

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 November 2, 1998.

A closed meeting will be held on Thursday, November 5, 1998, at 11 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 designee, 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 Carey, 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 Thursday, November 5, 1998, at 11:00 a.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 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: October 28, 1998.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98-29316 Filed 10-28-98; 3:48 pm]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40596; File No. SR-CBOE-98-37]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change and Amendment No. 1 Thereto, By the Chicago Board Options Exchange, Inc. To Allow the Chairman of the Equity Floor Procedure Committee, or the Chairman's Designee, To Increase the Eligible Order Size for Entry Into RAES

October 23, 1998.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on August 21, 1998, 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 CBOE. On October 5, 1998, the Exchange filed with the Commission Amendment No. 1 to the proposed rule change.² The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

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

The CBOE proposes to permit the Chairman of the appropriate Floor Procedure Committee ("Committee"), or the Chairman's designee, to exercise the authority of the Committee to determine the size of orders eligible for entry into CBOE's Retail Automatic Execution System ("RAES") in certain circumstances.³

The text of the proposed rule change is set forth below. Additions are italicized.

CHAPTER VI

Doing Business on the Exchange Floor

Section A: General

* * * * *

RAES Operations in Equity Options

Rule 6.8 No change.

¹ 15 U.S.C. 78s(b)(1).

² The proposed rule change was originally filed under Section 19(b)(3)(A) of the Exchange Act. Pursuant to the Commission's request, the Exchange amended the proposed rule change to file it under Section 19(b)(2) of the Exchange Act. See letter from Timothy H. Thompson, Director, Regulatory Affairs, CBOE, to Sonia Patton, Attorney, Division of Market Regulation, Commission, dated September 15, 1998.

³ RAES accepts, through the Exchange's Order Routing System, small public customer market or marketable limit orders for automatic execution. An Exchange market-maker on RAES is assigned as the contraparty to these trades.

. . . Interpretations and Policies:

.01-.04 No change.

.05 *The Chairman of the appropriate Floor Procedure Committee or the Chairman's designee may exercise the authority of the appropriate FPC under paragraph (a)(i) of the Rule to increase the size of orders eligible for RAES when the Chairman or his designee believes that the action is in the interest of alleviating a potential backlog of unexecuted orders in situations where a particular class of options is experiencing a large influx of orders and provided the decision is made for no more than one trading day. To the extent the conditions exist on the following trading day, the Chairman or his designee must review the situation and make an independent decision to increase the RAES eligible order size for that subsequent day. Any decisions made by the Chairman or his designee to increase the RAES eligible order size for a particular option class for consecutive days will be reviewed by the EFPC at its next regularly scheduled meeting.*

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 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 IV below. The CBOE 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

Exchange Rule 6.8(a)(i) states that "the appropriate Floor Procedure Committee ("FPC") shall determine the size of orders eligible for entry into RAES." Paragraph (e) states that "[e]ligible orders must be market or marketable limit orders for twenty or fewer contracts on series placed on the system. The appropriate FPC, in its discretion, may determine to restrict eligible orders, including but not limited to lowering contract limits." Pursuant to its discretion under Exchange Rule 6.8, the Equity Floor Procedure Committee ("EFPC") has established an eligible RAES order size