

shared funding on terms and conditions materially different from any exemptions granted in the order requested in the application, then the Insurance Product Funds and/or Participating Insurance Companies and Participating Plans, as appropriate, shall take such steps as may be necessary to comply with such Rules 6e-2 and 6e-3(T), as amended, or proposed Rule 6e-3(T), as adopted, to the extent that such Rules are applicable.

12. The Participating Insurance Companies and Participating Plans and/or the Advisor, at least annually, will submit to each Board such reports, materials or data as the Board may reasonably request so that the Board may fully carry out obligations imposed upon it by the conditions contained in the application. Such reports, materials and data will be submitted more frequently if deemed appropriate by the applicable Board. The obligations of the Participating Insurance Companies and Participating Plans to provide these reports, materials and data to the Board, when the Board so reasonably requests, shall be a contractual obligation of all Participating Insurance Companies and Participating Plans under their agreements governing participation in the Insurance Product Funds.

13. If a Plan should ever become a holder of ten percent or more of the assets of an Insurance Product Fund, such Plan will execute a participation agreement with the Insurance Product Fund that includes the conditions set forth herein to the extent applicable. A Plan will execute an application containing an acknowledgment of this condition upon such Plan's initial purchase of the shares of any Insurance Product Fund.

### Conclusion

For the reasons summarized above, Applicants submit that the exemptive relief requested is necessary and appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the 1940 Act.

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

**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 September 28, 1998.

A closed meeting will be held on Tuesday, September 29, 1998, at 2:30 p.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 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 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, September 29, 1998, at 2:30 p.m., will be:

Institution and settlement of injunctive actions.

Institution and settlement of administrative proceedings of an enforcement nature.

At times, changes in Commission priorities require alternations 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: September 23, 1998.

**Jonathan G. Katz,**

*Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40451; File No. SR-CBOE-98-21]

### Self-Regulatory Organizations; Order Approving Proposed Rule Change by the Chicago Board Options Exchange, Incorporated Relating to Minimum Opening Transaction Size in FLEX Equity Options

September 18, 1998.

#### I. Introduction

On May 18, 1998, the Chicago Board Options Exchange, Incorporated ("CBOE or Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> a proposed rule change which was published for comment in Securities Exchange Act Release No. 40221 (July 16, 1998).<sup>2</sup> No comments were received on the proposal. For the reasons discussed below, the Commission is approving the proposed rule change.

#### II. Description of the Proposal

The Exchange proposes to change the minimum value size for opening transactions (other than FLEX Quotes responsive to a FLEX Request for Quotes) in any FLEX Equity Option<sup>3</sup> series in which there is no open interest at the time the Request for Quotes is submitted. The proposal will change CBOE Rule 24A.4 from requiring a minimum value size for these opening transactions from 250 contracts to the lesser of 250 contracts or the number of contracts overlying \$1 million of the underlying securities. According to the CBOE, the rule was originally put in place with a minimum of 250 contracts in order to limit participation in FLEX Equity options to sophisticated, high net worth individuals. The Exchange believes the dollar value of the securities underlying the FLEX Equity Options, if set at the right limit, can also prevent the participation of investors who do not have adequate resources. The CBOE notices that the limitation on the minimum value size for opening transactions in FLEX Index Options is

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 63 FR 39610 (July 23, 1998).

<sup>3</sup> FLEX equity options are flexible exchange-traded options contracts which overlie equity securities. In addition, FLEX equity options provide investors with the ability to customize basic option features including size, expiration date, exercise style, and certain exercise prices.