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 Exchange 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

Interest 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. Copies of such filing will also be available for inspection and copying at the principal office of the CBOE. All submissions should refer to File No. SR-CBOE-95-01 and should be submitted by February 16, 1995.

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

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[Release No. 34–35231; File No. SR–MSTC– 94–13]

Self-Regulatory Organization; Midwest Securities Trust Company; Notice of Filing and Immediate Effectiveness of Proposed Rule Change That Merges the MSTC Bearer Bond System and the MSTC Registered Bond System

January 13, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on October 11, 1994, the Midwest Securities Trust Company ("MSTC") 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 mainly by MSTC, a 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

MSTC proposes to merge its bearer bond system into its registered bond system and to make certain related conforming changes.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, MSTC included statements concerning the purpose of and basis for the proposed rule change 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 IV below. MSTC 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

MSTC currently processes bearer municipal bonds in a different system from that which is used to process registered bonds and equities.² This proposal merges the bearer and registered securities processing systems with the registered securities processing system being the surviving system.

MSTC believes that merging the two systems provided several advantages. First, it reduces the number of separate reports that must be provided to participants. Second, it consolidates into one system all bearer and registered securities activity, input/inquiry functions, reports, and file transmissions. Third, it makes intraday transactions in bearer securities subject to the 1:30 p.m. cutoff that is currently in effect for registered securities transactions rather than the existing 2:30 p.m. cutoff time.³ Finally, the merger permits bearer securities to be eligible for MSTC's pledge loan program.

MSTC believes that the proposed rule change is consistent with Section 17A of the Act⁴ in that it will facilitate the prompt and accurate clearance and settlement of securities transactions and will assure the safeguarding of securities and funds which are in MSTC's custody or control or for which MSTC is responsible.

(B) Self-Regulatory Organization's Statement on Burden on Competition

MSTC believes that the proposed rule change will not place any burden on competition.

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

MSTC has neither solicited nor received any written comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act ⁵ and Rule 19b-4(e)(4) thereunder ⁶ because the proposal effects a change in an existing service of MSTC which does not adversely affect the safeguarding of securities or funds in the custody or control of MSTC or for which it is responsible and does not significantly affect the respective rights or obligations of MSTC or persons using the services.

At any time within sixty days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. Persons making written submission should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington D.C. 20549. Copies of the submissions, all subsequent

¹³17 CFR 200.30–3(a)(12) (1994).

¹15 U.S.C. 78s(b)(1) (1994).

² The only bearer securities currently processed by MSTC are municipal bonds. The registered securities processing system, the "V3 System," is an enhanced electronic system. Telephone conversation between David T. Rusoff, Attorney, Foley & Lardner, and Thomas C. Etter, Jr., Senior Counsel, Division of Market Regulation, Commission (December 1, 1994).

 $^{^{3}\,}All$ times in this proposal are Central Time.

⁴15 U.S.C. 78q-1 (1988).

⁵15 U.S.C. 78s(b)(3)(A)(iii) (1988).

⁶¹⁷ CFR 240.19b-4(e)(4) (1994).