

EXHIBIT 1.—TRANSFER AGENT DROP SERVICE FEES

Type of service	Present fee	New fee
Monthly Service Charge	\$250.00	\$500.00
Window Tickets Issued .....	.75	1.00
Microfilming (Per Hour)	14.50	15.00
Microfilming Securities (Per Roll)	15.75	16.00
Dividend Reinvestment Plan Voluntary Contributions (Window Ticket Per Check) .....	.75	1.00
Wire Transfer Service (Window Ticket Per Check) .....	.75	1.00
Check Collection (Window Ticket Per Check) .....	.75	1.00
Routing Envelopes (Window Ticket Per Check) .....	.75	1.00
Daily Valuation (Daily Flat Fee)	175.00	¹ 25.00 to 175.00
Midnight Closings (Per Occurrence)	1,000.00	1,000.00

¹ Depending on number of issues and activity.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-38950; File No. SR-DTC-97-07]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing of a Proposed Rule Change Relating to Disclosure Requirements for Transactions Involving Inflation Indexed Securities through the Institutional Delivery System

August 19, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on May 19, 1997, The Depository Trust Company ("DTC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change (File No. SR-DTC-97-07) as described in Items I, II, and III below, which items have been prepared primarily by DTC. 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 purpose of the proposed rule change is to amend Section M of DTC's participant operating procedures in accordance with certain disclosure requirements for transactions involving inflation indexed securities processed through DTC's Institutional Delivery ("ID") system.

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

In its filing with the Commission, DTC included statements concerning

the purpose of and basis for the proposed rule change and discussed any comments that it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. DTC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.²

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

PSA The Bond Market Trade Association ("PSA") on behalf of its members and all other registered brokers and dealers, received no-action and interpretive relief from the Commission and the Treasury (collectively "interpretive relief")³ regarding the application of certain regulations to inflation indexed securities issued by the U.S. Treasury Department ("Treasury"). The purpose of the proposed rule change is to enable broker-dealers that use DTC's ID system for generating confirmations for their customer transactions to comply with the disclosure requirements set forth in the interpretative relief.

The interpretative relief requires broker-dealers to disclose in confirmations for inflation indexed securities that yield to maturity may vary due to inflation adjustments or provide disclosure to similar effect. A broker-dealer using the ID system can enter data in the security type field identifying the security as an inflation indexed security by using a designated

² The Commission has modified the text of the summaries submitted by DTC.

³ Letter from Robert L.D. Colby, Deputy Director, Division of Market Regulation, Commission, to Paul Saltzman, Senior Vice President and General Counsel, PSA The Bond Market Association, (January 17, 1997); letter from Richard L. Gregg, Commissioner, Bureau of the Public Debt, Department of the Treasury, to Michael A. Macchiaroli, Associate Director, Division of Market Regulation, Commission (January 17, 1997).

acronym (i.e., "ITS"). Under the proposed rule change, DTC will add procedures to its ID system to provide that when the designated acronym identifying an inflation indexed security appears in the security type field of the ID confirmation, the required disclosure will be deemed to be a part of the ID confirmation for that transaction.

The interpretative relief also requires confirmations involving inflation indexed securities for when-issued transactions and for transactions in the Treasury's Separate Trading of Registered Interest and principal of Securities ("STRIPS") program to disclose the real yield (i.e., nominal yield not adjusted for inflation) for the securities.⁴ Under the proposed rule change, a broker-dealer using the ID system to send confirmations for such transactions will be able to disclose the real yield by entering that figure either in the yield field or in the special instructions field of trade data submitted to the ID system.

DTC believes the proposed rule change is consistent with the requirements of Section 17A of the Act⁵ and the rules and regulations thereunder because the proposed rule change will assure the safeguarding of securities and funds which are in the custody or control of DTC by facilitating the confirmation of transactions in inflation indexed securities through the use of DTC's system.

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

DTC perceives no impact on competition by reason of the proposed rule change.

⁴ PSA The Bond Market Association Trading Practice Guidelines for Inflation Indexed Securities (December 18, 1996).

⁵ 15 U.S.C. 78q-1.

¹ 15 U.S.C. 78s(b)(1).

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

The proposed rule change was developed through discussions with PSA acting on behalf of its members and with several participants. Written comments from DTC participants or others have not been solicited or received on the proposed rule change.

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

Within thirty-five 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 ninety 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 DTC 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

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 in the Commission's Public Reference Room, 450 Fifth Street, NW., Washington, DC 20549. Copies of such filing will also be available for inspection and copying at the principal office of DTC. All submissions should refer to the file number SR-DTC-97-07 and should be submitted by September 15, 1997.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁶

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-38948; File No. SR-OCC-97-05]

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing of Proposed Rule Change Relating to Early Warning Notices

August 19, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹, notice is hereby given that on May 15, 1997, The Options Clearing Corporation ("OCC") 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 primarily by OCC. The Commission is publishing this notice to solicit comments from interested persons on the proposed rule change.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The purpose of the proposed rule change is to revise OCC's Rule 303 to expand the circumstances under which a clearing member is to provide OCC with early warning notices.

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

In its filing with the Commission, OCC 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. OCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.²

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

The purpose of the proposed rule change is to revise OCC's Rule 303 to expand the circumstances under which a clearing member is to provide OCC with early warning notices. Currently,

Rule 303 requires a clearing member to provide OCC with an early warning notice if it experiences certain enumerated financial difficulties or if it has provided any notice required pursuant to Commission Rule 15c3-1(e)(1)(iv).³ Specifically, Rule 303 would be expanded to explicitly provide that a clearing member must immediately notify an officer of OCC of any notice that such clearing member gives, is required to give, or receives from any regulatory organization regarding any financial difficulty affecting the clearing member or of any failure by the clearing member to be in compliance with the financial responsibility rules or capital requirements of any regulatory organization. As proposed, Rule 303 would require the clearing member to promptly confirm such notice in writing. In addition, the lead-in language of (b) and (c) of Rule 303 (as relettered) will be revised to conform to the requirement in new paragraph 303(a) that an officer of OCC be notified by telephone of any notice described in the paragraph.

The term "regulatory organization" will be defined in proposed Interpretations and Policies .01 to mean (i) the Commission and any other federal or state regulatory agency having jurisdiction over the clearing member including the Commodity Futures Trading Commission ("CFTC") in the case of a clearing member which is subject to the jurisdiction of the CFTC; (ii) any self-regulatory organization as defined in Section 3(a) of Act⁴ of which the clearing member is a member or participant; (iii) any clearing organization, as defined in Regulation Section 1.3(d) under the Commodity Exchange Act,⁵ board of trade, contract market, and registered futures association of which the clearing member is a member or participant; and (iv) in the case of a non-U.S. clearing member, any non-U.S. regulatory agency or instrumentality or independent organization or exchange having jurisdiction over the non-U.S. clearing member or of which the non-U.S. clearing member is a member or participant.

OCC believes that these amendments will enhance the effectiveness of its financial surveillance program by providing OCC with material information, some of which it currently

³ 17 CFR 240.15c3-1(e)(1)(iv). Rule 15c3-1(e) requires broker-dealers to provide written notice to the Commission in connection with certain transactions involving a significant withdrawal of equity capital.

⁴ 15 U.S.C. 78c(a).

⁵ 17 CFR 1.3(d).

¹ 15 U.S.C. 78s(b)(1).

² The Commission has modified the text of the summaries prepared by OCC.

⁶ 17 CFR 200.30-3(a)(12).