

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97-26903 Filed 10-9-97; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Agency 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 October 13, 1997.

A closed meeting will be held on Tuesday, October 14, 1997, at 10:30 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) and 17 CFR 200.402(a) (4), (8), (9)(i) 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 Tuesday, October 14, 1997, at 10:30 a.m., will be:

Institution of injunctive actions.

Institution and settlement of administrative proceedings of an enforcement nature.

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: October 7, 1997.

Jonathan G. Katz,

Secretary.

[FR Doc. 97-27097 Filed 10-8-97; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[File No. 500-1]

United States Properties, Inc.; Order of Suspension of Trading

October 7, 1997.

It appears to the Securities and Exchange Commission that there is a lack of current and accurate information concerning the securities of United States Properties, Inc. ("USPI"). Questions have been raised regarding the accuracy of assertions by USPI, and by others, in documents sent to and statements made to market-makers of the stock of USPI, other broker-dealers, and to investors concerning, among other things: (1) the identity of the persons in control of the operations and management of the company; (2) the purported members of USPI's advisory board; and (3) the trading and true value of the common stock of USPI.

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, October 8, 1997 through 11:59 p.m. EDT, on October 21, 1997.

By the Commission.

Jonathan G. Katz,

Secretary.

[FR Doc. 97-27096 Filed 10-8-97; 11:30 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39192; File No. SR-CBOE-97-48]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Chicago Board Options Exchange, Incorporated Relating to a Reduction in the Value of the Standard & Poor's 100 Stock Index

October 3, 1997.

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 September 19, 1997, the Chicago Board Options Exchange, Incorporated ("CBOE" or the "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 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 filing this rule change to inform the Commission that Standard & Poor's ("S&P") intends to reduce the value of its S&P 100 Stock Index ("Index") option ("OEX") to one-half of its present value by doubling the divisor used in calculating the Index. In connection with this change, the Exchange proposes doubling the current OEX position and exercise limits. The text of the proposed rule change is available at the Office of the Secretary, the CBOE, 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 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, Proposed Rule Change

1. Purpose

The CBOE began trading OEX options in March 1983.³ OEX options are American-style, cash-settled options on the S&P 100 Stock Index. The Exchange notes that, on the strength of a sustained bull market, the value of the OEX has doubled in value since mid-1995, such that the value of the index stood at 928.20 as of August 7, 1997. As a result of the significant increase in the value of the underlying index, the premium for OEX options has also increased. This has caused OEX options to trade at a level that may be uncomfortably high for retail investors, a large and important part of the market for OEX.

As a result, at the request of the CBOE, S&P, the reporting authority for the Index, has agreed to a "two-for-one

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 19264 (November 22, 1982), 47 FR 53981 (November 30, 1982).

split" of the Index. The change will be instituted after Commission approval of this proposed rule change. This change will result in a doubling of the OEX contracts outstanding, such that for each OEX contract held, the holder will receive two contracts at the reduced value, with a strike price of one-half of the original strike price. For instance, the holder of an OEX 930 call will receive two OEX 465 calls. The trading symbol will remain as OEX (plus any necessary wrap symbols).

In addition to the strike price being reduced by one-half, the CBOE proposes to double the position and exercise limits applicable to the OEX from 25,000 to 50,000.⁴ The Exchange believes this increase in the position and exercise limits is justified because the reduction in the divisor would result in each contract overlying only one-half of the value of a current OEX contract. Consequently, the revised position and exercise limits would be equivalent to the current levels in terms of the value of the Index.

The CBOE will announce the effective date of the change by way of an Exchange circular to the membership, which will also describe the change to the strike prices and the position and exercise limits.

The Exchange expects the proposed changes to attract additional customer business in OEX in those series in which retail customers are most interested in trading. For example, a September 930 (at the money) call option series currently trades at approximately \$2600 per contract. With the Index split, the same option series (once adjusted), with all else remaining equal, would trade at approximately \$1300 per contract. The Exchange believes the proposed change will permit some investors to trade these options who have otherwise been priced out of the market due to the recent market surge. The Exchange believes that OEX options provide an important opportunity for investors to hedge and speculate upon the market risk associated with the stocks comprising this broad-based widely followed Index. By reducing the value of the Index, investors will be able to utilize this trading vehicle, while extending a smaller outlay of capital. The Exchange believes this should attract additional

investors, and, in turn, create a more active and liquid trading environment.

The Exchange believes that reducing the value of the Index does not raise manipulation concerns and will not cause adverse market impact because the Exchange will continue to employ the same surveillance procedures and has proposed an orderly procedure to achieve the Index split, including adequate prior notice to market participants.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with and furthers the objectives of Section 6(b)(5) of the Act,⁵ in that it is designed to perfect the mechanisms of a free and open market and to protect investors and the public interest.

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

The CBOE does not believe that the proposed rule change will impose any 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. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 35 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 90 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 the self-regulatory organization 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, N.W. Washington, D.C. 25049. 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. 25049. Copies of such filing will also be available for inspection and copying at the principal office of the CBOE. All submissions should refer to File No. SR-CBOE-97-48 and should be submitted by October 31, 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. 34-39201; File No. SR-OCC-97-09]

Self-Regulatory Organizations; The Options Clearing Corporation; Order Approving a Proposed Rule Change Seeking To Amend the Valuation Rate Applied to Equity Securities and Corporate Debt Deposited as Margin Collateral

October 3, 1997.

On May 21, 1997, The Options Clearing Corporation ("OCC") filed with the Securities and Exchange Commission ("Commission") a proposed rule change (File No. SR-OCC-97-09) pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act").¹ Notice of the proposal was published in the **Federal Register** on August 18, 1997.² No comment letters were received. For the reasons discussed below, the Commission is approving the proposed rule change.

I. Description

OCC currently operates a program to accept deposits of equity securities and corporate debt as margin collateral ("valued securities program") under its rule 604(d).³ The proposed rule change

⁴ The Exchange has separately filed for an increase in the position and exercise limits for OEX in SR-CBOE-97-11 (noticed in Securities Exchange Act Release No. 38525 (April 18, 1997), 62 FR 20046 (April 24, 1997)). In the event that SR-CBOE-97-11 is approved by the Commission prior to this filing, the Exchange would seek a doubling of those higher limits.

⁵ 15 U.S.C. 78f(b)(5).

⁶ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² Securities Exchange Act Release No. 38923 (August 11, 1997), 62 FR 44025.

³ For a detailed description of the valued securities program, refer to Securities Exchange Act