investment trusts foundations, colleges and universities, finance companies and nonfinancial corporations.

Ameren proposes to establish back-up bank lines in an aggregate principal amount not to exceed the amount of authorized commercial paper. In addition, Ameren may enter into credit agreements or other borrowing facilities with commercial banks, trust companies or other lenders providing for revolving credit or term loans during commitment periods not longer than the Authorization Period. The proceeds of such borrowings will be used for general corporate purposes.

2. Utility Subsidiary External Financings

The Utility Subsidiaries request authorization to engage in certain external financings which are outside the scope of the rule 52 exemption for financings of utility companies and for interest rate swaps.

a. Commercial Paper

The Utility Subsidiaries propose to issue commercial paper, through the Authorization Period, up to the following aggregate amounts: UE—$575 million; CIPS—$125 million; and EEI—$60 million.

The Utility Subsidiaries may maintain back-up lines of credit in an aggregate principal amount not to exceed the amount of authorized commercial paper. Borrowings pursuant to commercial paper and related credit lines will not exceed $575 million for UE, $125 million for CIPS or $60 million for EEI to be outstanding at any one time.

b. Credit Lines

The Utility Subsidiaries propose to establish credit lines and issue notes, through the Authorization Period, up to the aggregate amounts of $425 million for UE, $125 million for CIPS, and $35 million for EEI. Proceeds from these borrowings will be used for general corporate purposes in addition to credit lines to support commercial paper as described in subsection (a) above.

c. Interest Rate Swaps

The Utility Subsidiaries propose to enter into, perform, purchase and sell financial instruments intended to manage the volatility of interest rates, including but not limited to interest rate swaps, caps, floors, collars and forward agreements or any other similar agreements to the extent the same are not exempt under rule 52. Each Utility Subsidiary may employ interest rate swaps as a means of managing risk associated with any of its issued outstanding debt.

The Utility Subsidiaries request authorization to make and continue use of financial hedging instruments in connection with natural gas procurement and other utility operations. The Utility Subsidiaries will not engage in speculative transactions.

3. Intrasystem Financings for Non-Utility Subsidiaries

a. Guarantees

Ameren proposes to obtain letters of credits, enter into expense agreements or otherwise provide credit support with respect to the obligations of its Non-Utility Subsidiaries as may be appropriate to enable such system companies to carry on in the ordinary course of their respective businesses, in an aggregate principal amount not to exceed $300 million outstanding at any one time. Such credit support may be in the form of committed bank lines of credit.

In addition, authority is requested for the Non-Utility Subsidiaries to enter into arrangements with each other similar to that described with respect to Ameren above, in an aggregate principal amount not to exceed $50 million outstanding at any one time, except to the extent that the same are exempt pursuant to rule 45.

4. Changes in Capital Stock of Subsidiaries

The portion of an individual Subsidiary's aggregate financing to be affected through the sale of stock to Ameren or other immediate parent company during the Authorization Period cannot be ascertained at this time. It may happen that the proposed sale of capital stock may in some cases exceed the then authorized capital stock of such Subsidiary. In addition, the Subsidiary may choose to use other forms of capital stock. As needed to accommodate the proposed transactions and to provide for future issues, request is made for authority to increase the amount or change the terms of any such Subsidiary's authorized capital stock capitalization by an amount deemed appropriate by Ameren or other immediate parent company in the instant case. A Subsidiary would be able to change the par value, or change between par and no-par stock, without additional Commission approval.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98–3007 Filed 2–5–98; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Release No. IC–23016; File No. 812–10850]

Security Benefit Life Insurance Company, et al.; Notice of Application

January 30, 1998.

AGENCY: Securities and Exchange Commission (the ''Commission'').

ACTION: Notice of application for order pursuant to sections 17(b) and 26(b) of the Investment Company Act of 1940 (''1940 Act'').

SUMMARY OF APPLICATION: Applicants seeks an order approving the substitution of shares of the Prime Obligations Series of the Parkstone Advantage Fund (the ''Trust'') for shares of Series C of SBL Fund. Thereafter, Series C of SBL Fund, together with other series of the Trust, SBL Fund and Liberty Variable Investment Trust will continue to serve as the eligible funding vehicles for individual deferred variable annuity contracts (''Contracts'') offered by Security Benefit Life Insurance Company (the ''Company'') for which the Parkstone Variable Annuity Account of Security Benefit Life Insurance Company serves as the funding medium.

APPLICANTS: Security Benefit Life Insurance Company and Parkstone Variable Annuity Account of Security Benefit Life Insurance Company (the ''Account'').

FILING DATE: The application was filed on October 30, 1997 and amended and restated on January 8, 1998.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing regarding this application by writing to the Secretary of the Commission and serving Applicants with a copy of the request, in person or by mail. Hearing requests must be received by the Commission by 5:30 p.m. EST on February 24, 1998, and should be accompanied by proof of service on the Applicants in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the requester's interest, the reason for the request and the issues contested. Persons who wish to be

notified of a hearing may request notification by writing to the Secretary of the Commission.

ADDRESSES: Secretary, U.S. Securities and Exchange Commission: 450 Fifth Street, N.W., Washington, D.C. 20549. Applicants: Security Benefit Life Insurance Company, 700 S.W. Harrison Street, Topeka, Kansas 66636–0001. Copies to Jeffrey S. Puretz, Esq., Dechert Price & Rhoads, 1500 K Street, N.W., Suite 500, Washington, D.C. 20005.

FOR FURTHER INFORMATION CONTACT: Susan M. Olson, Attorney or Kevin M. Kirchoff, Branch Chief, Office of Insurance Products, Division of Investment Management, at 202–942–0670.

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee from the Public Reference Branch of the Commission, 450 Fifth Street, N.W. Washington, D.C. 20549 (202–942–8090).

Applicants' Representations

1. The Company is a mutual life insurance company organized under the laws of the state of Kansas on February 22, 1892. The Company became a mutual life insurance company under its current name on January 2, 1950. The Company offers variable annuities and variable life insurance and is authorized to do business in the District of Columbia and all states except New York.

2. The Account is a segregated asset account of the Company. The Account was established by the Company on February 22, 1993, pursaunt to the provisions of the insurance laws of the state of Kansas. The Account is a registered unit investment trust that is currently divided into twelve sub-accounts or divisions (''sub-account'') that correspond to five series of the Trust, including the Prime Obligations Series, four series of the SBL Fund and three series of the Liberty Variable Investment Trust (the ''Liberty Trust''). The Account serves as the funding medium for the Contracts.

3. The Contracts are individual flexible purchase payment deferred variable annuity contracts. The Contracts provide for the accumulation of values on a variable basis, a fixed basis, or both, during the accumulation period and provide several options for annuity payments on a variable basis, a fixed basis, or both. The Contracts are eligible for purchase as individual non-tax qualified retirement plans. The Contracts are also eligible for purchase in connection with retirement plans qualified under Section 401, 403(b), 408, or 457 of the Internal Revenue Code of 1986. The Contracts provide for investment in, among other options, the Prime Obligations Series sub-account of the Account, which invests in the Prime Obligations Series of the Trust. Other series of the Trust and certain series of the SBL Fund and the Liberty Trust are offered as investment options under the Contracts.

4. The Trust filed its initial registration statement on July 6, 1993. The Trust is a Massachusetts business trust registered as a series type open-end management investment company. The Trust currently consists of 5 series (''Series''), including the Prime Obligations Series (''Prime Obligations Series''). The investment management of the Trust is First of America Investment Corporation (''FAIC''), a wholly-owned subsidiary of FOA-Michigan, which is a wholly-owned subsidiary of First of America Bank Corporation.

5. SBL Fund (the ''Fund'') is a Kansas corporation that was organized on May 26, 1977, to serve as the investment vehicle for certain of the Company's variable annuity and variable life separate accounts. The Fund filed its initial registration statement in 1977. Series C of the Fund (''Series C'') commenced operations in 1977. The investment manager of the Fund is Security Management Company LLC, a wholly owned subsidiary of the Company. Series C is currently available under variable annuity and variable life insurance contracts offered by the Company, including the Contracts.

6. The Company on its own behalf and on behalf of the Account proposes to effect a substitution of shares of Series C for all shares of the Prime Obligations Series attributable to the Contracts (the ''Substitution''). The Company believes that it is in the best interests of owners of the Contracts (''Owners'') to substitute shares of Series C for shares of the Prime Obligations Series. The Company will pay all expenses and transaction costs of the Substitution, including any applicable brokerage commissions. The Company states that it has amended the prospectus for the Account in order to provide Owners with information concerning the proposed Substitution.

7. The Company states that the overall investment objectives of the Prime Obligations Series and Series C are sufficiently similar to be appropriate for substitution. The Prime Obligations Series seeks current income with liquidity and stability of principal. Series C seeks a high level of current income consistent with preservation of capital. Applicants state that the Prime Obligations Series and Series C share the primary objective of seeking current income and both funds are money market series managed in accordance with Rule 2a–7 under the 1940 Act. The Prime Obligations Series seeks to maintain a stable net asset value of $1.00 per share. The Company states that although Series C does not seek to maintain a stable net asset value, the funds have similar investment objectives, and therefore Substitution is appropriate because Series C is sufficiently similar to the Prime Obligations Series.

8. Applicants state that the Prime Obligations Series has not generated the interest that was anticipated at the time of its creation. During the period of almost four years from the commencement of operations of the Prime Obligations Series to June 30, 1997, net assets have grown to $3,427,772. Net assets for Series C as of June 30, 1997 were $138,375,916. The following table sets forth net assets for the Prime Obligation Series and Series C for the years ending December 31, 1994, December 31, 1995 and December 31, 1996. Net assets for each fund as of June 30, 1997 are also included.

NET ASSETS

Fund	June 30, 1997	Dec. 31, 1996	Dec. 31, 1995	Dec. 31, 1994
Prime Obligations	$3,427,772	$3,579,203	$2,944,914	$2,204,277
Series C	138,375,916	128,672,113	105,435,680	118,668,327

9. Applicants state that at all times since inception, the assets of the Prime Obligations Series have been relatively small. Applicants submit that the Prime Obligations Series has not generated a sufficient level of assets to be a viable mutual fund portfolio. Applicants state that the Prime Obligations Series has had relatively high expense ratios and that the expenses for Series C are lower than the Prime Obligations Series. Applicants state that Owners will not

be exposed to higher expenses following the Substitution of Series C for the Prime Obligation Series and in fact will benefit from lower expense ratios. The following table sets forth expense information for the two funds.

ANNUAL TOTAL EXPENSES

[As a percentage of average net assets]

Fund	Total expenses for 6 months ended June 30, 1997	Total expenses for fiscal year ended Dec. 31		
		1996	1995	1994
Prime Obligations Series	*1.97	1.01	1.64	1.90
Series C	*.58	.58	.60	.61

*Annualized.

10. Applicants state that the Company has also considered the comparative investment performance of the Prime Obligations Series and Series C. Applicants submit that the performance of Series C has been similar or superior to the investment performance of the Prime Obligations Series. The total returns for each fund for the six month period ended June 30, 1997, and the fiscal year ended December 31, 1996, were as follows:

TOTAL RETURN

[In percent]

Fund	Six months ended June 30, 1997	Year ended Dec. 31, 1996**
Prime Obligations	*1.75	4.46
Series C	*2.5	5.10

*Not annualized.
**As set forth in the Trust's prospectus, dated April 30, 1997, and the Fund's prospectus, dated October 15, 1997.

11. Applicants state that the Substitution will occur as soon as practicable following the issuance of the order requested by Applicants. Approximately thirty days before the Substitution, the Company will send to Owners written notice of the Substitution (the ''Notice'') stating that shares of Prime Obligations Series will be eliminated and that the shares of Series C of the Fund will be substituted. The Company will refer in such mailing to the recent mailing to Owners of the prospectus for the Account, which describes the Substitution and the prospectuses for the underlying mutual funds. The Company will also state that such prospectuses may be obtained at no cost by calling the Company's toll free customer service line.

12. Applicants state that Owners will be advised in the Notice that for a period of thirty days from the mailing of the Notice, Owners may transfer all assets to any other available sub-account, without limitation and without charge. The 30 day period from the mailing of the Notice is herein referred to as the ''Free Transfer Period.'' The prospectus for the Account states that the first 12 transfers in any calendar year are without charge, and additional transfers are subject to a charge of $25. The Notice will also provide that a transfer from the Account during the Free Transfer Period will be without charge and will not count as one of the 12 transfers that may be made without charge. Following the Substitution, Owners will be afforded the same contract rights with regard to amounts invested under the Contracts, as they currently have.

13. The Company added to the Account seven new investment options, including Series C, which became available December 1, 1997. New sub-accounts have become investment options under the Contracts, including one that invests in Series C. Immediately following the Substitution, Applicants state that the Company will treat, as a single sub-account of the Account, the sub-account invested in Prime Obligations Series and the sub-account investing in Series C. The Company will reflect this treatment in disclosure documents for the Account, the financial statements of the Account, and the Form N–SAR annual report filed by the Account.

14. Applicants state that the Company will redeem entirely for cash all the shares of Prime Obligations Series it currently hold on behalf of Prime Obligations Series sub-account of the Account at the close of business on the date selected for the Substitution. All shares of the Prime Obligations Series held by the Prime Obligations Series sub-account of the Account are attributable to Owners. The Company on behalf of the Prime Obligations Series sub-account of the Account will simultaneously place a redemption request with the Prime Obligations Series and a purchase order with Series C of the Fund so that the purchase will be for the exact amount of the redemption proceeds. Applicants note that the Prime Obligations Series of the Trust will process the redemption request, and Series C of the Fund will process the purchase order, at prices based on the current net asset value per share next computed after receipt of the redemption request and purchase order and, therefore, in a manner consistent with Rule 22c–1 under the 1940 Act. At all times, monies attributable to Owners currently invested in the Prime Obligations Series will be fully invested. The full net asset value of redeemed shares held by Prime Obligations Series sub-account of the Account will be reflected in the Owners' accumulation unit value following the Substitution. The Company will assume all transaction costs and expenses relating to the Substitution, including any direct or indirect costs of liquidating the assets of the Prime Obligations Series so that the full net asset value of redeemed shares of the Prime Obligations Series will be reflected in the Owner's accumulation units following the Substitution.

Applicant's Legal Analysis and Conclusions

1. Section 26(b) of the 1940 Act provides, in pertinent part, that ''[i]t shall be unlawful for any depositor or trustee of a registered unit investment trust holding the security of a single issuer to substitute another security for such security unless the Commission shall have approves such substitution.'' Section 26(b) of the 1940 Act also provides that the Commission shall issue an order approving such substitution if the evidence establishes that the substitution is consistent with the protection of investors and the purposes fairly intended by the policies and provisions of the 1940 Act.

2. Applicants request an order pursuant to Section 26(b) of the 1940 Act approving the substitution of Series C for the Prime Obligations Series.

3. Applicants submit that the purposes, terms and conditions of the Substitution are consistent with the principles and purposes of Section 26(b) and do not entail any of the abuses that Section 26(b) is designed to prevent. Applicants assert that the Substitution is an appropriate solution to the limited Owner interest or investment in the Prime Obligations Series, which is currently, and in the future may be expected to be, of insufficient size to promote consistent investment performance or to reduce operating expenses.

4. Applicants submit that the Substitution will not result in the type of costly forced redemption that Section 26(b) was intended to guard against and is consistent with the protection of investors and the purposes fairly intended by the 1940 Act for the following reasons:

(a) the Substitution is of shares of Series C, the objectives, polices, and restrictions of which are sufficiently similar to the objectives of the Prime Obligations Series;

(b) if an Owner so requests, during the Free Transfer Period, assets will be reallocated for investment in any other available sub-account of the Account. The Free Transfer Period is sufficient time for Owners to consider the Substitution;

(c) the Substitution will, in all cases, be at net asset value of there respective shares, without the imposition of any transfer or similar charge;

(d) the Company has undertaken to assume the expenses and transaction costs, including among others, legal and accounting fees and any brokerage commissions, relating to the Substitution in a manner that attributes all transaction costs to the Company;

(e) the Substitution in no way will alter the insurance benefits to Owners or the contractual obligations of the Company;

(f) the Substitution in no way will later the tax benefits to Owners and the Company has determined that the Substitution will not give rise to any tax consequences to Owners;

(g) Owners may choose simply to withdraw amounts credited to them following the Substitution under the conditions that currently exists; and

(h) the Substitution is expected to confer certain modest economic benefits to Owners by virtue of the enhanced asset size of Series C.

Section 17(a)(1) of the 1940 Act prohibits any affiliated person of a registered investment company, or an affiliated person of an affiliated person, from selling any security or other property to such registered investment company. Section 17(a)(2) of the 1940 Act prohibits such persons from purchasing any security or other property form such registered investment company. Immediately following the Substitution, the Company will treat as a single sub-account of the Account, the sub-accounts investing in shares of Series C and the Prime Obligations Series. Applicants state that the Company could be said to be transferring until values between sub-accounts and that the transfer of unit values could be construed as purchase and sale transactions between sub-accounts that are affiliated persons. The sub-account investing in Series C could be viewed as selling shares of Series C to the sub-account investing in the Prime Obligations Series, in return for units of that sub-account. Conversely, Applicants submit that it could be said that the sub-account investing in the Prime Obligations Series was purchasing shares of Series C. Applicants state that since the sale and purchase transactions between sub-accounts could be construed as transactions with in the scope of Sections 17(a)(1) and 17(a)(2) of the 1940 Act, the Substitution requires an exemption from Section 17(a) of the 1940 Act, pursuant to Section 17(b) of the 1940 Act.

Section 17(b) of the 1940 Act provides that the Commission may grant an order exempting transactions prohibited by Section 17(a) of the 1940 Act upon application if evidence establishes that

(a) the terms of the proposed transaction, including the consideration to be paid or received, are reasonable and fair and do not involve over-reaching on the part of any person concerned;

(b) the proposed transaction is consistent with the investment policy of each registered investment company concerned, as recited in its registration statement and reports file under the 1940 Act; and

(c) the proposed transaction is consistent with the general purposes of the 1940 Act.

7. Applicants submit that the terms of the proposed transactions, as described in the Application: (a) Are reasonable and fair, including the consideration to be paid and received; (b) do not involve over-reaching; (c) are consisting with the policies of Series C of the Fund and the Prime Obligations Series of the Trust; and (d) are consistent with the general purposes of the 1940 Act.

8. Applicants anticipate that existing Owners will benefit from the Substitution. The transactions effecting the Substitution including the redemption of the shares of the Prime Obligations Series and the purchase of shares of Series C will be effected in conformity with Section 22(c) of the 1940 Act and Rule 22c–1 thereunder. Owner interests, economically, will not differ in any measurable way form such interests immediately prior to the Substitution. Therefore, Applicants assert that the consideration to be received and paid is reasonable and fair. In addition, the Company believes, based on its review of existing federal income tax laws and regulations and advice of counsel, that the Substitution will not give rise to any taxable income for Owners.

9. Applicants state that the Substitution is consistent with the general purposes of the 1940 Act, as enunciated in the Findings and Declaration of Policy in Section 1 of the 1940 Act. Applicants state that the proposed transactions do not present any of the issues or abuses that the 1940 Act is designed to prevent. Owners will be fully informed of the terms of the Substitution through the Notice and will have an opportunity to reallocate investments during the Free Transfer Period.

10. Applicants further represent that the transactions that may be deemed to be within the scope of Section 17(a) have been the subject of Commission review in the context of reorganizations of separate accounts from management separate accounts to unit investment separate accounts and the transfer of assets to an underlying fund. Applicants state that the terms and conditions of the transfer of assets entailed in the Substitution are consistent with such precedent and the precedent under Section 26(b).

11. Section 17(b) of the 1940 Act provides that the Commission may grant an order exempting transactions prohibited by Section 17(a) or the 1940 Act upon application, subject to certain conditions.

12. Applicants request an order of the Commission pursuant to Section 17(b) granting exemptive relief from the provisions of Section 17(a) in connection with any aspects of the

Substitution that may be deemed prohibited by Section 17(a).

13. Applicants represent that the Substitution meets all of the requirements of Section 17(b) of the 1940 Act and that an order should be granted exempting the Substitution from the provisions of Section 17(a), to the extent requested.

Conclusion

For the reasons summarized above, Applicants submit that the proposed substitution is consistent with the protection of investors and the purposes fairly intended by the policy and the provisions for the 1940 Act.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98–2936 Filed 2–5–98; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

Agency Meetings

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 February 9, 1998.

An open meeting will be held on Tuesday, February 10, 1998, at 10:00 a.m. A closed meeting will be held on Tuesday, February 10, 1998, following the 10:00 a.m. open meeting.

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 exemptions 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 Carey, as duty officer, voted to consider the items listed for the closed meeting in a closed session.

The subject matter of the open meeting scheduled for Tuesday,

February 10, 1998, at 10:00 a.m., will be:

1. The Commission will hear oral argument on an appeal by L.C. Wegard & Co., Inc., a registered broker-dealer, and Leonard B. Greer, the firm's president, from an administrative law judge's initial decision.

FOR FURTHER INFORMATION CONTACT: William S. Stern at (202) 942–0949.

2. The Commission will consider whether to issue a release adopting amendments to Regulation S. The amendments are designed to stop abusive practices in connection with offerings of equity securities purportedly made in reliance on Regulation S.

FOR FURTHER INFORMATION CONTACT: Felica H. Kung, Division of Corporation Finance, at (202) 942–2990.

3. The Commission will consider whether to propose amendments to Rules 15c2–11 and 17a–4 under the Securities Exchange Act of 1934. The proposed amendments to Rule 15c2–11 would require all broker-dealers to: (a) obtain and review enhance information about the issuer when they first publish or resume publishing a quotation for a covered security; (b) document that review; (c) update the issuer information annually if they publish priced quotations; and (d) make the information available to other persons upon request. The proposed amendment to Rule 17a–4 would incorporate the record retention requirements currently contained in Rule 15c2–11.

FOR FURTHER INFORMATION CONTACT: Alan Reed, Division of Market Regulation, at (202) 942–0772.

4. The Commission will consider whether to propose amendments to Securities Act Form S–8, the streamlined form companies use to register sales of securities to their employees. The amendments would (a) restrict the use of the form for the sale of securities to consultants and advisors, and (b) allow the use of the form for the exercise of stock options by family members of employee optionees. The Commission also will consider proposing a corresponding amendment to Form S–3, as well as amendments to the executive compensation disclosure requirements to clarify reporting of transferred options. The purposes of the proposed changes are to eliminate the abuse of Form S–8 to register securities issued to consultants for capital-raising purposes, and to facilitate legitimate employee estate planning transactions and other intra-family transfers.

FOR FURTHER INFORMATION CONTACT: Anne M. Krauskopf at (202) 942–2900.

The subject matter of the closed meeting scheduled for Tuesday, February 10, 1998, following the 10:00 a.m. open meeting, will be:

Post argument discussion.

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 at (202) 942–7070.

Dated: February 3, 1998.

Jonathan G. Katz,

Secretary.

[FR Doc. 98–3117 Filed 2–3–98; 4:00 pm]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–39604; File No. SR–CBOE–97–66]

Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change by the Chicago Board Options Exchange, Incorporated Providing a Definition of Foreign Broker-Dealer

January 30, 1998.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''), 15 U.S.C. 78s(b)(1), notice is hereby given that on December 17, 1997, the Chicago Board Options Exchange, Incorporated (''CBOE'') 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 persons and to grant accelerated approval to the proposed rule change.

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

CBOE proposes to amend Rules 7.4(a) and 8.51(a) and adopt new Rule 1.1(xx) to provide that a foreign broker-dealer is considered a broker-dealer for certain purposes under Exchange Rules.

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, CBOE 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 III below. The CBOE has