

The requirement that directors designate access persons is intended to ensure that directors evaluate the trustworthiness of insiders who handle fund assets. The requirements that access persons act jointly in handling fund assets, prepare a written notation of each transaction, and transmit the notation to another designated person are intended to reduce the risk of misappropriation of the fund assets by access persons, and to ensure that adequate records are prepared, reviewed by a responsible third person, and available for examination by the Commission.

The Commission estimates that approximately 110 funds rely upon the rule (and that each fund offers an average of two separate series or portfolios subject to the rule). It is estimated that each fund spends approximately 2 hours annually in drafting pertinent resolutions by directors, 24 hours annually in preparing transaction notations, and 100 hours annually in performing unscheduled verifications of assets. Therefore, the total annual burden associated with this rule is estimated to be 13,860 hours.

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 3208, 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, N.W., Washington, D.C. 20549. Comments must be submitted to OMB on or before October 24, 1997.

Dated: September 17, 1997.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97-25320 Filed 9-23-97; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

Submission for OMB Review; Comment Request

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of Filings and Information Services, Washington, DC 20549.

Extension: Form 2-E and Rule 609, SEC File No. 270-222, OMB Control No. 3235-0233. Rule 6c-7, SEC File No. 270-269, OMB Control No. 3235-0276. Rule 11a-2, SEC File No. 270-267, OMB Control No. 3235-0272.

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.), the Securities and Exchange Commission ("Commission") has submitted to the Office of Management and Budget requests for extension of the previously approved collections of information discussed below.

Form 2-E is used, pursuant to Rule 609 of Regulation E under the Securities Act of 1933, by small business investment companies or business development companies engaged in limited offerings of securities to report semi-annually the progress of an offering, including the number of shares sold. The form solicits information such as the dates an offering has commenced and completed, the number of shares sold and still being offered, amounts received in the offering, and expenses and underwriting discounts incurred in the offering. This information assists the Commission staff in determining whether the issuer has stayed within the limits of an exemptive offering.

Form 2-E must be filed semi-annually during an offering and as a final report at the completion of the offering. Less frequent filing would not allow the Commission to monitor the progress of the limited offering in order to ensure that the issuer was not attempting to avoid the normal registration provisions of the securities laws.

There has been approximately one filing on form 2-E under rule 609 of regulation E during each of the last two years. On average, approximately one respondent spends four hours collecting information, preparing, and filing a form 2-E for a total annual reporting and recordkeeping burden of four hours.

Rule 6c-7 under the Investment Company Act of 1940 ("1940 Act") provides exemption from certain provisions of Sections 22(e) and 27 of the 1940 Act for registered separate accounts offering variable annuity contracts to certain employees of Texas institutions of higher education participating in the Texas Optional Retirement Program.

There are approximately 183 registrants governed by Rule 6c-7, with an estimated compliance time of 30 minutes per registrant for a total of 92 annual burden hours.

Rule 11a-2 permits certain registered insurance company separate accounts, subject to certain conditions, to make offers to exchange their securities for other investment company securities

without obtaining prior Commission approval.

There are approximately 550 registrants governed by Rule 11a-2, with an estimated compliance time of 15 minutes per registrant for a total of 138 annual burden hours.

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 3208, 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, N.W., Washington, D.C. 20549. Comments must be submitted to OMB on or before October 24, 1997.

Dated: September 18, 1997.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97-25323 Filed 9-23-97; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Pub. L. 94-409, that the Securities and Exchange Commission will hold the following meeting during the week of September 29, 1997.

A closed meeting will be held on Monday, September 29, 1997, at 11:00 a.m.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the closed meeting. Certain staff members who have an interest in the matters may also be present.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c) (4), (8), (9)(A) and (10), permit consideration of the scheduled matters at the closed meeting.

Commissioner Hunt, as duty officer, voted to consider the items listed for the closed meeting in a closed session.

The subject matter of the closed meeting scheduled for Monday, September 29, 1997, at 11:00 a.m., will be:

Institution and settlement of injunctive actions.

Institution and settlement of administrative proceedings of an enforcement nature.

Formal orders of investigation.

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 22, 1997.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97-25463 Filed 9-22-97; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39086; File No. SR-PCX-97-18]

Self-Regulatory Organizations; Pacific Exchange, Inc.; Order Approving Proposed Rule Change and Notice of Filing and Order Granting Accelerated Approval of Amendment Numbers 1, 2 and 3 to Proposed Rule Change Relating to the PCX Application of the OptiMark System

September 17, 1997.

I. Introduction

On June 11, 1997, the Pacific Exchange, Inc. ("PCX" or "Exchange") submitted to the Securities and Exchange Commission ("SEC" or "Commission"), pursuant to Section 19(b) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to establish rules for a new exchange facility called the PCX Application of the OptiMark System ("PCX Application" or "Application"). Notice of the proposed rule change appeared in the **Federal Register** on June 19, 1997.³ Fourteen comment letters were received in response to the proposal.⁴ On August

1, 1997, PCX submitted an amendment ("Amendment No. 1") to the proposal, as well as two letters containing supplemental information.⁵ On August 29, 1997, PCX submitted a second amendment ("Amendment No. 2") to the proposal.⁶ On September 16, 1997, PCX submitted a third amendment ("Amendment No. 3") to the proposal.⁷ This order approves PCX's proposal, as amended.

II. Description of the Proposal

A. Summary of the PCX Application and Purpose

The Exchange proposes to establish rules for a new exchange facility called the PCX Application of the OptiMark System. The PCX Application of the

Denning, General Atlantic Partners, dated July 2, 1997; Theodore E. James, Jr., Van Kasper & Company, dated July 3, 1997; Junius W. Peake, University of Northern Colorado, dated July 7, 1997; Theodore R. Aronson, Aronson & Partners, dated July 7, 1997; Praveen K. Gottipalli, Symphony Asset Management, dated July 8, 1997; Robert A. Hill, Melvin Specialists, Inc., dated July 9, 1997; Tim McCarthy, Charles Schwab, dated July 10, 1997; Todd Greenberg, ProActive Capital Management, dated July 10, 1997; Matt Fong, Treasurer, State of California, dated July 10, 1997; Harold S. Bradley, American Century Investment Management, Inc., dated July 15, 1997; James E. Buck, New York Stock Exchange, Inc. ("NYSE"), dated July 15, 1997; Tom C. Tinsley, Baan Company, N.V., dated July 17, 1997; Bill Porter and Christos M. Cotsakos, E*Trade Group, Inc., dated July 21, 1997.

⁵ Letter from John C. Katovich, Senior Vice President, General Counsel, and Director of Legal Affairs, PCX, to Michael Walinskas, Senior Special Counsel, Division of Market Regulation, SEC, dated Aug. 1, 1997. In Amendment No. 1, PCX made a technical amendment to its short sale rule, and provided clarification regarding the application of Rule 10a-1 under the Act to short sales in the PCX Application. Also in Amendment No. 1, PCX responded to comments made by the NYSE.

⁶ Letter from John C. Katovich, Senior Vice President, General Counsel, and Director of Legal Affairs, PCX, to Michael Walinskas, Senior Special Counsel, Division of Market Regulation, SEC, dated Aug. 29, 1997. In addition to Amendment No. 2, the PCX also submitted two letters containing supplemental information. See Letter from John C. Katovich, Senior Vice President, General Counsel, and Director of Legal Affairs, PCX, to Michael Walinskas, Senior Special Counsel, Division of Market Regulation, SEC, dated Aug. 29, 1997 (regarding issues related to the Intermarket Trading System) ("PCX ITS Letter"), and Letter from John C. Katovich, Senior Vice President, General Counsel, and Director of Legal Affairs, PCX, to Michael Walinskas, Senior Special Counsel, Division of Market Regulation, SEC, dated Aug. 29, 1997 (regarding interaction of the PCX Application with the PCX floor) ("PCX Floor Letter").

⁷ Memorandum from John C. Katovich, Senior Vice President, General Counsel, and Director of Legal Affairs, PCX, to Michael Walinskas, Senior Special Counsel, Division of Market Regulation, SEC, dated Sept. 16, 1997. In Amendment No. 3, PCX clarified the manner in which Primary Market Protection ("PMP") orders will be executed once the Application is implemented. The letter also includes several trading scenarios that illustrate the operation of the Application vis-a-vis PCX specialists.

"OptiMark System"⁸ is a computerized, screen-based trading service intended for use by Exchange members and their customers. The OptiMark System would provide automatic order formulation, matching, and execution capabilities in the equity securities listed or traded on the Exchange ("PCX Securities"). The OptiMark System would be used in addition to PCX's traditional floor facilities, to buy and sell PCX Securities.⁹

Specifically, the Application would allow PCX members and their customers to submit anonymously from their computer terminals ranges of the trading interest to the OptiMark Systems. At specified times during the trading day, the OptiMark System would conduct certain calculations against such expressions of interest to identify specific orders capable of execution. All orders formulated by the OptiMark System would be automatically executed on the Exchange, except to the extent that they are executed on other market centers through the Intermarket Trading System ("ITS"). The Exchange has stated that the proposed facility would meet institutional investors' growing demand for a new trading medium. The Exchange also expects retail investors to benefit from the operation of the PCX Application.

B. Description of the Proposed PCX Application Operation

The PCX Application was developed jointly by the Exchange and OTI. Exchange members and their customers will trade on the OptiMark System in the manner described below:

Proposed Method of Operation

Two distinct operations would be involved in running the PCX Application: (i) The central information processing system and related administrative and communications

⁸ The OptiMark System was developed by OptiMark Technologies, Inc. ("OTI"), a computer technology firm located in Durango, Colorado, based on certain patent-pending technology referred to as "OptiMark™." OTI has represented that the PCX Application is expected to be one of several different trading services based on that technology that will be made available from the OptiMark System for other exchanges and markets in the future. OTI expects its wholly-owned subsidiary, OptiMark Services, Inc. ("OSI"), which currently plans to apply for registration as a broker-dealer, to be responsible for operating portions of the PCX Application for the Exchange and delivering the trading service to the Exchange's members and their customers. OTI is licensing the OptiMark System to OSI for purposes of the PCX Application.

⁹ This rule filing addresses trading in PCX Securities only. PCX represents that if and when it proposes to extend the Application to options or other types of securities listed or traded on the Exchange, a rule change proposal will first be filed with the Commission.

¹ The Exchange originally submitted this filing to the SEC on May 20, 1997. On June 3, 1997, the Exchange submitted Amendment No. 1 to the filing. The Exchange resubmitted the entire filing on June 11, 1997. The resubmitted filing incorporates the substance of the June 3, 1997, Amendment No. 1. All subsequent references in this order to "Amendment No. 1" refer to the amendment, dated Aug. 1, 1997, submitted as an amendment to the June 11, 1997 filing. See note 5, *infra*.

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 38740 (June 13, 1997), 62 FR 33448 (June 19, 1997).

⁴ Comment letters to the Commission were received from Thomas D. Burke, Newbridge Securities, Inc., dated July 1, 1997; Steven A.