

The subject matter of the closed meeting scheduled for Thursday, July 22, 1999 at 11:00 a.m. will be:

- Institution of injunctive actions.
- Institution of administrative proceedings of an enforcement nature.
- Institution and settlement of injunctive actions.
- Institution and settlement of administrative proceedings of an enforcement nature.
- Settlement of injunctive actions.

Commissioner Johnson, as duty officer, determined 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 at (202) 942-7070.

July 13, 1999.

**Jonathan G. Katz,**

Secretary.

[FR Doc. 99-18305 Filed 7-14-99; 11:45 am]

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**SECURITIES AND EXCHANGE COMMISSION**

[File No. 500-1]

**Sagamore Trading Group, Inc.; Order of Suspension of Trading**

July 14, 1999.

It appears to the Securities and Exchange Commission that there is a lack of current and accurate information regarding the securities of Sagamore Trading Group, Inc. ("Sagamore") because of recent market activity in the stock that may have been the result of manipulative conduct.

The Commission is of the opinion that the public interest and the protection of investors require a suspension of trading in the securities of the above listed company.

Therefore, it is ordered, pursuant to Section 12(k) of the Securities Exchange Act of 1934, that trading in the above listed company is suspended for the period from 9:30 a.m. EDT, July 14, 1999, through 11:59 p.m. EDT, on July 27, 1999.

By the Commission.

**Jonathan G. Katz,**

Secretary.

[FR Doc. 99-18304 Filed 7-14-99; 12:25 pm]

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-41609; File No. SR-CBOE-99-10]

**Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Chicago Board Options Exchange, Inc. Relating to Participation Rights for Firms Crossing Orders**

July 8, 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 March 18, 1999, 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 Exchange. 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 Terms of Substance of the Proposed Rule Change**

The CBOE hereby proposes to amend its rule governing the crossing of equity option orders of 500 contracts or more by brokers, to give the firm from which an order originates a participation right in trades that are proposed to be crossed in certain circumstances. The text of the proposed rule change follows. Additions are italicized.

\* \* \* \* \*

**Chicago Board Options Exchange, Inc. Rules**

\* \* \* \* \*

**Chapter VI—Doing Business on the Exchange Floor**

**Section D: Floor Brokers**

\* \* \* \* \*

**"Crossing" Orders**

**RULE 6.74.**

(a)-(c) No change.

(d) *Notwithstanding the provisions of paragraphs (a) and (b) of this Rule, when a Floor Broker holds an equity option order of 500 or more contracts ("original order"), the Floor Broker is entitled to cross a certain percentage of the order with other customer orders from the same firm from which the original order originated ("originating firm") that he is holding or with a facilitation order of the originating firm after requesting bids and offers for such option series. The percentage of the order which a Floor Broker is entitled to cross is determined as follows:*

(i) *20% of the order if the order is traded at the best bid or offer given by the crowd in*

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

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

response to the broker's initial request for a market; or

(ii) *40% of the order if the order is traded between the best bid or offer given by the crowds in response to the broker's initial request for a market.*

*In determining whether an order satisfies the 500 contract requirement, any multi-part or spread order must contain one leg alone which is for 500 contracts or more. If the originating firm is also the Designated Primary Market-Maker ("DPM") for the particular class of options to which the order relates, then the DPM is not entitled to the DPM guaranteed participation rate.*

**. . . Interpretations and Policies:**

No change.

\* \* \* \* \*

**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 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 CBOE proposes to add a new paragraph (d) to CBOE Rule 6.74, "Crossing" Orders, to give a firm that is holding either (i) customer equity option orders to buy and sell the same series, or (ii) a customer equity option order and a facilitation order, certain rights to cross the orders or to facilitate the customer order in certain circumstances. To take advantage of the new provision, a particular equity option order must be for 500 or more contracts. For a multi-part or spread order, at least one leg of the order alone must be for 500 contracts or more.

Paragraph (a) of CBOE Rule 6.74 sets forth the procedures to be followed currently by a floor broker to cross customer orders. Paragraph (b) sets forth the procedures to be followed by a floor broker to facilitate a customer order. In both cases, market-makers in the trading crowd currently are given the opportunity to accept a floor broker's better bid or offer for orders which he intends to cross or facilitate before the floor broker can cross or facilitate the orders himself. Under current rules, therefore, if the market-makers are