

Federal Register. The Commission believes that Amendments No. 1 and 2 benefit the Exchange's proposal by clarifying the relationship between the proposed rule and existing Exchange Rule 6.49. The Amendments also revise the language concerning the exemptions from the general requirement of Rule 6.49(a) that transactions in CBOE options be effected on the floor of the CBOE or other exchange. The Commission believes that the amendments clarify the existing terms of the CBOE's proposal, rather than make any substantive changes. Based on the foregoing, the Commission believes it is consistent with Section 6(b)(5) of the Act to approve Amendments No. 1 and 2 to the Exchange's proposal on an accelerated basis.

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning Amendments No. 1 and 2 to the proposed rule change. 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 in the Commission's Public Reference Section, 450 Fifth Street, NW., Washington, DC. Copies of such filing will also be available for inspection and copying at the principal office of the Exchange. All submissions should refer to File No. SR-CBOE-95-36 and should be submitted by January 29, 1996.

#### V. Conclusion

For the reasons discussed above, the Commission finds that the proposal, as amended, is consistent with the Act, and, in particular, Section 6 of the Act.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>11</sup> that the proposed rule change (File No. SR-CBOE-95-36), as amended, is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>12</sup>

Margaret H. McFarland,  
Deputy Secretary.  
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[Release No. 34-36660; File No. SR-Phlx-95-73]

#### Self-Regulatory Organizations; Philadelphia Stock Exchange, Inc.; Order Granting Approval to Proposed Rule Change Relating to New Organizational Structures for Members

December 29, 1995.

On October 4, 1995, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") submitted to the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to include within the definition of "member firm" found in the Phlx By-Laws and rules entities with organizational structures essentially similar to partnerships and corporations and to make the provisions in its By-Laws and rules that pertain to partners of partnership member firms applicable to those persons performing similar functions in non-partnership member firms. On October 11, 1995, the Exchange submitted to the Commission Amendment No. 1 to the proposed rule change,<sup>3</sup> and on November 1, 1995, the Exchange submitted Amendment No. 2 to the proposed rule change.<sup>4</sup>

The proposed rule change and Amendment Nos. 1 and 2 were published for comment in Securities Exchange Act Release No. 36482 (November 14, 1995), 60 FR 58126 (November 24, 1995). No comments were received on the proposal.

Recently, Pennsylvania law and the laws of 46 other jurisdictions have recognized the existence of new legal entities such as limited liability companies ("LLCs"),<sup>5</sup> limited liability

partnerships ("LLPs"),<sup>6</sup> and business trusts.<sup>7</sup> As of February 5, 1995, Pennsylvania has authorized the existence of LLCs and LLPs. Presently, the Exchange's By-Laws and Rules recognize two types of member organizations: partnerships under the term "member firm" and corporations under the term "member corporation."

The proposed rule change would allow the Exchange to recognize these new legal entities as Phlx member firms by amending the definitions of "member firm" found in Article I, Section 1-1(c) of the By-Laws and Rule 3 to encompass organizations that are essentially similar to member firms including, but not limited to, LLCs, LLPs, and business trusts.

The Exchange also proposes to amend Article I, Section 1-1(c) and Rule 3 to make provisions in the Phlx By-Laws and rules that pertain to general, special or limited partners in partnership member firms applicable, as appropriate, to those persons who perform essentially similar functions as such partners in non-partnership member firms.<sup>8</sup>

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange, and, in particular, with the requirements of Section 6(b).<sup>9</sup> Specifically, the Commission believes that the proposed rule change is consistent with Section 6(b)(2) of the

*Study of the Emerging Entity*, 47 Bus. Law. 378 (1992).

<sup>6</sup> An LLP differs from a traditional partnership entity in two significant ways. First, in an LLP the liability of a partner or the partnership is no longer joint and several among the partners; instead, a partner generally will be personally liable only for his or her own conduct and that of those under his or her direct supervision. Second, an LLP is treated as a pass-through entity for federal income tax purposes. See Sharon Kanovsky, *LLPs: A New Form of Organization*, 25 Tax Advisor 409 (1994).

<sup>7</sup> The term "business trust" is generally used to describe a trust in which the managers are principals and the shareholders are *cestuis que* trust. Its essential attribute is that property is placed in the hands of trustees who manage and deal with it for the use and benefit of beneficiaries. Black's Law Dictionary 180 (5th ed. 1979).

<sup>8</sup> Amendment No. 2 added this provision to the proposed rule change. Amendment No. 2 also withdrew a proposed change to Rule 902 that would have required a member intending to form a non-partnership member firm to submit certain specified documentation to the Exchange, as the proposed change to Rule 3 gives the Exchange the authority to require the submission of such documentation under the current Rule 902. Amendment No. 2 also included additional minimum requirements to be satisfied before LLCs, LLPs, business trusts, or other organizations with characteristics of partnerships or corporations could be approved as Phlx members. See note 11 and accompanying text.

<sup>9</sup> 15 U.S.C. 78f(b).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Letter from Murray L. Ross, Secretary, Phlx, to Glen Barrentine, Senior Counsel, SEC, dated October 2, 1995. Amendment No. 1 renumbered the rule filing.

<sup>4</sup> See Letter from Murray L. Ross, Secretary, Phlx, to Glen Barrentine, Senior Counsel, SEC, dated October 25, 1995. See *infra* note 8 and text accompanying note 11 for a description of Amendment No. 2.

<sup>5</sup> An LLC combines various characteristics of both corporations and partnerships. For example, an LLC is a non-corporate entity under which neither the owners nor those managing the business are personally liable for the entity's obligations, however, the LLC is treated as a pass-through entity for federal income tax purposes. See Robert R. Keatinge et al., *The Limited Liability Company: A*

<sup>11</sup> 15 U.S.C. 78s(b)(2) (1988).

<sup>12</sup> 17 CFR 200.30-3(a)(12) (1994).

Act, which requires the rules of an exchange, subject to the provisions of Section 6(c) of the Act,<sup>10</sup> to ensure that any registered broker or dealer or natural person associated with a registered broker or dealer may become a member of the exchange and any person may become associated with a member thereof.

The Phlx currently allows individuals, partnerships, and corporations to become members of the Exchange. The proposed rule change would allow entities with new organizational structures similar to partnerships and corporations to become Exchange member firms. As in the case of an individual, partnership, or corporation applying for membership, the new entity will be subject to all other requirements for membership approval.

The Commission also believes that the proposed rule change reasonably balances the Exchange's interest in having the flexibility to approve entities with new organizational structures for Exchange membership with the regulatory interests in protecting the financial and structural integrity of a member firm. For example, although the proposed rule change permits the Exchange to approve LLCs, LLPs, business trusts, or other organizational structures with characteristics of corporations or partnerships as member firms, the Phlx will review each Exchange member organization application on a case-by-case basis, and prior to approving any such entity for membership, the Exchange must be satisfied that: (1) Such entity would be structured in such a format that would qualify as a broker or dealer registered with the Commission pursuant to the Act; (2) the Phlx would legally have appropriate jurisdiction over such entity; and (3) the permanency of such entity's capital is consistent with that required of other member firms.<sup>11</sup>

Finally, the Commission believes that, consistent with Section 6(d)(1) of the Act, the proposed rule change will enhance the Exchange's ability to enforce compliance by its members and persons associated with its members with the rules of the Exchange by making provisions in the Phlx By-Laws and rules that pertain to general, special or limited partners in partnership member firms applicable, as appropriate, to those persons who perform essentially similar functions as such partners in non-partnership member firms.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>12</sup> that the proposed rule change (SR-Phlx-95-73), as amended, is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>13</sup>

Margaret H. McFarland,

*Deputy Secretary.*

[FR Doc. 96-180 Filed 1-5-96; 8:45 am]

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**Issuer Delisting; Notice of Application to Withdraw From Listing and Registration; (EnSCO International Incorporated, Common Shares, \$.10 Par Value) File No. 1-8097**

January 2, 1996.

ENSCO International Incorporated ("Company") has filed an application with the Securities and Exchange Commission ("Commission"), pursuant to Section 12(d) of the Securities Exchange Act of 1934 ("Act") and Rule 12d2-2(d) promulgated thereunder, to withdraw the above specified security ("Security") from listing and registration on the American Stock Exchange Inc. ("Amex").

The reasons alleged in the application for withdrawing the Security from listing and registration include the following: According to the Company, in addition to being listed on the Amex, the Security is listed on the New York Stock Exchange, Inc. ("NYSE"). The Security commenced trading on the NYSE at the opening of business on December 20, 1995 and concurrently therewith such stock will suspend from trading on the Amex. In making the decision to withdraw the Security from listing on the Amex, the Company considered the direct and indirect costs and expenses attendant with maintaining the dual listing of the Security on the NYSE and on the Amex. The Company does not see any particular advantage in the dual trading of the Security and believes that dual listing would fragment the market for the Security.

Any interested person may, on or before January 24, 1996, submit by letter to the Secretary of the Securities and Exchange Commission, 450 Fifth Street NW., Washington, DC 20549, facts bearing upon whether the application has been made in accordance with the rules of the exchanges and what terms, if any, should be imposed by the Commission for the protection of investors. The Commission, based on the information submitted to it, will

issue an order granting the application after the date mentioned above, unless the Commission determines to order a hearing on the matter.

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

Jonathan G. Katz,

*Secretary.*

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**Issuer Delisting; Notice of Application to Withdraw From Listing and Registration; (International Tourist Entertainment Corporation, Common Stock, \$.001 Par Value) File No. 1-13532**

January 2, 1996.

International Tourist Entertainment Corporation ("Company") has filed an application with the Securities and Exchange Commission ("Commission"), pursuant to Section 12(d) of the Securities Exchange Act of 1934 ("Act") and Rule 12d2-2(d) promulgated thereunder, to withdraw the above specified security ("Security") from listing and registration on the Boston Stock Exchange, Inc. ("BSE").

The reasons alleged in the application for withdrawing the Security from listing and registration include the following:

- (1) To avoid the duplication or fees from trading on both NASDAQ and the BSE;
- (2) It is no longer necessary for blue sky purposes for the company to be listed on the BSE; and
- (3) The Company has received no benefit from trading on both exchanges.

The Security will continue to trade on the Nasdaq.

Any interested person may, on or before January 24, 1996, submit by letter to the Secretary of the Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, facts bearing upon whether the application has been made in accordance with the rules of the BSE and what terms, if any, should be imposed by the Commission for the protection of investors. The Commission, based on the information submitted to it, will issue an order granting the application after the date mentioned above, unless the Commission determines to order a hearing on the matter.

<sup>10</sup> 15 U.S.C. 78f(c).

<sup>11</sup> See Amendment No. 2, *supra* note 4.

<sup>12</sup> 15 U.S.C. 78s(b)(2).

<sup>13</sup> 17 CFR 200.30-3(a)(12).