Advisory Agreements will be maintained in an interest-bearing escrow account, and amounts in such account (including interest earned on such paid fees) will be paid to the Adviser only upon the approval of the related Fund shareholders or, in the absence of such approval, to the related Fund.

3. Each Trust will hold meetings of shareholders to vote on the approval of the New Advisory Agreements for the Funds on or before the 120th day following the earlier of the termination of the Existing Advisory Agreements on the Effective Date or May 1, 1996.

4. First Interstate and/or one or more of its subsidiaries will pay the costs of preparing and filing this Application. First Interstate and/or one or more of its subsidiaries will pay the costs relating to the solicitation of the Fund shareholder approvals, to the extent such costs relate to approval of the New Advisory Agreements necessitated by the Merger.

5. The Adviser will take all appropriate actions to ensure that the scope and quality of advisory and other services provided to the Funds under the New Advisory Agreements will be at least equivalent, in the judgment of the respective Boards, including a majority of the Independent Trustees, to the scope and quality of services provided previously. In the event of any material change in personnel providing services pursuant to the New Advisory Agreements, the Adviser will apprise and consult the Boards of the affected Funds to assure that such Boards, including a majority of the Independent Trustees, are satisfied that the services provided by the Adviser will not be diminished in scope or quality.

For the SEC, by the Division of Investment Management, under delegated authority.

Maragret H. McFarland,

*Deputy Secretary.*

[FR Doc. 96–5403 Filed 3–6–96; 8:45 am]

**BILLING CODE 8010–01–M**

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**[Release No. 35–26480]**

## Filings Under the Public Utility Holding Company Act of 1935, as Amended (''Act'')

March 1, 1996.

Notice is hereby given that the following filing(s) has/have been made with the Commission pursuant to provisions of the Act and rules promulgated thereunder. All interested persons are referred to the application(s) and/or declaration(s) for complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendments thereto is/are available for public inspection through the Commission's Office of Public Reference.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by March 25, 1996, to the Secretary, Securities and Exchange Commission, Washington, DC 20549, and serve a copy on the relevant applicant(s) and/or declarant(s) at the address(es) specified below. Proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. Any request for hearing shall identify specifically the issues of fact or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After said date, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

The Columbia Gas System, Inc.

The Columbia Gas System, Inc. (''Columbia''), 20 Montchanin Road, Wilmington, Delaware 19807, a registered public utility holding company, has filed an application-declaration with this Commission under sections 6(a), 7, 9(a), 10 and 12(f) of the Act.

Columbia proposes, through either an existing, direct subsidiary or through the establishment of one or more direct or indirect subsidiaries (''Energy Products Companies''), to: (1) market energy-related products including propane, natural gas liquids and petroleum; and (ii) market and/or broker electric energy at wholesale, and, to the extent permitted by state law, at retail, provided the activities will be limited to ensure the Energy Products Companies do not come within the definition of ''electric utility company'' under section 2(a)(3) of the Act. Columbia proposes to create and fund one or more Energy Products companies from time to time through December 31, 1997 through the purchase of up to $5 million of common stock, $25 par value per share, at a purchase price at or above par value. Alternatively, Columbia proposes to fund an existing subsidiary or subsidiaries with up to $5 million from time to time through December 31, 1997.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Margaret H. McFarland,

*Deputy Secretary.*

[FR Doc. 96–5404 Filed 3–6–96; 8:45 am]

**BILLING CODE 8010–01–M**

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**[Release No. 34–36912; File No. SR–CHX–96–08]**

## Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Chicago Stock Exchange, Incorporated Relating to the Adoption of a Monthly Examinations Fee and the Rebilling of Certain Other Costs

February 29, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] notice is hereby given that on February 7, 1996 the Chicago Stock Exchange, Incorporated (''CHX'' or ''Exchange'') filed with the Securities and Exchange Commission (''SEC'' or ''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. On February 22, 1996, the Exchange filed Amendment No. 1 to the proposal with the Commission.[2] 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

In order to compensate for the extensive staff time and costs associated with examining off-floor firms that are not active participants in the CHX market, the Exchange is proposing to adopt an examinations fee of $1,000 per month, which would be applicable to CHX members and member organizations for which the Exchange is the Designated Examining Authority (''DEA''). This fee would be effective February 7, 1996. The following CHX members and member organizations would be exempt from the examinations fee: (1) inactive organizations; (2) organizations that operate from the Exchange's trading floor; (3) organizations that incur transaction or clearing fees charged directly to them by the Exchange or by its registered clearing subsidiary, provided, however, that such exemption shall only apply on

[1] 15 U.S.C. 78s(b)(1).

[2] Amendment No. 1 changed the effective date for the new fee and added a detailed explanation of the new fee. *See* Letter dated February 21, 1996 from David T. Rusoff, Attorney, Foley & Lardner, to Anthony P. Pecora, Attorney, SEC.

a month-by-month basis and shall only apply to the extent the fees exceed the examinations fee for that month; [3] and (4) organizations affiliated with an organization exempt from this fee due to the second or third category.[4]

Affiliation includes an organization that is a wholly owned subsidiary of, as well as an organization controlled by or under common control with, an ''exempt'' member or member organization. An inactive organization is one that had no securities-related transaction revenue, as determined by annual FOCUS reports, as long as the organization continues to have no revenue each month.[5]

The CHX also proposes to amend its fee schedule to pass through the cost of providing the CHX Rule Book, printed by Commerce Clearing House, Inc. (''CCH, Inc.''), to members and member organizations. Currently, the Exchange absorbs the cost of providing the Rule Book, printed by CCH, Inc., and monthly amendments thereto, to members and member organizations. The Exchange proposes to rebill members and member organizations the Exchange's cost in providing this service.

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.

[3] The $1,000 threshold is required in order for a firm to be exempt from the examinations fee. For example, a firm with $600 in transaction fees for a month is still required to pay the full amount of the $1,000 examinations fee.

[4] For purposes of the foregoing exemption, affiliated firms would be permitted to aggregate their respective transaction fees to meet the $1,000 threshold, *i.e.*, each firm would not be required to meet a separate threshold.

[5] It is the policy of the Exchange to require its inactive organizations to file an annual FOCUS report, Securities and Exchange Commission Form X–17A–5, Financial and Operational Combined Uniform Single Report. Telephone conversation between David T. Rusoff, Attorney, Foley & Lardner, and Glen P. Barrentine, Senior Counsel, SEC (February 28, 1996).

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

1. Purpose

Rule 15b2–2(b) requires that broker-dealers designated to a self-regulatory organization (''SRO'') be examined for compliance with applicable financial responsibility rules within six months of registration with the Commission.[6] In addition, the examining SRO must conduct an examination within twelve months of Commission registration to review compliance with all other Commission rules. Thereafter, examinations are conducted on a periodic basis. In accordance with Commission rules, the CHX administers an examinations program conducting reviews of organizations for which the Exchange is the DEA. The examinations focus on an organization's compliance with applicable financial and record keeping requirements, including net capital, books and records maintenance, Regulation T and financial reporting, of the CHX as well as the Commission.

The Market Regulation Department incurs certain costs in the course of conducting these examinations, including travel and staff costs. Of course, such costs rise when the offices of the organization being reviewed are located outside of the Chicago area. The staff time required to conduct an examination is substantially longer when the businesses of the firm are atypical of those firms for which the CHX has historically served as DEA. Because of the familiarity that inherently results from repeatedly conducting similar examinations, CHX Market Regulation staff has accumulated substantial experience regarding where to focus and locate information revealing potential areas of concern.

The Exchange, however, is currently the DEA for approximately seven firms that engage in CHX-atypical businesses from remote locations, and trade products not available on the CHX. For instance, two member organizations registered as CHX market makers for whom the CHX is the DEA derive over ninety percent of their revenue from commodities futures transactions. Yet these two member organizations generated less than two hundred dollars in total revenue on the CHX during 1995. Five other member organizations for which the CHX is the DEA engage in off-floor proprietary trading whereby transactions are entered and executed via floor brokers or principally through automated execution systems located at market centers other than the CHX. The majority of their revenue also is derived from non-CHX traded instruments. Two additional firms are seeking applications for CHX membership with a similar type of business operation. The heightened costs of examining these firms, which include both money as well as valuable staff time, may be due to an atypically lengthy examination, travel and specific training regarding non-CHX trading instruments.

In addition to actual costs incurred in conducting required examinations, the Exchange notes that, as the DEA for a firm, the CHX, similar to other SROs, also frequently performs an advisory role respecting the regulatory obligations of its members and member organizations. This ''service'' function may take the form of answering telephone calls and other questions of such firms regarding Exchange and Commission rules, as well as the types of procedures such firm should have in place. Initially, in becoming a member or member organization of the CHX, the Exchange assists in the firm's set-up of its financials and communicates with the firm, providing sample forms and general guidance. Thereafter, a firm may require periodic follow-up advice. These advisory costs to the Exchange of serving as the DEA are greater for the CHX-atypical firms.

These heightened costs, however, may be offset by transaction charges and related revenues received by the Exchange if such firms trade in CHX markets. In reviewing these costs, the Exchange notes that CHX members and member organizations may be required to pay various fees and transaction charges, which usually constitute a large part of the revenue collected by the Exchange. Organizations not trading on the CHX do not pay these fees, while the Exchange remains obligated to administer various regulatory functions, including costlier examinations. In the area of examinations, the factor of staff time is particularly pronounced. Without this income source, the Exchange has determined to adopt an examinations fee in order to alleviate certain costs of conducting examinations. Currently, the CHX charges a minimal field examination fee that is only applicable under certain circumstances.[7] In contrast, most other

[6] 17 CFR 240.15b2–2(b).

[7] *See* CHX Membership Dues and Fees Schedule § (i) (charging $85 per day for professional fees, plus actual living expenses up to a maximum of $35 per day, plus actual travel expenses for field examinations in excess of one per year). Firms subject to the Designated Examining Authority Fee are also subject to the Field Examinations Fee. February 22, 1996 telephone conversation between David T. Rusoff, Attorney, Foley & Lardner, and Anthony P. Pecora, Attorney, SEC.

SROs in the U.S. impose direct examinations fees.[8] For the above reasons, therefore, the CHX is proposing such a fee for those organizations for which it serves as DEA, with certain exceptions. The proposed examinations fee would apply primarily to those members and member organizations that do not execute trades on the CHX.

In order to fairly allocate the proposed examinations fee, the Exchange has determined to exempt those members and member organizations that actively trade on the Exchange, thereby counterbalancing examination costs with transaction fees. Organizations that for any month incur transaction or clearing fees charged directly to them by the Exchange or by its registered clearing subsidiary would be exempt from the fee, provided that the fees exceed the examinations fee for that month. Inactive organizations would be exempt because examinations are not customarily conducted for such organizations. Compliance with the inactive status will be determined by gross securities-related transaction revenues reported on the organization's most recent annual FOCUS report. In addition, the organization must continue to lack such revenues, as determined monthly, in order to be exempt from the examinations fee.

Similarly, a member or member organization that is wholly owned by, controlled by, or under common control with an organization operating from the CHX trading floor or generating counterbalancing CHX transaction or clearing fees would be exempt from this fee, because the affiliated organization is generating transaction or clearing fees to help offset examination costs.

Finally, the CHX proposes to institute an additional fee because it feels that it is appropriate to charge its members and member organizations its costs in providing the Rule Book, as printed by CCH, Inc., to members. Members are obligated to be familiar with the CHX rules and should bear this cost directly. Currently, the CHX bears this cost.

2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Act[9] in general and furthers the objectives of Section 6(b)(4)[10] in particular in that it provides for the equitable allocation of reasonable dues, fees, and other charges among the Exchange's members and other persons using its facilities. The Exchange believes that the proposed examinations fee of $1,000 per month is reasonable in view of the Exchange's costs in conducting examinations of non-CHX-trading organizations, especially in terms of staff time.

The Exchange also believes that structuring the fee to exempt organizations that transact business on the Exchange represents an equitable allocation of the Exchange's examination costs among members by focusing on those member organizations that generally do not otherwise continually contribute to compensating for, and usually, in fact, increase Exchange examination costs.

Finally, the Exchange also believes that the proposed fee for providing its members and member organizations with a Rule Book is reasonable in that it will be applied equally to members and member organizations that utilize the CHX's service of providing a Rule Book to members.

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

The Exchange believes the proposed rule change imposes no burden on competition.

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

The Exchange has neither solicited nor received 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 constitutes or changes a due, fee, or other charge imposed by the Exchange and, therefore, has become effective pursuant to Section 19(b)(3)(A) of the Act[11] and subparagraph (e) of Rule 19b–4 thereunder.[12]

At any time within sixty days of the filing of such 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 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 at the Commission's Public Reference Section, 450 Fifth Street, NW., Washington, DC 20549. Copies of such filing also will be available for inspection and copying at the principal office of the CHX. All submissions should refer to File No. SR–CHX–96–08 and should be submitted by March 28, 1996.

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

Jonathan G. Katz,

*Secretary.*

[FR Doc. 96–5302 Filed 3–6–96; 8:45 am]

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[8] The Chicago Board Options Exchange imposes a fee equal to $0.40 per $1,000 in gross revenues. Other exchanges similarly impose revenue-based examinations fees. In addition, the Philadelphia Stock Exchange recently adopted a $1,000 examination fee that is substantially the same as the one proposed here. *See* Securities Exchange Act Release No. 35091 (Dec. 12, 1994), 59 FR 65558 (approving File No. SR–Phlx–94–66).

[9] 15 U.S.C. 78f(b).

[10] 15 U.S.C. 78f(b)(4).

[11] 15 U.S.C. 78s(b)(3)(A).

[12] 17 CFR 240.19b–4.

[13] 17 CFR 200.30–3(a)(12).

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**[Release No. 34–36911; File No. SR–CHX–96–07]**

## Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Chicago Stock Exchange, Incorporated Relating to the Posting of Sales and Transfers of Memberships

February 29, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] notice is hereby given that on February 7, 1996, the Chicago Stock Exchange, Incorporated (''CHX'' 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.

[1] 15 U.S.C. 78s(b)(1).