

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 such filing will also be available for inspection and copying at the principal office of the CTA. All submissions should refer to the file number in the caption above and should be submitted by November 12, 1997.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.²

Margaret H. McFarland,

Deputy Secretary.

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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 meeting during the week of October 20, 1997.

A closed meeting will be held on Tuesday, October 21, 1997, 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 designees, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552(b)(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 Hunt, as duty officer, voted to consider the items listed for the closed meeting in a closed session.

The subject matter of the closed meeting scheduled for Tuesday, October 21, 1997, at 10:00 a.m., will be:

Institution of injunctive actions.

Institution and settlement of administrative proceedings of an enforcement nature.

At time, changes in Commission priorities require alterations in the scheduling of meeting items. For further

² 17 CFR 200.30-3(a)(27).

information and to ascertain what, if any, matters have been added, deleted or postponed, please contact: The Office of the Secretary at (202) 942-7070.

Dated: October 15, 1997.

Jonathan G. Katz,

Secretary.

[FR Doc. 97-28129 Filed 10-20-97; 11:46 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39211; File No. SR-Amex-97-27]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change and Amendment No. 1 Thereto by the American Stock Exchange, Inc., to Establish Hedge Exemptions From Narrow-Based and Broad-Based Index Options Position and Exercise Limits

October 7, 1997.

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 August 4, 1997, the American Stock Exchange, Inc. ("Amex" 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. On August 18, 1997, the Amex submitted to the Commission an amendment to the proposal.³ The Amex also submitted a letter regarding certain aspects of its proposal.⁴ This order approves the Amex's proposal, as amended, and solicits comments from interested persons.

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

The Exchange proposes to amend (1) Amex Rule 904C to establish hedge exemptions from narrow-based and broad-based index option position limits, and (2) Amex Rule 905C to

¹ 15 U.S.C. § 78s(b)(1).

² 17 CFR 240.19b-4.

³ See letter from Claire McGrath, Vice President and Special Counsel, Derivative Securities, Amex, to Ivette Lopez, Assistant Director, Office of Market Supervision, Division of Market Regulation, Commission, dated August 18, 1997 ("Amendment No. 1").

⁴ See letter from Claire McGrath, Vice President and Special Counsel, Derivative Securities, Amex, to Sharon Lawson, Senior Special Counsel, Office of Market Supervision, Division of Market Regulation, Commission, dated September 18, 1997.

establish corresponding exemptions from index option exercise limits.

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 Amex 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 Amex 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, position and exercise limits for index options are the same for all investors, regardless of whether the investor holds a portfolio of stocks which could hedge an index options position. The Exchange now proposes to adopt a hedge exemption from narrow-based and broad-based index options position and exercise limits. The Exchange believes that such an exemption is necessary to meet the needs of investors who use index options for investment and hedging purposes.

According to the Exchange, on various occasions during the last few months, member firms have, on behalf of managers of large portfolios, such as pension and insurance funds, indicated that the current position limits for index options have restricted the use of such options in hedging stock portfolios. Many institutional investors and portfolio managers invest in portfolios of stocks which could be readily hedged with Exchange traded index options. Current position and exercise limits, however, hamper their ability to fully utilize index options to hedge their positions. According to the Exchange, the proposed hedge exemptions from index option position and exercise limits should increase the depth and liquidity of index options markets and allow more effective hedging by investors without increasing the potential for market disruption. The exemptions are similar to exemptions previously approved by the Commission for the Philadelphia Stock Exchange, Inc. ("Phlx").⁵

⁵ See Securities Exchange Act Release Nos. 36858 (February 16, 1996), 61 FR 7295 (February 27, 1996)