anchor National (the "future separate accounts") in connection with the issuance of contracts that are materially similar to the Contracts.1

FILING DATE: The application was filed on August 3, 1994, and amended on November 22, 1994.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing on the application by writing to the Secretary of the Commission and serving the Applicants with a copy of the request, personally or by mail Hearing requests must be received by the Commission by 5:30 p.m. on February 13, 1995, and should be accompanied by proof of service on the Applicants in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the Secretary of the Commission.

ADDRESSES: Secretary, SEC, 450 Fifth Street NW., Washington, DC 20549. Applicants, c/o Mark J. Mackey, Esq., Routier, Mackey and Johnson, P.C., 1700 K Street NW., Suite 1003, Washington, DC 20006.

FOR FURTHER INFORMATION CONTACT: Patrice M. Pitts, Attorney, or Wendy Finck Friedlander, Deputy Chief, Office of Insurance Products, Division of Investment Management, at (202) 942–0670.

SUPPLEMENTARY INFORMATION: Following is a summary of the application. The complete application is available for a fee from the Public Reference Branch of the Commission.

^{13 17} CFR 200.30-3(a)(12) (1994).

¹ Applicants have agreed to amend this application during the notice period to reflect that the future contracts and the contracts issued by future separate accounts relying on the exemptive relief requested here shall be materially similar to the Contracts.