

Index warrants at the Exchanges and of the securities of which the DAX Index is composed. As a result, the Commission believes that the trading of DAX Index warrants by the Exchanges in the absence of comprehensive surveillance sharing agreements between the Exchanges and the relevant German entity(ies) does not raise any significant regulatory concerns.

Similarly, the Commission believes that the commenters' concerns over the FSE's proprietary interest in the DAX Index and the DAX name do not preclude the Commission from approving the proposed rule changes. Specifically, to the extent that the commenters' argument raises a claim of misappropriation or infringement of a protected property right, the Commission believes it is inappropriate for the Commission to attempt to resolve these issues in a proceeding involving the approval of an exchange's proposed rule change under the federal securities laws. To take such delaying action whenever a third party claim is asserted could stifle Commission review of new products proposed by self-regulatory organizations. The plain language of the U.S. securities laws does not suggest that Congress intended that the Commission attempt, in the context of an approval proceeding for a securities product, to resolve intellectual property right claims that can be pursued elsewhere.³⁵ Accordingly, the commenters' assertions do not form a basis for the Commission to either disapprove or delay approval of the Exchanges' proposals.³⁶

V. Conclusion

For the reasons described above, the Commission finds that the proposed rule changes by the Exchanges are consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange, and, in particular, the requirements of Section 6(b)(5).³⁷ Specifically, the Commission finds that the listing and trading of warrants based on the DAX Index will serve to promote the public interest and help to remove

³⁵ Congress has enacted an elaborate statutory framework for the establishment, preservation, and protection of intellectual property rights and has established specific federal agencies to administer these laws. Separate state causes of action also may be available to the holders of these proprietary rights, as well as possible recourse to German laws.

³⁶ See Securities Exchange Act Release Nos. 26709 (April 11, 1989), 54 FR 15280 (April 17, 1989) (order approving the listing of index participations by the Amex, CBOE, and Philadelphia Stock Exchange), and 28475 (September 27, 1990), 55 FR 40492 (October 3, 1990) (order approving the trading by the Amex of options on the Japan Index).

³⁷ 15 U.S.C. § 78f(b)(5) (1988).

impediments to a free and open securities market by providing investors with a means to hedge exposure to market risk associated with the German equity market and provide a surrogate instrument for trading in the German securities market.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,³⁸ that the proposed rule changes (File Nos. SR-Amex-94-55 and SR-CBOE-95-01), are approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.³⁹

Jonathan, G. Katz,
Secretary.

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[Release No. 34-36092; File No. SR-CSE-95-03, Amendment No. 1]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by The Cincinnati Stock Exchange, Inc. Relating to Customer Order Executions

August 11, 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 August 11, 1995, the Cincinnati Stock Exchange, Inc. ("CSE" 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

The CSE hereby proposes to adopt certain order exposure and limit order protection policies for Exchange Rules 11.9(u) and 12.10.

The text of the proposed rule change is as follows, where additions are *italicized* and deletions are [bracketed].

Rule 11.9(u)

No Change

Interpretations and Policies:

.01 Price Improvement Opportunity

Consistent with his or her agency responsibility to exercise due diligence, a member must comply with the following procedures which provide the opportunity for public agency buy/sell

³⁸ 15 U.S.C. § 78s(b)(2) (1984).

³⁹ 17 CFR 200.30-3(a)(12) (1994).

orders to receive a price lower/higher than the disseminated national best offer/bid.

(a) *Market Order Exposure—Except under unusual market conditions or if it is not in the best interest of the customer, when the spread between the national best bid and offer is greater than the minimum price variation, a member must either immediately execute the order at an improved price or expose the order on the Exchange for a minimum of thirty seconds in an attempt to improve the price.*

.02 Limit Order Protection

Public agency limit orders shall be filled if one of the following conditions occur:

(a) *the bid or offering at the limit price has been exhausted in the primary market (NOTE: orders will be executed in whole or in part, based on the rules of priority and precedence, on a share for share basis with trades executed at the limit price in the primary market);*

(b) *there has been a price penetration of the limit in the primary market; or*

(c) *the issue is trading at the limit price on the primary market unless it can be demonstrated that such order would not have been executed if it had been transmitted to the primary market or the customer and the Designated Dealer agree to a specific volume related or other criteria for requiring a fill.*

In unusual trading situations, a Designated Dealer may seek relief from the above requirements from two Trading Practices Committee members or a designated member of the Exchange staff who would have the authority to set execution prices.

Rule 12.10 Best Execution

No Change

Interpretations and Policies

.01 *As part of a member's fiduciary obligation to provide best execution for its customer orders, the member shall expose on the Exchange [to the national market system] all or a representative portion of any public agency limit order which is priced either on or between the national best bid and offer, unless:*

(i) *such order is immediately executed; or*

(ii) *the customer expressly requests that the order not be exposed.*

If a representative portion of his or her limit order is executed, a member must treat the remainder of the order as a new order for the purpose of compliance with the Exchange's limit order exposure policy.

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 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. 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 purpose of the proposed rule change is to continue the efforts of The Cincinnati Stock Exchange to improve the quality of its market. Specifically, the Exchange is proposing to codify certain requirements with respect to order exposure and limit order protection. These requirements will ensure that customer orders receive (1) an opportunity to obtain an improved price, and (2) at a minimum, as good an execution as that which is provided by the primary markets.

Exception language to specific exposure requirements has been included in order to assure the public that a broker-dealer will always act in a manner consistent with his or her fiduciary responsibility as agent. For example, it may not be in the best interest of the customer to always expose an order for thirty seconds in a fast market or to expose all of an order if such order is for a large size.

2. Statutory Basis

The CSE believes that the proposed rule change is consistent with Section 6(b) of the act in general and furthers the objectives of Section 6(b)(5) in particular in that it will promote just and equitable principles of trade and remove impediments to and perfect the mechanism of a free and open market and a national market system.

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.

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

On August 3, 1995, the Exchange solicited comments from the participants of the Intermarket Trading System. No comments were received prior to filing the proposed rule change with the Commission.

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

Within 35 days of the 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 organization consents, the Commission will:

(A) by order approve the 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 at 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 CSE. All submissions should refer to File No. SR-CSE-95-03, Amendment No. # 1 and should be submitted by September 5, 1995.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-20251 Filed 8-14-95; 8:45 am]

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SMALL BUSINESS ADMINISTRATION

[License No. 02/72-0555]

RFE Investment Partners V, L.P.; Notice of Increase in Private Partnership Capital

On July 17, 1995, RFE Investment Partners V, L.P., a Delaware limited partnership and SBIC Licensee number 02/72-0555 notified the SBA pursuant to Section 107.102(b) of the Regulations governing small business investment companies (13 C.F.R. 107.102(b) (1995)) of an increase in its private partnership capital. Effective June 23, 1995, the Licensee admitted the following entity as an additional limited partner with an ownership interest in limited partnership in excess 10.0%:

Name of entity: Bank of New York as

Trustee for the Pacificorp Retirement Plan

Percent of ownership interest: 20.6

Pursuant to Section 107.103 (13 C.F.R. 107.103 (1995)), notice is hereby given that any person may, not later than 15 days from the date of publication of this Notice, submit written comments on the admission of this entity into the SBIC to the Associate Administrator for Investment, Small Business Administration, 409 3rd Street, SW, Washington, DC 20416.

A copy of this Notice will be published in a newspaper of general circulation in New Canaan, Connecticut.

(Catalog of Federal Domestic Assistance Programs No. 59.011, Small Business Investment Companies)

Dated: August 10, 1995.

Robert D. Stillman,

Associate Administrator for Investment.

[FR Doc. 95-20107 Filed 8-14-95; 8:45 am]

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DEPARTMENT OF STATE

[Public Notice 2234]

Shipping Coordinating Committee, Subcommittee for the Prevention of Marine Pollution; Notice of Meeting

The Subcommittee for the Prevention of Marine Pollution (SPMP), a subcommittee of the Shipping Coordinating Committee, will conduct an open meeting on September 6, 1995, at 9:30 AM in Room 2415 of U.S. Coast Guard Headquarters, 2100 Second Street, S.W., Washington, D.C.

The purpose of this meeting will be to review the agenda items to be considered at the thirty-seventh session of the Marine Environment Protection Committee (MEPC 37) of the International Maritime Organization