

PRESIDIO TRUST**Notice of Public Meeting**

AGENCY: The Presidio Trust.

ACTION: Notice of public meeting.

SUMMARY: In accordance with § 103(c)(6) of the Presidio Trust Act, 16 U.S.C. § 460bb note, Title I of Pub. L. 104-333, 110 Stat. 4097, and in accordance with the Presidio Trust's bylaws, notice is hereby given that a public meeting of the Board of Directors of the Presidio Trust will be held from 10:00 a.m. to 12:00 p.m. (PST) on Wednesday, December 2, 1998, at the Presidio Golden Gate Club, Fisher Loop, Presidio of San Francisco, California. The Presidio Trust was created by Congress in 1996 to manage approximately eighty percent of the former U.S. Army base known as the Presidio, in San Francisco, California.

The purpose of this meeting is to consider future planning efforts to support the General Management Plan Amendment. Public comment on this topic will be received and memorialized in accordance with the Trust's Public Outreach Policy.

TIME: The meeting will be held from 10:00 a.m. to 12:00 p.m. (PST) on Wednesday, December 2, 1998.

ADDRESSES: The meeting will be held at the Presidio Golden Gate Club, Fisher Loop, Presidio of San Francisco.

FOR FURTHER INFORMATION CONTACT: Karen A. Cook, General Counsel, the Presidio Trust, 34 Graham Street, P.O. Box 29052, San Francisco, California 94129-0052, Telephone: 415-561-5300.

Dated: November 10, 1998.

Karen A. Cook,
General Counsel.

[FR Doc. 98-30654 Filed 11-13-98; 8:45 am]

BILLING CODE 4310-4R-U

SECURITIES AND EXCHANGE COMMISSION**Requests Under Review by Office of Management and Budget**

Upon written request, copies available from: Securities and Exchange Commission, Office of Filings and Information Services, Washington, DC 20549

Extension:

Form 12b-25, SEC File No. 270-71, OMB Control No. 3235-0058

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 a request for approval of extension on the following:

Form 12b-25 is filed pursuant to Exchange Act Rule 12b-25 by issuers who are unable to timely file all or any required portion of an annual, quarterly or transition report. Approximately 4,474 respondents file Form 12b-25 annually for a total annual burden of 11,185 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 10202, New Executive Office Building, Washington, DC 20503; (ii) Michael E. Bartell, Associate Executive Director, Office of Information Technology, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549. Comments must be submitted to OMB within 30 days of this notice.

Dated: November 6, 1998.

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 98-30513 Filed 11-13-98; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release Nos. 33-7609; 34-40649;
International Series Release No. 1168]

Frequently Asked Questions About the Statement of the Commission Regarding Disclosure of Year 2000 Issues and Consequences by Public Companies

AGENCY: Securities and Exchange Commission.

ACTION: Publication of Frequently Asked Questions.

SUMMARY: The Securities and Exchange Commission ("we" or "Commission") is publishing guidance in the form of Frequently Asked Questions to clarify some recurring issues raised by the Commission's earlier guidance to public companies regarding Year 2000 disclosure obligations.

EFFECTIVE DATE: November 9, 1998.

FOR FURTHER INFORMATION CONTACT: Joseph Babits, Office of Chief Counsel, Division of Corporation Finance at 202-942-2900.

Year 2000 Disclosure Frequently Asked Questions

The Commission's earlier guidance on Year 2000 disclosure obligations is in our interpretive release entitled "Statement of the Commission Regarding Disclosure of Year 2000 Issues and Consequences by Public Companies, Investment Advisers, Investment Companies, and Municipal Securities Issuers" (Rel. No. 33-7558, Jul. 29, 1998) ("Release").

Companies typically address their Year 2000 issues as part of their Management's Discussion and Analysis of Financial Condition and Results of Operation, found in Item 303 of Regulation S-K and S-B (otherwise known as "MD&A"). The MD&A section can be found in companies' annual and quarterly reports. The Release and these FAQs primarily interpret MD&A in the Year 2000 context.

We intend to continue reviewing Year 2000 disclosures until companies no longer face material Year 2000 issues. As our Division of Corporation Finance reviews Year 2000 disclosure, companies may receive comments on their disclosure.

Since the issuance of the Release, interested persons have raised several questions. The following addresses the most frequently asked questions:

Can a Company Comply With the Release's Guidance if it Does Not Respond to Every Issue Described in the Release?

The Release should not be used as a "checklist." Merely because a matter was addressed in the Release does not mean it applies to every company. The Release interprets many rules and regulations in the Year 2000 context. However, as stated in the Release, for Year 2000 disclosure to be meaningful, companies for which Year 2000 issues present a material event or uncertainty have to address four categories of information: state of readiness; costs; risks; and contingency plans. The level of detail that a company provides under each category depends on each company's facts and circumstances.

What constitutes meaningful disclosure for some of these categories may vary over time. For example, the information elicited by the risks and contingency plan categories are likely to be more important in 1999 than 1998. Accordingly, the level of detail for those categories may grow each quarter. For the cost category, disclosure is required only if historical or estimated Year 2000 costs are material. Finally, the Release suggested that companies disclose certain matters and gave examples of

situations that do not apply to every company.

Under the "cost" category, what should be included as a Year 2000 cost?

The Release states that companies must disclose material historical and estimated costs. The types of Year 2000 costs will vary for each public company. Typical costs include external consultants and professional advisors; purchases of software and hardware; and the direct costs (e.g., compensation and fringe benefits) of internal employees working on Year 2000 projects. Companies often disclose the types and amounts of Year 2000 costs to their Board of Directors or Audit Committee. If internal costs are not known, that fact should be disclosed. If a company has records of some but not all of its internal costs, then disclosure of the type and amount of these known costs should be made, along with the types of internal costs incurred for which the company cannot determine the amount.

For example, a semiconductor manufacturer has hired outside consultants to assist its internal information systems group to address its Y2K issues. The company's plan includes upgrading existing software applications to make them Y2K compliant, replacing some hardware required by the software upgrade, fixing some internally created software code, and contacting suppliers of various services and materials regarding their readiness and plans for Y2K. The Company does not have a project tracking system that tracks the cost and time that its own internal employees spend on the Y2K project. It is expected the Company would disclose:

- The costs incurred to date and estimated remaining costs for the outside consultants, software and hardware applications.
- A statement that the company does not separately track the internal costs incurred for the Y2K project, and that such costs are principally the related payroll costs for its information systems group.

Under the "Risks" Category, What Level of Detail Should a Company Include in its "Reasonably Likely Worst Case Scenario"?

Under this category, companies must describe potential consequences that they believe are reasonably likely to occur. The "reasonably likely worst case scenario" is intended to elicit disclosure of the impact on a company if its systems, both information technology and non-information technology, do not function and it has to implement its

contingency plan. For example, if a company is uncertain about a supplier and its contingency plan is to stockpile inventory, then disclosure of this potential consequence and its costs are required. Companies need not address all possible catastrophic events, including failure of the power grid or telecommunications, unless a company becomes aware that a material disruption in these basic infrastructures is reasonably likely to occur.

However, if a company is unable to obtain assurances as to whether a material and significant relationship, such as a key supplier for raw materials, components or electrical power for a manufacturer, will be impacted by Y2K, then a statement to that effect should be made. For example, if a company buys component parts from a sole supplier, and that sole supplier is unwilling to disclose if its parts will be Y2K compliant, and as a result of that, the company is unable to determine if its products will be Y2K compliant, a statement to that effect should be made. Disclosure of the related contingency plan, in the event the supplier is not Y2K compliant, such as switching to another supplier, and the ability to make such a switch, should also be discussed.

What is an example of good Year 2000 disclosure?

This is probably the most frequently asked question. The SEC historically has not identified any particular disclosure as "good" disclosure for a variety of reasons. We recognize the potential value of pointing out good disclosure, but there are good reasons not to do so, including the risk of establishing a boilerplate template and the differing circumstances each company and industry faces. The best way to draft meaningful disclosure is to closely read the Release and the existing rules and regulations that the Release interprets.

Due to the importance of the Year 2000 issue, after we are able to review the quality of the Year 2000 disclosure in the third quarter Form 10-Qs which will be filed by mid-November, we may provide some sample Year 2000 disclosures. The purpose of these samples would be to illustrate how companies should be following our guidance. We would provide different types of samples to show how "one size doesn't fit all" for Year 2000 disclosure.

Dated: November 9, 1998.

By the Commission.

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 98-30512 Filed 11-13-98; 8:45 am]
BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40642; File No. SR-CBOE-98-43]

Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change by the Chicago Board Options Exchange, Inc. Relating to the Continued Listing of Options on the Nasdaq-100 Index

November 5, 1998.

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 October 2, 1998, the Chicago Board Options Exchange, Inc. ("CBOE" 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 CBOE. The Commission is publishing this notice to solicit comments on the proposed rule change from interested parties and to grant accelerated approval to the proposal.

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

The Exchange is filing this rule change to inform the Commission that the Nasdaq Stock Market, Inc. ("Nasdaq") has determined to change the weighting methodology of its Nasdaq-100 Index® ("Index"). The Exchange seeks continued approval to list and trade options on the Index after Nasdaq has instituted these changes.

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

In its filing with the Commission, CBOE included statements concerning the purpose of and statutory 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 CBOE 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).

² 17 CFR 240.19b-4.