

**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 April 5, 1999.

A closed meeting will be held on Tuesday, April 6, 1999, 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 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 Unger, 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, April 6, 1999, at 10:00 a.m., will be:

Institution and settlement of administrative proceedings of an enforcement nature.

Institution and settlement of injunctive actions.

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: March 30, 1999.

**Jonathan G. Katz,**

*Secretary.*

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**SECURITIES AND EXCHANGE  
COMMISSION**

[Release No. 34-41214; File No. SR-CBOE-99-02]

**Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change and Amendment No. 1 by the Chicago Board Options Exchange, Inc. Relating to the Definition of Expiration Month for Purposes of Determining Log-On Obligations for the Retail Automatic Execution System**

March 25, 1999.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on January 14, 1999, the Chicago Board Options Exchange, Inc. ("CBOE" or "Exchange") filed with the Securities and Exchange Commission ("Commission") a proposed rule change. The Exchange filed an amendment to its proposal on February 23, 1999.<sup>3</sup> The proposed rule change, as amended, is described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice and order to solicit comments on the proposed rule change and Amendment No. 1 from interested persons and to approve the proposal, as amended, on an accelerated basis.

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

The Exchange proposes to codify the definition of an expiration month for purposes of determining compliance with the Retail Automatic Execution System ("RAES") log-on requirement for market-makers of options on the Standard & Poor's 100 Index ("OEX") and the Dow Jones Industrial Average ("DJX"), as detailed in Exchange Rule 24.17. The text of the proposed rule change is available at the Office of the Secretary, CBOE and at the Commission.

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

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Letter from Stephanie C. Mullins, Attorney, CBOE, to Richard Strasser, Assistant Director, Division of Market Regulation, Commission, dated February 22, 1999 ("Amendment No. 1"). Amendment No. 1 redesignated the proposal pursuant to Section 19(b)(2) and requested accelerated approval of the proposed rule change. In addition, the amendment added language to CBOE Rule 24.17 defining expiration month for options on both the Standard & Poor's 100 Index and the Dow Jones Industrial Average.

**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 Exchange 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 Exchange 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**

The purpose of the proposed rule change is to codify the definition of an expiration month for purposes of determining compliance with the RAES log-on requirement for market-makers of OEX and DJX options, as detailed in Exchange Rule 24.17. Pursuant to Exchange Rule 24.17(b)(iii), once a market-maker has logged on to RAES at any time during an expiration month, he or she must continue to do so each time he or she is present in the trading crowd until the next expiration. For this purpose, the Exchange is codifying the definition of an expiration month for OEX options as the period from the Monday immediately following an expiration Saturday through the Friday immediately preceding the next successive expiration Saturday.<sup>4</sup>

When DJX RAES obligations were first established in October 1997, the Exchange applied the same RAES log-on obligations as those for OEX options.<sup>5</sup> In consideration of the fact that expiring DJX options contracts cease trading at the close of business on the Thursday immediately preceding an expiration and that the new near-term series become the RAES eligible series on that Friday, however, the Exchange has determined that applying the same definition of an expiration month for options on both OEX and DJX is unworkable. Accordingly, the Exchange is codifying the definition of an expiration month for DJX RAES log-on obligation purposes as the period from the Friday immediately preceding an expiration Saturday through the

<sup>4</sup> See Amendment No. 1.

<sup>5</sup> See Securities Exchange Act Release No. 39202 (October 3, 1997) 62 FR 53358 (October 14, 1997).