

the limits contained in section 12(d)(1)(A) of the Act.

3. Before approving any advisory contract under section 15 of the Act, the board of trustees of a Fund, including a majority of the trustees who are not "interested persons" of the Fund as defined in section 2(a)(19) of the Act, will find that the advisory fees charged under the contract are based on services provided that are in addition to, rather than duplicative of, services provided under any New Underlying Fund advisory contract. This finding, and the basis upon which the finding was made, will be recorded fully in the minute books of the Fund.

4. Any sales charges or distribution or service-related fees charged with respect to shares of a Fund, when aggregated with any sales charges or distribution or service-related fees paid by the Fund with respect to the shares of any New Underlying Fund, will not exceed the limits set forth in rule 2830 of the NASD Conduct Rules.

5. Each Fund and each New Underlying Fund will be part of the same "group of investment companies," as defined in section 12(d)(1)(G)(ii) of the Act.

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

**Margaret H. McFarland,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

### Sunshine Act Meeting

FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT: [To be Published].

STATUS: Closed Meeting.

PLACE: 450 Fifth Street, NW., Washington, DC.

DATE PREVIOUSLY ANNOUNCED: To be Published.

CHANGE IN THE MEETING: Time Change.

The time for the closed meeting scheduled for Tuesday, October 14, 1997, at 10:30 a.m., has been changed to 11:00 a.m.

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 (202) 942-7070.

Dated: October 9, 1997.

**Jonathan G. Katz,**

*Secretary.*

[FR Doc. 97-27436 Filed 10-10-97; 12:17 pm]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39219; File No. SR-CBOE-97-51]

October 8, 1997.

### Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Chicago Board Options Exchange, Inc., Relating to Gratuities

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Exchange Act" or "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on September 25, 1997, 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, II, and III below, which Items have been prepared by the self-regulatory organization. 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 amend Exchange Rule 4.4 ("Rule") governing gratuities. The text of the proposed rule change is available at the Office of the Secretary, 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 self-regulatory organization 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 self-regulatory organization 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

The purpose of the proposed change to Rule 4.4 is to increase the dollar value, from \$50.00 to \$100.00, of gratuities or compensation that may be given in any one year by an Exchange member to an Exchange employee without the prior consent of the Exchange. Gratuities are gifts of any kind, including, but not limited to, cash. Gratuities or compensation in an amount less than those specified in the Rule do not require any prior consent.

Currently, pursuant to Rule 4.4, the amount permitted under the Rule to be given by a CBOE member to an employee of any other member or of any non-member broker, dealer, bank or institution, without the prior consent of the employer and of the Exchange is \$100, and the amount permitted to be given by a CBOE member to an Exchange employee without prior Exchange permission is \$50. The CBOE proposes to increase the amount permitted to be given by a CBOE member to an Exchange employee from \$50 to \$100. The purpose of this change is to account for inflation that has occurred since the \$50 amount was established in 1980.

Also, the rule language is being revised to clarify that Exchange consent is required if a member wants to give a gratuity of over \$100 to an Exchange employee. The Exchange proposes to change the current construction of the Rule in order to clarify that the final phrase requiring consent refers to both Exchange employees, as well as employees of any other member or of any non-member broker, dealer, bank or institution.

##### 2. Statutory Basis

The Exchange represents that the proposed rule change is consistent with Section 6(b)(5) of the Act<sup>3</sup> in that it promotes just and equitable principles of trade, fosters cooperation among persons engaged in facilitating securities transactions, and protects 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 any inappropriate burden on competition.

<sup>1</sup> 15 U.S.C. § 78s(b)(1).

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

<sup>3</sup> 15 U.S.C. § 78f(b).