

to update information to each client. Based on the foregoing, the Commission staff therefore estimates the total annual burden of the rule's paperwork requirements for all program sponsors to be 2,128,666.5 hours. This represents an increase of 1,112,666.5 hours from the prior estimate of 1,016,000 hours. The increase results primarily from an increase in the amount of assets managed under investment advisory programs and the resulting increase in the estimated number of clients in those programs. The increase also results from a more accurate calculation of certain collection of information burdens.

Form N-8B-2 is the form used by unit investment trusts ("UITs") which are currently issuing securities, including UITs which are issuers of periodic payment plan certificates and UITs of which a management investment company is the sponsor or depositor, to comply with the filing and disclosure requirements imposed by section 8(b) of the Act. Form N-8B-2 requires disclosure about the organization of a UIT, its securities, the trustee, the personnel and affiliated persons of the depositor, the distribution and redemption of securities, and financial statements. The Commission uses the information provided in the collection of information to determine compliance with section 8(b) of the Act.

Based on the Commission's industry statistics, the Commission estimates that there will be approximately 34 initial filings on Form N-8B-2 and 11 post-effective amendment filings to the Form. The Commission estimates that each registrant filing an initial Form N-8B-2 would spend 1,150 hours in preparing and filing the Form and that the total hour burden for all initial Form N-8B-2 filings is 39,100 hours. Also, the Commission estimates that each UIT filing a post-effective amendment to Form N-8B-2 would spend 150 hours in preparing and filing the amendment and that the total hour burden for all post-effective amendments to the Form is 1,650 hours. By combining the total hour burdens estimated for initial Form N-8B-2 filings and post-effective amendment filings to the Form, the Commission estimates that the total annual burden hours for all registrants on Form N-8B-2 is 40,750 hours.

The estimate of average burden hours is made solely for the purposes of the Paperwork Reduction Act. The estimate is not derived from a comprehensive or even a representative survey or study of the costs of Commission rules and forms.

Written comments are invited on: (a) whether the collections of information are necessary for the proper

performance of the functions of the Commission, including whether the information has practical utility; (b) the accuracy of the Commission's estimate of the burdens of the collections of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burdens of the collections of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

Please direct your written comments to Michael E. Bartell, Associate Executive Director, Office of Information Technology, Securities and Exchange Commission, Mail Stop 0-4, 450 5th Street, NW., Washington, DC 20549.

Dated: June 22, 1998.

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 98-17560 Filed 7-1-98; 8:45 am]

BILLING CODE 8010-01-M

## 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 meetings during the week of July 6, 1998.

An open meeting will be held on Tuesday, July 7, 1998, at 10:00 a.m., in Room 6600.

A closed meeting will be held on Tuesday, July 7, 1998, following the 10:00 a.m. open meeting. A closed meeting will be held on Thursday, July 9, 1998, at 10:00 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 exceptions 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 Johnson, as duty officer, voted to consider the items listed for the closed meeting in a closed session.

The open meeting scheduled for Tuesday, July 7, 1998, at 10:00 a.m., will be:

The Commission will hear oral argument on an appeal by Valicent Advisory Services, Inc. ("VAS"), a registered investment adviser, and the Division of Enforcement from an administrative law judge's initial decision.

The closed meeting scheduled for Tuesday, July 7, 1998, following the 10:00 a.m. open meeting, will be: Post argument discussion.

The closed meeting scheduled for Thursday, July 8, 1998, at 10:00 a.m., will be:

Institution and settlement 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 for postponed, please contact: The Office of the Secretary at (202) 942-7070.

Dated: June 30, 1998.

**Jonathan G. Katz,**

*Secretary.*

[FR Doc. 98-17835 Filed 6-30-98; 3:53 pm]

BILLING CODE 8010-01-M

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40123; file No. SR-AMEX-98N10]

### Self-Regulatory Organizations; American Stock Exchange, Inc., Order Granting Approval to Proposed Rule Change and Notice of Filing and Order Granting Accelerated Approval to Amendment No. 1. to Proposed Rule Change Relating to Market-at-the-Close and Limit-at-the-Close Order Handling Requirements

June 24, 1998.

#### I. Introduction

On February 18, 1998, the American Stock Exchange, Inc. ("Amex" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission"), pursuant to Section 19(b)(1) of the Securities and Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to revise the Exchange's policy for entry of market-at-the-close orders ("MOC") and

<sup>1</sup> 15 U.S.C. 78s(b)(1).

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

to permit the entry of limit-at-the-close orders ("LOC"). The proposed rule change was published for comment in the **Federal Register** on March 26, 1998.<sup>3</sup> On May 12, 1998, the Exchange submitted Amendment No. 1 to the proposed rule change.<sup>4</sup> This order approves the proposal as amended.

## II. Description of the Proposal

Exchange Rule 109 sets for the procedures to be followed in executing MOC orders. Paragraph (d) of Rule 109 provides that where there is an imbalance between MOC buy and sell orders, the imbalance or buy orders should be executed against the offer, and the imbalance of sell orders against the bid. The remaining buy and sell orders are then paired off and executed at the price of the immediately preceding last sale. The "pair off" transaction is reported to the consolidated last-sale reporting system as "stopped stock."

In May 1995, the Exchange amended Commentary .02 to Exchange Rule 109 to impose a 3:50 p.m. deadline for the entry, cancellation or reduction of MOC orders through Amex's Post Execution Reporting system ("PER").<sup>5</sup> After the 3:50 p.m. deadline, a member may only enter, modify or cancel MOC orders other than through the PER system. This change was intended to reduce the sometimes disruptive effect on the market of MOC orders entered through the PER system shortly before the close. Prior to the imposition of the 3:50 p.m. deadline, it often took several minutes for a specialist to ascertain whether an imbalance existed and to pair off buyers and sellers, with the sellers, with the result that the executed MOC transactions did not actually print until after the close. When this happened, it was difficult for market participants to ascertain the closing price of the security in question on a timely basis.

Although the 3:50 p.m. deadline has alleviated some of the disruptive impact of MOC orders, Amex believes that further modifications are appropriate to reduce excess market volatility that may arise from the liquidation of stock

positions related to trading strategies involving index derivative products, and to provide consistency to member organizations by substantially conforming the Amex's policy to the policy currently in effect at the New York Stock Exchange ("NYSE")<sup>6</sup>

As a result, Amex is proposing to substantially conform its policy to the NYSE policy. However, Amex's policy will differ from that of the NYSE in several respects to account for the differences in the types of stocks that trade on the Amex versus those that trade on the NYSE (e.g., smaller float and capitalization of Amex companies). The proposed policy is as follows:

(a) A 3:40 p.m. deadline will be imposed every day for the entry of *all* MOC orders in all common stocks,<sup>7</sup> other than those that trade in units of less than 100 shares. After the 3:40 p.m. deadline, MOC orders will only be accepted to offset published imbalances. MOC orders will be irrevocable after that time, except to correct an error.

(b) Order imbalances must be published on the tape as soon as practicable after 3:40 p.m. if there is an imbalance of 25,000 shares or more. In addition, an order imbalance below 25,000 shares may also be published by a specialist, with the concurrence of a Floor Official, if the specialist (1) anticipates that the execution price of the MOC orders on the book will exceed the price change parameters of Amex Rule 154, Commentary .08,<sup>8</sup> or (2) believes that an order imbalance should otherwise be planned.<sup>9</sup>

(c) LOC orders (which Amex does not currently permit to be entered) will now be permitted to be entered prior to the applicable deadline (i.e., 3:40 p.m.), but after the deadline only to offset a published imbalance. LOC orders will be irrevocable after that time, except to correct an error.<sup>10</sup>

<sup>6</sup> The Commission recently approved a proposal submitted by the NYSE to make various changes to its policy with respect to MOC and LOC orders. See Securities and Exchange Act Release No. 40094 (June 15, 1998) (order approving SR-NYSE-97-36).

<sup>7</sup> This policy will not apply to any security the pricing for which is based on another security or an index, such as derivatives, warrants and convertible securities.

<sup>8</sup> Commentary .08 requires a specialist to have Floor Official approval before executing a transaction in a stock at a price (i) of \$20 or more a share at 2 points or more away from the last sale, (ii) between \$10 and \$20 a share at one point or more away from the last sale, and (iii) of less than \$10 a share at 1/2 point or more away from the last sale.

<sup>9</sup> Pursuant to Amex Rule 22(d), a specialist may request that a Floor Governor review a determination by a Floor Official not to permit publication of an order imbalance.

<sup>10</sup> Telephone conversation between Stuart Diamond, Director, Rulings, Amex and David

The Exchange is also proposing that the order imbalance dissemination requirements described in paragraph (b) above also be applied to the opening at 9:30 a.m.<sup>11</sup>

## III. Discussion

The Commission finds that the proposed rule change is consistent with Section 6<sup>12</sup> of the Act the rules and regulations thereunder. In particular, the Commission believes that the proposal is consistent with the Section 6(b)(5)<sup>13</sup> requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, 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.<sup>14</sup>

In recent years, the Exchange and other self-regulatory organizations have instituted certain safeguards to minimize excess market volatility that may arise from the liquidation of stock positions at the end of the trading day. The Exchange has been utilizing special closing procedures for the entry of MOC orders in Amex-listed stocks since December 16, 1992.<sup>15</sup> These procedures allow Amex specialist to determine the buying and selling interest in MOC orders and, if there is a substantial imbalance on one side of the market, to provide the investing public with timely and reliable notice of the imbalance and with an opportunity to make appropriate investment decision in response. The Commission believes that Amex's proposal appropriately refines and augments the current procedures.

The Commission believes that the proposed rule change may further increase public awareness of MOC order imbalances and provide market participants with more of an opportunity to make appropriate investment decisions. Specifically, the proposal will change the deadline from 3:50 p.m. to 3:40 p.m. for entry of all MOC orders on all trading days. In addition, the proposal will allow the entry of LOC orders prior to the applicable deadline, but after the deadline only to offset a published

Sieradzki, Attorney, Division, Commission on June 16, 1998.

<sup>11</sup> See Amendment No. 1, *supra* note 3.

<sup>12</sup> 15 U.S.C. 78f.

<sup>13</sup> 15 U.S.C. 78f(b)(5).

<sup>14</sup> In approving the proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78f(b).

<sup>15</sup> See Securities Exchange Act Release No. 31610 (Dec. 16, 1992), 57 FR 61131 (Dec. 23, 1992).

<sup>3</sup> Securities Exchange Act Release No. 39770 (Mar. 18, 1998), 63 FR 14747.

<sup>4</sup> See letter from Claudia Crowley, Special Counsel, Legal & Regulatory Policy, Amex to David Sieradzki, Attorney, Division of Market Regulation ("Division"), Commission dated May 7, 1998 ("Amendment No. 1"). In Amendment No. 1, the Exchange clarifies that the proposed policy regarding imbalance dissemination requirements will be applied to the opening as well as the close, and any applicable imbalance must be published prior to the opening at 9:30 a.m. In addition, the Exchange represents that it does not intend to apply the proposed order entry procedures to the opening.

<sup>5</sup> See Securities and Exchange Act Release No. 35660 (May 2, 1995), 60 FR 22592 (May 8, 1995).

imbalance. In conjunction with the prohibition on canceling or modifying any MOC/LOC order after 3:40 p.m. the Commission believes that this requirement should allow the specialist to make a timely and reliable assessment, for every Amex-listed stock, of MOC/LOC order flow and its potential impact on closing prices.

Further, the proposal would require Amex specialists to publish order imbalances of 25,000 shares or more as close to 3:40 p.m. as practicable. In addition, under certain circumstances, order imbalances of less than 25,000 shares may be published as close to 3:40 p.m. as practicable with the approval of a Floor Official. The Commission believes that permitting order imbalance publications even though the imbalance is under 25,000 shares should give specialists needed flexibility to balance order flow where the specialist believes that it may be necessary to attract contra-side interest. With respect to changing the deadline for entering MOC orders on non-expiration days, the Commission believes that, by giving market participants more time to react to published MOC order imbalances, the proposal may contribute to reducing volatility at the close.<sup>16</sup>

Finally, the Exchange proposes to apply the order imbalance dissemination requirements at the opening of trading as well as at the close. Specifically, as discussed above, the Exchange will require order imbalances of 25,000 shares or more to be disseminated before 9:30 a.m. Circumstances under which an imbalance of less than 25,000 shares would be published will apply to the opening as well.<sup>17</sup> The Commission believes that requiring order imbalances to be published prior to the opening may help reduce volatility at the opening as well as at the close of improving the specialists' ability to accurately assess opening order flow, and attract contra-side interest to help alleviate order imbalances. Further, the policy should help provide the investing public with more timely and reliable information regarding likely opening and closing prices, and thus the ability to make more informed trading decision.

The Commission finds good cause for approving Amendment No. 1 to the proposed rule change prior to the

thirtieth day after the date of publication of notice of filing of this amendment in the **Federal Register**. Amendment No. 1 clarifies the proposal to indicate what the deadline is for order imbalance publications at the opening. In addition, Amendment No. 1 clarifies that MOC/LOC order entry procedures will not apply to the opening of trading. As a result, the Commission does not believe that Amendment No. 1 raises any new regulatory issues. Further, the Commission notes that the original proposal was published for the full 21-day comment period and no comments were received by the Commission. Accordingly, the Commission believes there is good cause, consistent with Sections 6(b)(5) and 19(b) <sup>18</sup> of the Act, to approve Amendment No. 1 to the Exchange's proposal on an accelerated basis.

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning Amendment No. 1, including whether it is consistent with the Act. 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 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 Amex. All submissions should refer to File No. SR-AMEX-98-10 and should be submitted by July 23, 1998.

#### V. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>19</sup> that the proposed rule change (SR-AMEX-98-10) is approved as amended.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>20</sup>

<sup>18</sup> 15 U.S.C. 78f(b)(5) and 15 U.S.C. 78s(b).

<sup>19</sup> 15 U.S.C. 78s(b)(2).

<sup>20</sup> 17 CFR 200.30-3(a)(12).

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98-17561 Filed 7-1-98; 8:45 am]

BILLING CODE 8010-01-M

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40124; File No. SR-NASD-98-42]

### Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval to Proposed Rule Change by the National Association of Securities Dealers, Inc. Relating to Extension of Effectiveness of the Pilot Injunctive Relief Rule

June 24, 1998.

Pursuant to Section 19(b)(1) of the Securities and Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on June 12, 1998, the National Association of Securities Dealers, Inc. ("NASD" or "Association") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by NASD Regulation, Inc. ("NASD Regulation"). The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons. For the reasons discussed below, the Commission is granting accelerated approval of the proposed rule change.

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

NASD Regulation is proposing to amend Rule 10335 of the Code of Arbitration ("Code") of the NASD to extend the pilot injunctive relief rule for six months. Below is the text of the proposed rule change. Proposed new language is italicized; proposed deletions are in brackets.

#### 10335. Injunctions

\* \* \* \* \*

##### (i) Effective Date

This Rule shall apply to arbitration claims filed on or after January 3, 1996. Except as otherwise provided in this Rule, the remaining provisions of the Code shall apply to proceedings instituted under this Rule. This Rule shall expire on [July 3, 1998] *January 3, 1999*, unless extended by the Association's Board of Governors.

<sup>1</sup> 15 U.S.C. 78s(b)(1) (1994).

<sup>2</sup> 17 CFR 240.19b-4 (1997).

<sup>16</sup> As discussed above, LOC orders will be subject to the same deadlines for order entry as MOC orders.

<sup>17</sup> As discussed above and in Amendment No. 1, the Commission notes that the Exchange will not apply the order entry procedures used for the close of trading to the opening of trading. See Amendment No. 1, *supra* note 3.