

CHANGES FROM CORPORATION FINANCE EDGAR PHASE-IN LIST AS PUBLISHED IN SECURITIES ACT RELEASE #33-7122
(DECEMBER 19, 1994)—Continued

Name	CIK No.	Former group	New group
ULTRATECH STEPPER INC	909791	NONE	CF-10
UNAPIX ENTERTAINMENT INC	902787	NONE	CF-10
UNIPHASE CORP /CA/	912093	NONE	CF-10
UNIROYAL INVESTORS MANAGEMENT CO	890096	CF-10	CF-10
Change to UNIROYAL TECHNOLOGY CORP	890096	CF-10	CF-10
UNITED FINANCIAL BANKING COMPANIES INC	714286	CF-06	CF-09
UNITED STATES PAGING CORP	813239	NONE	CF-10
UNITED VANGUARD HOMES INC /DE	021221	NONE	CF-10
UNITED VIDEO SATELLITE GROUP INC	913061	NONE	CF-10
UNITED WASTE SYSTEMS INC	879688	NONE	CF-10
US 1 INDUSTRIES INC	351498	NONE	CF-10
U S ALCOHOL TESTING OF AMERICA INC	853017	NONE	CF-10
UTI ENERGY CORP	912899	NONE	CF-10
VALLEY FINANCIAL CORP /VA/	921590	NONE	CF-10
VANDERBILT MORTGAGE & FINANCE INC	816512	NONE	CF-10
VARCO INTERNATIONAL INC	102993	CF-05	CF-04
VASTAR RESOURCES INC	918252	NONE	CF-10
VEECO INSTRUMENTS INC	103145	NONE	CF-10
VENTRITEX INC	793354	NONE	CF-10
VENTURE ENTERPRISES INC	778165	CF-09	CF-09
Change to HANOVER GOLD COMPANY INC	778165	CF-09	CF-09
VERDIX CORP	722056	CF-06	CF-09
Change to RATIONAL SOFTWARE CORP	722056	CF-06	CF-09
VETERINARY CENTERS OF AMERICA INC	817366	NONE	CF-10
VICON INDUSTRIES INC /NY/	310056	CF-05	CF-06
VIDEONICS INC	932113	NONE	CF-10
VIDEOTELECOM CORP /DE/	884144	CF-10	CF-10
Change to VTEL CORP	884144	CF-10	CF-10
VISTA BANCORP INC	831979	NONE	CF-10
WALKER INTERNATIONAL INDUSTRIES INC	104224	CF-07	CF-09
WALTER INDUSTRIES INC /NEW/	837173	NONE	CF-05
WASHINGTON HOMES INC	104834	NONE	CF-10
WATSON PHARMACEUTICALS INC	884629	NONE	CF-10
WEGENER CORP	715073	CF-06	CF-07
WELLFLEET COMMUNICATIONS INC	876516	CF-10	CF-10
Change to BAY NETWORKS INC	876516	CF-10	CF-10
WHAT A WORLD INC /DE/	931073	NONE	CF-10
WHITE RIVER CORP	913338	NONE	CF-10
WILLIAMS INDUSTRIES INC	107294	CF-05	CF-10
WILSHIRE TECHNOLOGIES INC	891762	NONE	CF-10
WINSLOEW FURNITURE INC	931814	NONE	CF-10
WINSTON HOTELS INC	920605	NONE	CF-10
WISCONSIN REAL ESTATE INVESTMENT TRUST	107835	CF-05	CF-09
WISCONSIN SOUTHERN GAS CO INC	107841	CF-06	REMOVE
ZONAGEN INC	897075	NONE	CF-10

Dated: April 6, 1995.

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 95-8925 Filed 4-11-95; 8:45 am]

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[Release No. 34-35561; File No. SR-GSCC 94-8]

**Self-Regulatory Organizations;
Government Securities Clearing
Corporation; Order Approving a
Proposed Rule Change Relating to
Mandatory Participation in the Yield-to-
Price Conversion Process**

April 3, 1995.

On November 8, 1994, pursuant to section 19(b)(1) of the Securities

Exchange Act of 1934 ("Act"),¹ the Government Securities Clearing Corporation ("GSCC") filed with the Securities and Exchange Commission ("Commission") a proposed rule change that will require GSCC netting members to participate in GSCC's yield-to-price conversion process. On February 2, 1995, the Commission published notice of the proposed rule change in the Federal Register to solicit comment from interested persons.² No comments were received. This order approves the proposal.

¹ 15 U.S.C. 78s(b)(1) (1988).

² Securities Exchange Act Release No. 35285 (January 27, 1995), 60 FR 6579.

I. Description

On October 16, 1992, GSCC implemented its yield-to-price conversion feature, which allows yield trades to be netted and notated on the night the trade is entered and eliminates the need for double submission of when-issued trades.³ At that time, in order not to impose undue operational or systems burdens on certain firms,

³ On September 24, 1991, the Commission approved a proposed rule change on a temporary basis that provided authority for GSCC to implement the yield-to-price conversion service. Securities Exchange Act Release No. 29732 (September 24, 1991), 56 FR 49937. The Commission permanently approved GSCC's conversion service on February 4, 1993. Securities Exchange Act Release No. 31820 (February 4, 1993), 58 FR 8072.

participation in the conversion process was not made mandatory.

The conversion service permits GSCC to compare, convert, and net, prior to the U.S. Treasury auction, trades between members in Treasury note and bond issues that have been executed on the basis of the current market yield. GSCC members submit to GSCC trade data for yield trades with the price field blank. GSCC compares the trade on the basis of the yield. At the time of conversion, GSCC calculates the assumed coupon rate based on the par weighted average yield of trades compared by GSCC in each CUSIP adjusted down to the nearest 1/8%. GSCC then uses the assumed coupon rate to convert yield trades to priced trades based on the U.S. Treasury standard conversion formula.

Each day until the coupon rate is set and publicly available, GSCC recalculates the assumed coupon rate for the issue, converts new yield trades to priced trades, and adjusts the prices of previously converted, compared, and netted yield trades. During the pre-auction period, GSCC calculates the clearing fund contribution and the forward mark allocation for participating and nonparticipating members. On the day of the auction, final price data is submitted to GSCC. At that time, the trades are compared and netted on a final price basis.

GSCC believes that participation in the yield-to-price conversion process is important for a netting member and for the settlement process in general because otherwise a netting member's when-issued trades do not have GSCC's guarantee of settlement until auction date. Because of this, since October 1992, GSCC has not admitted an entity into netting system membership unless the applicant has agreed to participate in the yield-to-price process at the time of commencement of participation in the netting system. Currently, only one netting member still is not participating in the conversion process, and it is anticipated that it will commence participation in the yield-to-price process by the end of this year.

As a result, participation in the yield-to-price conversion process by netting members will now be mandatory. However, there may be temporary situations, for example when an entity commences its participation in the netting system, in which there are operational or other considerations that render participation in the yield-to-price conversion process difficult for a member. In such circumstances, GSCC will retain the ability to temporarily exempt such member from the requirement to participate in the yield-

to-price conversion process. For GSCC's protection, however, GSCC will calculate such member's clearing fund deposit and forward mark allocation payment obligations as if it were participating in the yield-to-price conversion process.

II. Discussion

Section 17A(b)(3)(F) of the Act⁴ provides that the rules of a clearing agency must promote the prompt and accurate clearance and settlement of securities transactions and to assure the safeguarding of securities and funds in GSCC's custody or under GSCC's control. In the first order temporarily approving GSCC's yield-to-price conversion service, the Commission found that such service was consistent with Section 17A(b)(3)(F) in that it extended the benefits of GSCC's centralized automated netting system to netting members that execute yield trades. The Commission further stated that the service reduces netting members' exposure to the risk arising from contraparty default prior to the settlement of the transaction by allowing GSCC to interpose itself between the parties to a trade and guarantee performance of each netting member's obligation sooner.

In the order permanently approving GSCC's yield-to-price conversion service, the Commission noted its potential concern about the interplay between voluntary submission of compared trades for GSCC netting and the potential financial exposure to GSCC and its members resulting from the exclusion of those trades from GSCC's netting operation. The Commission further encouraged GSCC to reconsider the appropriateness for netting members to withhold from the netting operation yield trades that were compared. GSCC delayed making the netting of such trades mandatory because some GSCC members needed to make further operational changes to accommodate mandatory netting of trades compared through the yield-to-price conversion system. Currently, only one member is not participating in the conversion process, and GSCC anticipates that such member will commence participation in the yield-to-price process by the end of this year.

Accordingly, the Commission believes that it is appropriate to make participation in the yield-to-price conversion process mandatory. By including more trades in GSCC's netting system, the proposal furthers Section 17A's goals of prompt and accurate clearance of securities transactions.

⁴ 15 U.S.C. 78q-1(b)(3)(F) (1988).

Inclusion of more member trades within GSCC's guarantee and margin requirements is consistent with Section 17A's goals of assurance of the safeguarding of securities and funds in GSCC's custody or under GSCC's control. Thus, the Commission believes that the proposed rule change is consistent with Section 17A(b)(3)(F).

Conclusion

For the reasons stated above, the Commission finds that the proposed rule change is consistent with Section 17A of the Act.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (SR-GSCC-94-08) be and hereby is approved.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 95-8924 Filed 4-11-95; 8:45 am]

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[Release No. 34-35571; File No. SR-NYSE-95-01]

Self-Regulatory Organizations; New York Stock Exchange, Inc.; Order Approving Proposed Rule Change Relating to Domestic Listing Standards

April 5, 1995.

I. Introduction

On January 18, 1995, the New York Stock Exchange, Inc. ("NYSE" or "Exchange") submitted to the Securities and Exchange Commission (SEC" or "Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to amend its domestic listing standards.

The proposed rule change was published for comment in Securities Exchange Act Release No. 35301 (January 31, 1995), 60 FR 7245 (February 7, 1995). On February 2, and April 5, 1995, the Exchange submitted to the Commission Amendment Nos. 1 and 2 to the proposed rule change. Each of these amendments made a single, non-substantive change to clarify the language of the original filing and are incorporated into the discussion below.³

¹ 15 U.S.C. 78s(b)(1) (1988).

² 17 CFR 240.19b-4 (1994).

³ Letter from Robert G. Britz, Senior Vice President, New Listings & Client Service, NYSE, to Sharon Lawson, Assistant Director, Division of Market Regulation, SEC, dated January 27, 1995 ("Amendment No. 1"). Amendment No. 1 is further described at note 11, *infra*. Letter from J. Paul Wyciskala, Managing Director, Financial