

changes are proposed to the renumbered rule.

Rule 18.25, Interpretation of the Code and Enforcement of Arbitrator Rulings

Consistent with the Uniform Code, the Exchange proposes to amend Rule 18.25 in order to clarify and codify the arbitrators' existing authority to enforce the rulings in the event of non-compliance by a party. Appropriate arbitral action under this provision could include the assessment of fees or costs, preclusion of documents or witnesses, or initiation of a disciplinary referral. Currently, such sanctions for non-compliance with the arbitrator's rulings are infrequently ordered or requested because the arbitrators and parties may be unaware of an arbitrator's power. It is expected that the arbitrators will exercise such power primarily in the area of failure to comply with discovery requests. As amended, Rule 18.25 will specify that such arbitral rulings, as well as interpretations of the Uniform Code, will be final and binding upon the parties.

Rule 18.29, Amendments

Currently, Rule 18.29 requires the Director of Arbitration to serve amended pleadings. Consistent with the Uniform Code and existing policy and procedures under Rules 18.4 and 18.15 that require the parties to serve pleadings after the initial service of the Statement of Claim by the Director of Arbitration, the Exchange proposes to amend this Rule to require that parties directly serve all other parties with any new or amended pleading. Concurrently, the Rule will require filing of the new or amended pleading with the Director of Arbitration, along with sufficient copies for the panel of arbitrators. Similarly, the Rule will require that parties directly serve any responsive pleadings on all other parties and the Director of Arbitration. As amended, the Rule will conserve arbitral administrative time and expenses.

Rule 18.31, Awards

Consistent with the Uniform Code, the Exchange is proposing to amend paragraph (e) to Rule 18.31 and adopt new paragraph (h). Exchange Rule 18.31(e) currently requires that an arbitration award include the name of the parties, a summary of the issues, the relief awarded, the names of the arbitrators, the date the claim was filed and the award rendered, the number and dates of hearing sessions, the location of the hearing and the signatures of the arbitrators concurring in the award. In order to conform this

Rule with the Uniform Code, the Exchange proposes to amend Rule 18.31(e) to require that an award also include: the names of counsel representing the parties, the type of product or security involved, the damages and/or other relief requested, and a statement of any other issues resolved.

New paragraph 18.31(h) will specify when interest is payable on an award. Currently, arbitrators may award interest as they deem appropriate. As amended, the Rule will provide that all awards shall bear interest from the date of the award: (i) If the award is not paid within 30 days of receipt, (ii) if the award is the subject of a motion to vacate that is denied, or (iii) as specified by the arbitrator(s). Paragraph 18.31(h) will also specify that the arbitrator(s) may set the interest rate. If not specified by the arbitrator(s), the rate will be the legal rate, if any, then prevailing in the state where the award was rendered.

The proposed rule change is consistent with Section 6(b) of the Act, in general, and furthers the objectives of Section 6(b)(5), in particular, in that it is designed to promote just and equitable principles of trade and the protection of investors and the public interest by improving the administration of an impartial arbitration forum for the resolution of disputes between members, persons associated with members and public investors.

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

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

CBOE has requested that the proposed rule change be given accelerated effectiveness pursuant to Section 19(b)(2) of the Act. In that regard, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange, and, in particular, the requirements of Section 6(b)(5) thereof. Specifically, the Commission concludes that accelerated effectiveness of the proposal is appropriate because all of the

substantive amendments proposed therein were previously proposed by other SROs and have been approved by the Commission. Because the proposal is designed to protect investors and the public interest by providing for uniformity in the rules governing the administration of arbitration facilities offered by the SROs, the Commission finds good cause for approving the foregoing rule change on an accelerated basis prior to the thirtieth day after the date of publication thereof in the **Federal Register**.

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 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 in the Commission's Public Reference Room. Copies of the filing will also be available for inspection and copying at the principal office of CBOE. All submissions should refer to the file number in the caption above and should be submitted by February 21, 1995.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act² that the proposed rule change SR-CBOE-94-51, amending various Exchange rules in Chapter XVIII, "Arbitration," in order to conform these rules to the Uniform Code, is hereby approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority, 17 CFR 200.30-3(a)(12).

Margaret H. McFarland,
Deputy Secretary.

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² 15 U.S.C. 78s(b)(2).