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

The Exchange has asserted 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. For the foregoing reasons and because the Exchange provided at least five business days notice to the Commission of its intent to file this proposed rule change, the rule filing will become operative as a ''non-controversial'' rule change pursuant to Rule 19b–4(e)(6) under the Act.[3]

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 furtherance of the purposes of the Act.

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. 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 in Washington, D.C. Copies of such filing will also be available for inspection and copying at the principlal office of the Amex. All submission should refer to the file number in the caption above and should be submitted by November 14, 1997.

[3] 17 CFR 240.19b–4(e)(6).

For the Commission by the Division of Market Regulation, pursuant to delegated authority.[4]

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97–28181 Filed 10–23–97; 8:45 am]

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[4] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–39249; File No. SR–CHX–97–20]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Chicago Stock Exchange, Incorporated Relating to the Exchange's BEST Rule

October 16, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] notice is hereby given that on September 12, 1997, the Chicago Stock Exchange, Incorporated (''CHX'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'' or ''SEC'') the proposed rule change, as described in Items I, II, and III below, which Items have been prepared by the Exchange. 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 the Substance of the Proposed Rule Change

The Exchange proposes to amend Rule 37(a) of Article XX of the Exchange's Rules to clarify that the Exchange's BEST Rule guarantee is limited to both the size and price associated with the best bid and offer.

The text of the proposed rule change is available at the Office of the Secretary, the Exchange, 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.

[1] 15 U.S.C. § 78s(b)(1).

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

1. Purpose

The purpose of the proposed rule change is to amend the Exchange's BEST Rule (Article XX, Rule 37) to clarify an ambiguity concerning the application of the BEST Rule. Currently, the Exchange's BEST Rule states that, subject to certain exceptions, all agency market orders are guaranteed an execution on the basis of the ITS BBO [2] for Dual Trading System issues and the NBBO [3] for Nasdaq/NM issues.

Each best bid and offer, including the ITS BBO and NBBO, contains two components—price and size. Because the BEST Rule requires a specialist to guarantee an execution on the basis of the best bid or offer, the Exchange has consistently interpreted this guarantee as applying to both the size and price associated with that best bid or offer. In this rule change, the Exchange proposes to add the words ''size and price associated with'' to the beginning of the BEST Rule to clarify that the BEST Rule guarantee is limited to both the size and price associated with the best bid and offer.

This change is consistent with the Exchange's existing MAX Rule (Article XX, Rule 37(b)(11)) which states that ''notwithstanding anything in this Rule to the contrary, no market order or limit order that is marketable when entered into the MAX System will be automatically executed if the size associated with the ITS BBO or NBBO, as the case may be, is of a size less than such market order or limit order.''

2. Statutory Basis

The Exchange represents that proposed rule change is consistent with Section 6(b)(5) [4] of the Act in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

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

The Exchange does not believe that the proposed rule change will impose

[2] The ITS BBO is the best bid/offer quote among the American, Boston, Cincinnati, Chicago, New York, Pacific, Philadelphia exchanges or the Intermarket Trading System/Computer Assisted Execution System, as appropriate.

[3] The NBBO is the best bid or offer disseminated pursuant to SEC Rule 11Ac1–1.

[4] 15 U.S.C. § 78f(b)(5).

any inappropriate burden on competition.

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

The Exchange did not solicit or receive written comments 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 Exchange consents, the Commission will:

(A) By order approve the 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. 20549. Copies of the submissions, 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 an any persons, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. § 522, will be available for inspection and copying at 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 Exchange. All submissions should refer to File No. SR–CHX–97–20 and should be submitted by November 14, 1997.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[5]

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97–28178 Filed 10–23–97; 8:45 am]

BILLING CODE 8010–01–M

[5] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–39252; File No. SR–CHX–97–19]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Chicago Stock Exchange, Incorporated Relating to the Adoption of Rules Governing Market-at-the-Close Orders

October 17, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] notice is hereby given that on September 12, 1997, the Chicago Stock Exchange, Incorporated (''CHX'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'' or ''SEC'') the proposed rule change, as described in Items I, II, and III below, which Items have been prepared by the Exchange. 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 Exchange proposes to add Article XX, Rule 44 to the Exchange's Rules relating to market-at-the-close orders.

The text of the proposed rule change is available at the Office of the Secretary, the Exchange, 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

Currently, the Exchange has no rules regarding market-at-the-close (''MOC'') orders. The Exchange therefore wishes to add specific rules governing MOC orders to formalize the procedures for such orders and to delineate the rights and obligations of Exchange members and customers with regard to such orders.

The Exchange proposes to adopt procedures that are essentially identical to those used by the New York Stock Exchange (''NYSE''). The proposed r4ule is intended to ensure that orders sent to the Exchange will receive treatment similar to orders sent to the NYSE.

The proposed rule change provides definitions for all relevant terms. ''Market-at-the-Close Order'' or ''MOC order'' means a market order which is to be executed in its entirety at the closing price on the primary market of the stock named in the order, and if not so executed, is to be treated as canceled. ''Expiration Day'' means the last trading day before the one day a month that standardized contracts in derivative products (such as stock index futures, stock index options, and options on stock index futures) expire. ''Quarterly Index Expiration Day'' means the last trading day of each calendar quarter when quarterly index expiration (''QIX'') options expire. ''Pilot Stocks'' means those stocks contained on the list published from time to time by the primary market for such stocks.

Certain limitations will apply to MOC orders on Expiration Fridays and Quarterly Index Expiration Days. In general, no such MOC order may be entered after 2:40 p.m., Central Time, in any stock. Floor brokers representing such orders must indicate their MOC interest to the specialist by 2:40 p.m. After 2:40 p.m., MOC orders may generally be entered to offset published imbalances. However, the liquidation of positions relating to a strategy involving any stock index options, using MOC orders entered after 2:40 p.m., is not permitted, even if such orders might offset published imbalances. No MOC order in any stock may be canceled or reduced in size after 2:40 p.m. Cancellations to correct a legitimate error, however, will continue to be permitted after 2:40 p.m.

For MOC orders on Expiration Fridays and Quarterly Index Expiration Days, as soon as practicable after 2:40 p.m., notice will be published by the Exchange of any MOC order imbalance of 50,000 shares or more in the Pilot Stocks,[2] stocks being added to or dropped from an index, and, upon the

[1] 15 U.S.C. § 78s(b)(1).

[2] The Exchange will publish notice only of those MOC order imbalances that occur on the facilities of the Exchange. Telephone conversation between David T. Rusoff, Attorney, Foley and Lardner, and Michael L. Loftus, Attorney, Division of Market Regulation, SEC (October 16, 1997).