

permits reporting persons to request confidential treatment for certain sensitive information concerning national security, trade secrets, or privileged commercial or financial information.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number.

Written comments regarding the above information should be directed to the following persons: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, D.C. 20503; and (ii) Michael E. Bartell, Associate Executive Director, Office of Information Technology, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549. Comments must be submitted to OMB within 30 days of this notice.

Dated: September 7, 1999.

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 99-24349 Filed 9-17-99; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT: [To Be Published]

STATUS: Closed Meeting.

PLACE: 450 Fifth Street, N.W., Washington, D.C.

DATE PREVIOUSLY ANNOUNCED: To Be Published.

CHANGE IN THE MEETING: Time Change.

The closed meeting scheduled for Thursday, September 16, 1999, at 11:00 a.m., has been changed to Thursday, September 16, 1999, at 2:30 p.m.

Commissioner Hunt, as duty officer, determined that Commission business required the above change and that no earlier notice thereof was possible.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact:

The Office of the Secretary at (202) 942-7070.

Dated: September 15, 1999.

Jonathan G. Katz,
Secretary.

[FR Doc. 99-24540 Filed 9-16-99; 11:56 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-41864; File No. SR-Amex-98-19]

Self-Regulatory Organizations; Notice of Withdrawal of Proposed Rule Change and Amendment Nos. 1 and 2 by the American Stock Exchange LLC Relating to Solicitation of Options Transactions

September 10, 1999.

On May 18, 1998, the American Stock Exchange LLC ("Amex" or "Exchange") filed with the Securities and Exchange Commission ("Commission") a proposed rule change, pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² to amend Amex Rule 950(d), Commentary .03 to: (1) Allow a member representing an originating order to solicit a customer (as well as another member, member organization, or non-member broker-dealer) to participate in the transaction; and (2) provide that a Registered Options Trader, when establishing or increasing a position, may retain priority over an off-floor order (including that of a customer) that is subject to Commentary .03. The Amex submitted Amendment No. 1 to the proposal on July 7, 1998,³ and Amendment No. 2 to the proposal on August 19, 1998.⁴ Notice of the proposed rule change, as amended, was published in the **Federal Register** on August 26, 1998, to solicit comment from interested persons.⁵ The Commission received one comment letter regarding the proposal.⁶ On September 3, 1999, the Amex withdrew the proposed rule change.⁷

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See letter from Claire P. McGrath, Vice President and Special Counsel, Derivative Securities, Amex, to Richard Strasser, Assistant Director, Division of Market Regulation ("Division"), Commission, (dated July 6, 1998).

⁴ See letter from Claire P. McGrath, Vice President and Special Counsel, Derivative Securities, Amex, to Richard Strasser, Assistant Director, Division, Commission, dated August 18, 1998.

⁵ See Securities Exchange Act Release No. 40345 (August 19, 1998), 63 FR 45541.

⁶ See letter from Cherie L. Macauley, Wilmer, Cutler, & Pickering, to Jonathan G. Katz, Secretary, Commission, dated September 25, 1998 (on behalf of Credit Suisse First Boston Corporation, Merrill Lynch & Co., Goldman, Sachs & Co., and Morgan Stanley & Co., Inc.).

⁷ See letter from Claire P. McGrath, Vice President and Special Counsel, Derivative Securities, Amex, to Richard Strasser, Assistant Director, Division, Commission, dated September 2, 1999.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁸

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 99-24352 Filed 9-17-99; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-41847; File No. SR-Amex-99-34]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the American Stock Exchange LLC Regarding the Extension of the Pilot Program Eliminating Position and Exercise Limits in FLEX Equity Options

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on August 27, 1999, the American Stock Exchange LLC ("Amex" 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 Amex. The Exchange has designated the proposed rule change as constituting a "non-controversial" rule change under paragraph (f)(6) of Rule 19b-4 under the Act³ which renders the proposal effective upon receipt of this filing by the Commission.⁴ The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons and to accelerate the operative date of the proposed rule change.

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

The Amex proposes a three month extension of the pilot program

⁸ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 17 CFR 240.19b-4(f)(6).

⁴ The Exchange has represented that the proposed rule change: (i) will not significantly affect the protection of investors or the public interest; (ii) will not impose any significant burden on competition; and (iii) will not become operative for 30 days after the date of this filing, unless otherwise accelerated by the Commission. The Commission is waiving the minimum five business day notice requirement as permitted by Rule 19b-4(f)(6) under the Act. *Id.* The Commission notes that the Exchange has requested that the Commission accelerate the operative date of the rule change to permit uninterrupted operation of the pilot program.

eliminating position and exercise limits for FLEX Equity options.

The text of the proposed rule change is available at the Office of the Secretary, Amex, and at the Commission.

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 Exchange 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 Exchange 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

On June 19, 1996, the Commission approved the Exchange's proposal to list and trade FLEX Equity options on specified equity securities.⁵ Thereafter, on September 9, 1997, to allow the Exchange to better compete with the over the counter (OTC) market in customized equity options, the Exchange received approval to eliminate position and exercise limits for FLEX Equity options pursuant to a two-year pilot program.⁶ The pilot program, which is in place at other options exchanges, also provides that a member or member organization (other than a Specialist or Registered Options Trader) must report to the Exchange information for each amount that maintains a position on the same side of the market in excess of three times the position limit level established pursuant to the applicable exchange rule for Non-FLEX Equity options of the same class. The report should include information regarding the FLEX Equity option position, positions in any related instrument, the purpose or strategy for the position, and the collateral used by the account.⁷

⁵ FLEX Equity options are equity options that give investors the ability, within specified limits, to designate certain of the terms of the option. See order approving FLEX Equity options trading, Securities Exchange Act Release No. 37336 (June 19, 1996), 61 FR 33558 (June 27, 1996).

⁶ Securities Exchange Act Release No. 39032 (September 9, 1997), 62 FR 48683 (September 16, 1997).

⁷ The Exchange also requires that an updated report be filed when a change in the options

The Commission, in its order approving the pilot program, required the Exchange to submit a report containing a description of: (i) The types of strategies used by FLEX Equity options market participants and whether FLEX Equity options are being used in lieu of existing standardized equity options; (ii) the type of market participants using FLEX Equity option both before and during the pilot program, including how the utilization of FLEX Equity options has changed; (iii) the average size of FLEX Equity option contracts both before and during the pilot program, the size of the largest FLEX Equity option contract on any given day both before and during the pilot program, and the size of the largest FLEX Equity option held by any single customer/member both before and during the pilot program; and (iv) any impact on the prices of underlying stocks during the establishment or unwinding of FLEX positions that are greater than three times the standard position limit. The Exchange filed this report with the Commission by letter, dated May 28, 1999.

The program will expire September 9, 1999. Accordingly, the Exchange is requesting a temporary three month extension of the current program to permit the program to continue without interruption. All of the terms and conditions applicable under the order approving the elimination of position and exercise limits for FLEX Equity options will remain in effect throughout the temporary extension of the program. During the temporary three month extension of the current program, the Exchange anticipates submitting a request to permanently approve the pilot program as contemplated in the order approving the program.

2. Statutory Basis

The Exchange represents that the proposed rule change is consistent with Section 6(b)⁸ of the Act in general and furthers the objectives of Section 6(b)(5)⁹ in particular in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and is not designed to permit unfair discrimination between customers, issuers, brokers or dealers.

position occurs or when a significant change in the hedge of that position occurs. See Securities Exchange Act Release No. 39032 (September 9, 1997), 62 FR 48683 (September 16, 1997).

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(5).

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 that is not necessary or appropriate in furtherance of the purposes of the Act.

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 with respect to the proposed rule change.

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

This proposed rule filing has been filed by the Exchange as a "non-controversial" rule change pursuant to Section 19(b)(3)(A)(i) of the Act¹⁰ and subparagraph (f)(6) of Rule 19b-4 thereunder.¹¹ Because the foregoing proposed rule change: (1) Does not significantly affect the protection of investors or the public interest, (2) does not impose any significant burden on competition, (3) by its term does not become operative for 30 days after the date of filing, or such shorter time as the Commission may designate, and because (4) the Commission is waiving the required written notice of intent to file the proposed rule change at least five days prior to the filing date, it has become effective, for a pilot period until December 9, 1999, pursuant to Section 19(b)(3)(A) of the Act¹² and Rule 19b-4(f)(6) thereunder.¹³

The Commission has determined, consistent with the protection of investors and the public interest, to make the proposed rule change operative upon filing, pursuant to Section 19(b)(3)(A) of the Act¹⁴ and Rule 19b-4(f)(6)(iii).¹⁵ Under Rule 19b-4(f)(6)(iii), a proposed "non-controversial" rule change does not become operative for 30 days after the date of filing, unless the Commission designates a shorter time.¹⁶ The Commission believes that because the two-year pilot program is scheduled to expire on September 9, 1999, and the three month extension is based on the same terms and conditions of the original pilot, it is consistent with the protection of investors and the public

¹⁰ 15 U.S.C. 78s(b)(3)(A)(i).

¹¹ 17 CFR 240.19b-4(f)(6).

¹² 15 U.S.C. 78s(b)(3)(A).

¹³ 17 CFR 240.19b-4(f)(6).

¹⁴ 15 U.S.C. 78s(b)(3)(A).

¹⁵ 17 CFR 240.19b-4(f)(6)(iii).

¹⁶ *Id.*

interest to make the proposed rule change operative upon filing.

At any time within 60 days of the filing of the 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 the furtherance of the purposes of the Act.¹⁷

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549-0609. 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, N.W., Washington, D.C. 20549. Copies of such filing will also be available for inspection and copying at the principal office of the Amex. All submissions should refer to file number SR-Amex-99-34 and should be submitted by October 12, 1999.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁸

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 99-24354 Filed 9-17-99; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-41856; File No. SR-CBOE-99-49]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Chicago Board Options Exchange, Inc. Amending the Market-Maker Surcharge Fee Schedule

September 10, 1999.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on August 31, 1999, the Chicago Board Options Exchange, Inc. ("CBOE" 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 CBOE. 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 CBOE is proposing to make changes to its fee schedule pursuant to CBOE Rule 2.40, *Market-Maker Surcharge for Brokerage*.³

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 CBOE 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 CBOE 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

Pursuant to CBOE Rule 2.40, on August 30, 1999, the Equity Floor Procedure Committee ("Committee") approved the following fees for the option classes listed in the chart below. The Order Book Official Brokerage Rate

(per contract) shall be set at \$.00 for these option classes.⁴

Option class	Market-maker surcharge (per contract)
EMC Corporation (EMC)	\$0.15
Eastman Kodak Co. (EK)	0.15
Merck & Co., Inc. (MRK)	0.10

These fees will be effective as of August 31, 1999. Exchange rules provide that an option be listed for trading on another exchange before a surcharge fee can be assessed. Since the option classes listed above have been certified by the Options Clearing Corporation to be listed on the Philadelphia Stock Exchange, Inc., and were subsequently listed for trading on August 31, 1999, the CBOE will assess these three surcharges beginning on that date. The Exchange interprets its rules to allow the Committee to vote on market-maker surcharges before the relevant option class has been listed for trading on another exchange. However, CBOE Rule 2.40 provides that the surcharge may not actually be assessed until the relevant class has been listed for trading on another exchange.

These fees will remain in effect until such time as the Committee or the Board determines to change these fees and file the appropriate rule change with the Commission.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with Section 6(b)(4)⁵ of the Act because it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among CBOE members.

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 that is not necessary or appropriate in furtherance of the purposes of the Act.

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

Written comments on the proposed rule change were neither solicited nor received.

⁴ The surcharge will be used to reimburse the Exchange for the reduction in the Order Book Official brokerage rate (per contract) from \$.20 to \$.00 in the relevant option classes. Any remaining funds generated by the surcharge will be paid to Stationary Floor Brokers as provided in Exchange Rule 2.40.

⁵ 15 U.S.C. 78f(b)(4).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 41121 (February 26, 1999), 64 FR 11523 (March 9, 1999) (order approving CBOE Rule 2.40).

¹⁷ 15 U.S.C. 78s(b)(3)(C).

¹⁸ 17 CFR 200.30-3(a)(12).