

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.

[FR Doc. 97-11526 Filed 5-2-97; 8:45 am]

BILLING CODE 8010-01-M

## SECURITIES AND EXCHANGE COMMISSION

[File No. 500-1]

### Genesis International Financial Services, Inc.; Order of Suspension of Trading

May 1, 1997.

It appears to the Securities and Exchange Commission that there is a lack of current and accurate information concerning the securities of Genesis International Financial Services, Inc. ("GIFS"), because of questions regarding the accuracy of assertions by GIFS, and by others, in documents sent to, and statements made to, market-makers of the stock of GIFS, other broker-dealers, and to investors concerning, among other things, the value of certain assets claimed by GIFS and the purported sale of a GIFS subsidiary.

The Commission is of the opinion that the public interest and the protection of investors require a suspension of trading in the securities of the above-listed company.

Therefore, it is ordered, pursuant to Section 12(k) of the Securities Exchange Act of 1934, that trading in the above-listed company is suspended for the period from 9:30 a.m. EDT, May 1, 1997 through 11:59 p.m. EDT, on May 14, 1997.

By the Commission.

**Margaret H. McFarland,**  
Deputy Secretary.

[FR Doc. 97-11738 Filed 5-1-97; 11:44 am]

BILLING CODE 8010-01-M

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-38549; File No. SR-AMEX-97-13]

### Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change by the American Stock Exchange, Inc. Relating to Exchange Policy on Indications, Openings and Reopenings

April 28, 1997.

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> notice is hereby given that on March 5, 1997, the American Stock Exchange, Inc. ("Amex" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II 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 and to grant accelerated approval to the proposed rule change.

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

The Amex proposes to revise Exchange policy regarding indications, openings and reopenings. The text of the proposed rule change is available at the Office of the Secretary, the 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 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 III 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

Amex specialists disseminate indications of interest to the

consolidated tape prior to the opening or reopening of trading in a previously halted stock, or in the event of a delayed opening. These indications communicate the probable price range where the stock will open or reopen.

The Amex's policy on dissemination of tape indications currently requires a minimum of 15 minutes to elapse between the first indication and the opening or reopening of a stock. In addition, when multiple indications are used, a minimum of 10 minutes must elapse after the last indication when it does not overlap the prior indication, and a minimum of 5 minutes must elapse after the last indication when it overlaps the prior indication.

The Exchange is proposing that these minimum time periods before opening or reopening a stock be compressed from 15 to 10 minutes after the first indication; and to 5 minutes after the last indication, regardless of whether it overlaps the prior indication, provided that a minimum of 10 minutes elapses between the first indication and the opening or reopening of a stock. The proposed rule shortens the time period for indications and strikes an appropriate balance between preserving the price discovery process while providing timely opportunities for investors to participate in the market.

###### 2. Statutory Basis

The basis under the Act for the proposed rule change is the requirement under Section 6(b)(5) that an Exchange have rules that are designed to promote just and equitable principles of trade, to remove impediments to, and perfect the mechanism of a free and open market and, in general, to protect investors and the public interest.

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

The proposed rule change will impose no burden on competition.

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

No written comments were solicited or received with respect to the proposed rule change.

## III. 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

<sup>1</sup> 15 U.S.C. § 78s(b)(1).

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

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 Room. 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-Amex-97-13 and should be submitted by May 27, 1997.

#### IV. Commission's Findings and Order Granting Accelerated Approval of Proposed Rule Change

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) of the Act.<sup>3</sup> Specifically, the Commission believes the proposal is consistent with the Section 6(b)(5)<sup>4</sup> requirements that rules of an exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts, and, in general, to protect investors and the public.<sup>5</sup>

Specifically, the Exchange proposed that minimum time periods before opening or reopening a stock be compressed from 15 to 10 minutes after the first indication; and to 5 minutes after the last indication, provided that a minimum of 10 minutes elapsed between the first indication and the opening or reopening of a stock. For example, if only 3 minutes had elapsed from the time of the first indication to the second indication, the minimum waiting period after the second indication would be 7 minutes.

The Commission agrees with the Exchange that due to increases in the speed of communications, relevant market information can be disseminated and responded to very quickly. The Commission finds reasonable the Exchange's determination that the proposed rule change will allow the opening or reopening of a stock in a more expeditious fashion while still providing sufficient time for appropriate pricing of orders. The Commission finds

that in the rule change, the Exchange has made a reasonable determination that balances the preservation of the price discovery process while providing timely opportunities for investors to participation in the market. Exchange staff has represented that the change in the timing of tape indications is consistent with Intermarket Trading System re-opening procedures.<sup>6</sup>

The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of notice of filing thereof in the **Federal Register**. The rule change is being approved with a corresponding amendment to Section XI(a) (Trading Halt and Suspension Procedures) of the Consolidated Tape Association Plan.<sup>7</sup> An identical policy on indications, openings, and reopenings was approved for use on the New York Stock Exchange on January 31, 1997 following a full notice period during which no comments were received.<sup>8</sup>

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>9</sup> that the proposed rule change (SR-AMEX-97-13) is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>10</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 97-11607 Filed 5-2-97; 8:45 am]

BILLING CODE 8010-01-M

#### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-38547; File No. SR-CBOE-96-73]

#### Self-Regulatory Organizations; Order Approving Proposed Rule Change by the Chicago Board Options Exchange, Inc., Relating to Membership Committee Jurisdiction Over Continuing Membership

April 25, 1997.

#### I. Introduction

On November 26, 1996, the Chicago Board Options Exchange, Inc. ("CBOE" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") a proposed rule change 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> On February 12, 1997, the Exchange filed an amendment to the rule proposal.<sup>3</sup> The rule change amends CBOE Rule 3.4, "Denial of and Conditions to Membership," to grant CBOE's Membership Committee ("MC"), instead of the CBOE's Business Conduct Committee ("BCC"), the power to deny continued membership or association with a member, or to condition continuance in membership or association, if the member or associated person: (1) Fails to meet any of the qualification requirements for membership or association after the membership or association has been approved; (2) fails to meet any condition placed by the MC on such membership or association; (3) violates an agreement with the Exchange; or (4) becomes subject to a statutory disqualification under the Act. The rule change also amends CBOE Rule 3.4 to require a member or person associated with a member who is subject to a statutory disqualification to submit an application to the MC in order to continue as a member or as a person associated with a member.

Notice of the proposed rule change and Amendment No. 1, together with the substance of the proposal, was provided by issuance of a release (Securities Exchange Act Release No. 38290 (February 14, 1997)) and by publication in the **Federal Register** (62 FR 8472 (February 25, 1997)). No comments were received. This order approves the proposed rule change, as amended.

#### II. Description of the Proposal

Currently, the CBOE's MC may deny or condition membership for new applicants for the reasons specified in CBOE Rule 3.4 (a), (b), and (c). CBOE Rule 3.4(e) currently authorizes the Exchange's BCC, rather than the MC, to take action against existing members or

<sup>1</sup> 15 U.S.C. § 78s(b)(1).

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

<sup>3</sup> See Letter from Arthur Reinstein, Senior Attorney, CBOE, to Janice Mitnick, Attorney, Division of Market Regulation, Commission, dated February 12, 1997 ("Amendment No. 1"). Amendment No. 1 provides that failure to file an application notifying the Exchange of a statutory disqualification would be a factor to be considered by the CBOE's Membership Committee in making determinations with respect to the person's membership or association pursuant to CBOE Rule 3.4(e), instead of constituting a waiver of the individual's right of appeal. Further, Amendment No. 1 describes the procedures to be followed by the Exchange's Membership Committee in reviewing an application submitted pursuant to proposed CBOE Rule 3.4(f). Finally, Amendment No. 1 describes the composition of the CBOE's Business Conduct Committee and CBOE's Membership Committee.

<sup>3</sup> 15 U.S.C. § 78f(b).

<sup>4</sup> 15 U.S.C. § 78f(b)(5).

<sup>5</sup> In approving this rule change, the Commission has considered the proposed rules' impact on efficiency, competition, and capital formation. 15 U.S.C. § 78c(f).

<sup>6</sup> Telephone conversation between Mike Cavalier, Attorney, Amex and David Sieradzki, Attorney, SEC, on March 20, 1997.

<sup>7</sup> See Securities Exchange Release No. 38546 (Apr. 25, 1997).

<sup>8</sup> See Securities Exchange Act Release No. 38225 (Jan. 31, 1997), 62 FR 5875 (Feb. 7, 1997) (order approving File No. SR-NYSE-96-32).

<sup>9</sup> 15 U.S.C. § 78s(b)(2).

<sup>10</sup> 17 CFR 200.30-3(a)(12).