

section 13 of the Act with the Commission.

Any interested person may, on or before April 13, 1998, submit by letter to the Secretary of the Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549, facts bearing upon whether the application has been made in accordance with the rules of the exchange and what terms, if any, should be imposed by the Commission for the protection of investors. The Commission, based on the information submitted to it, will issue an order granting the application after the date mentioned above, unless the Commission determines to order a hearing on the matter.

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

Jonathan G. Katz,
Secretary.

[FR Doc. 98-8154 Filed 3-27-98; 8:45 am]

BILLING CODE 8010-01-M

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: Additional Item.

The following item will be added to the closed meeting scheduled for Thursday, March 26, 1998, at 10:00 a.m.:

Settlement of injunctive action.

Commissioner Unger, as duty officer, determined that Commission business required the above change and that no earlier notice thereof was possible.

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: March 25, 1998.

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 98-8318 Filed 3-25-98; 4:40 pm]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39781; File No. SR-AMEX-98-10]

Self-Regulatory Organizations; Notice of Filing Proposed Rule Change by the American Stock Exchange, Inc. Relating to Market-at-the-Close Order Handling Requirements

March 23, 1998.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on February 18, 1998, the American Stock Exchange, Inc. ("Amex" or "Exchange") filed with the Securities and Exchange Commission ("Commission" or "SEC") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization.² 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 Proposed Rule Change

The Amex proposes to adopt a new policy to (i) modify the order entry and imbalance display procedures for market-at-the-close ("MOC") orders on options expiration and non-expiration days and (ii) provide auxiliary imbalance display procedures for the opening. The text of the proposed conforming amendments to Amex Rules 109 and 131 is attached as Exhibit A.

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. 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.

¹ 15 U.S.C. 78s(b)(1).

² On February 4, 1998, Amex had filed the current proposal as a non-controversial filing, to be effective upon filing, pursuant to Section 19(b)(3)(A) of the Exchange Act. See SR-AMEX-98-06. Pursuant to the request of the Commission staff, on February 18, 1998, Amex simultaneously withdrew that filing and re-submitted it under Section 19(b)(2) of the Act.

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

(1) Purpose

Exchange Rule 109 sets forth the procedures to be followed in executing MOC orders. Paragraph (d) of Rule 109 provides that where there is an imbalance between MOC buy and sell orders, the imbalance of buy orders should be executed against the offer, and the imbalance of sell orders against the bid. The remaining buy and sell orders are then paired off and executed at the price of the immediately preceding last sale. The "pair off" transaction is reported to the consolidated last-sale reporting system as "stopped stock."

In May 1995, the Exchange amended Commentary .02 to Exchange Rule 109 to impose a 3:50 p.m. deadline for the entry, cancellation or reduction of MOC orders through the PER system.³ After the 3:50 p.m. deadline, a member may only enter, modify or cancel MOC orders other than through the PER system. This change was intended to reduce the sometimes disruptive effect on the market of MOC orders entered through the PER system shortly before the close. Prior to the imposition of the 3:50 p.m. deadline, it often took several minutes for a specialist to ascertain whether an imbalance existed and to pair off buyers and sellers, with the result that the executed MOC transactions did not actually print until after the close. When this happened, it was difficult for market participants to ascertain the closing price of the security in question on a timely basis.

Although the 3:50 p.m. deadline has alleviated some of the disruptive impact of MOC orders, further modifications are appropriate in order to both reduce excess market volatility that may arise from the liquidation of stock positions related to trading strategies involving index derivative products and otherwise, and to provide consistency to member organizations by substantially conforming the Amex's policy to the policy currently in effect at the New York Stock Exchange ("NYSE").⁴ The existing NYSE policy, noted below, with respect to MOC orders differs from the current Amex policy in several respects:

³ See Securities and Exchange Act Release No. 35660 (May 2, 1995), 60 FR 22592 (May 8, 1995), (File No. SR-AMEX-95-09).

⁴ The NYSE recently submitted a proposed rule change which would make various changes to its policy with respect to MOC and LOC orders (See SR-NYSE-97-36).