the resultant information collection is expected to total approximately 1,500 annual burden hours.

A justification for each action described above (merge collection, revised collection instrument, new collection instrument) will be provided to OMB with a correction Change Worksheet (OMB Form 83–C) at the time the action occurs. With the next renewal of this collection, the RRB will update the information collection package to account for the consolidation and other interim adjustments.

ADDITIONAL INFORMATION OR COMMENTS: To request more information or to obtain a copy of the information collection justification, forms, and/or supporting material, please call the RRB Clearance Officer at (312) 751–3363. Comments regarding the information collection should be addressed to Ronald J. Hodapp, Railroad Retirement Board, 844 North Rush Street, Chicago, Illinois 60611–2092. Written comments should be received within 60 days of this notice.

Chuck Mierzwa,

Clearance Officer.

[FR Doc. 00–6538 Filed 3–15–00; 8:45 am]

BILLING CODE 7905–01–M

RAILROAD RETIREMENT BOARD

Sunshine Act Meeting

Notice is hereby given that the Railroad Retirement Board will hold a meeting on March 22, 2000, 9:00 a.m., at the Board's meeting room on the 8th floor of its headquarters building, 844 North Rush Street, Chicago, Illinois, 60611. The agenda for this meeting follows:

Portion Open to the Public

(1) Proposed Legislation.

(2) Medicare Contract.

Portion Closed to the Public

(A) Guidance of the Executive Committee.

The person to contact for more information is Beatrice Ezerski, Secretary to the Board, Phone No. 312–751–4920.

Dated: March 13, 2000.

Beatrice Ezerski,

Secretary to the Board.

[FR Doc. 00–6612 Filed 3–14–00; 10:37 am]

BILLING CODE 7905–01–M

SECURITIES AND EXCHANGE COMMISSION

Requests Under Review by Office of Management and Budget

Upon Written Request Copies Available From: Securities and Exchange Commission, Office of Filings and Information Services, Washington, DC 20549.

Extension: Rule 15g–3, SEC File No. 270–346, OMB Control No. 3235–0392; Rule 15g–6, SEC File No. 270–349, OMB Control No. 3235–0395.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (''Commission'') has submitted to the Office of Management and Budget requests for approval of extension on the following rules:

Rule 15g–3 requires that brokers and dealers disclose to customers current quotation prices or similar market information in connection with transactions in penny stocks. It is estimated that approximately 270 respondents incur an average burden of 100 hours annually to comply with the rule.

Rule 15g–6 requires brokers and dealers that sell penny stocks to their customers to provide monthly account statements containing information with regard to the penny stocks held in customer accounts. It is estimated that approximately 270 respondents incur an average burden of 90 hours annually to comply with the rule.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number.

Written comments regarding the above information should be directed to the following persons: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503; and (ii) Michael Bartell, Associate Executive Director, Office of Information Technology, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549.

Dated: March 9, 2000.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 00–6517 Filed 3–15–00; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 33–7808, File No. S7–08–00]

Securities Uniformity; Annual Conference on Uniformity of Securities Laws

AGENCY: Securities and Exchange Commission.

ACTION: Notice of Conference; Request for Comments.

SUMMARY: The Commission and the North American Securities Administrators Association, Inc. today announced a request for comments on the proposed agenda for their annual conference to be held on April 3, 2000. This meeting seeks to carry out the policies and purposes of Section 19(c) of the Securities Act of 1933, which are to increase cooperation between the Commission and state securities regulatory authorities in order to maximize the effectiveness and efficiency of securities regulation.

DATES: The conference will be held on April 3, 2000. We must receive your written comments by March 30, 2000 in order to be considered by conference participants.

ADDRESSES: Please send three copies of written comments to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 5th Street, N.W., Washington, D.C. 20549–0609. Comments also can be sent electronically to the following E-mail address: rule-comments@sec.gov. Comment letters should refer to File No. S7–08–00; if E-mail is used, please include this file number on the subject line. Anyone can inspect and copy the comment letters at our Public Reference Room, 450 5th Street, N.W., Washington, D.C. 20549–0102. All electronic comment letters will be posted on the Commission's internet web site (http://www.sec.gov).

FOR FURTHER INFORMATION CONTACT: John Reynolds, Office of Small Business Review, Division of Corporation Finance, Securities and Exchange Commission, 450 5th Street, N.W., Washington, D.C. 20549–0304, (202) 942–2950.

SUPPLEMENTARY INFORMATION:

I. Discussion

The federal government and the states have jointly regulated securities offerings and the securities industry since the adoption of the federal regulatory structure in the Securities Act of 1933 (the ''Securities Act'').[1] Issuers trying to raise capital through securities offerings, as well as participants in the secondary trading markets, must comply with the federal securities laws as well as all applicable state laws and regulations. Parties involved in this process have long recognized the need to increase uniformity and cooperation between the federal and state regulatory systems so that capital formation can be made

[1] 15 U.S.C. 77a *et seq.*

easier while investor protections are retained.

Congress endorsed greater uniformity in securities regulation with the enactment of Section 19(c) of the Securities Act in the Small Business Investment Incentive Act of 1980.[2] Section 19(c) authorizes the Commission to cooperate with any association of state securities regulators which can assist in carrying out that Section's policy and purpose. Section 19(c) mandates greater federal and state cooperation in securities matters in order to:

- Maximize effectiveness of regulation;
- Maximize uniformity in federal and state standards;
- Minimize interference with the business of capital formation; and
- Reduce the costs, paperwork and burdens of raising investment capital, particularly by small business, and also reduce the costs of the government programs involved.

The Commission is required to conduct an annual conference to establish ways to achieve these goals. The 2000 meeting will be the seventeenth conference.

During 1996, Congress again examined the system of dual federal and state securities regulation. It considered the need for regulatory changes to promote capital formation, eliminate duplicative regulation, decrease the cost of capital and encourage competition, while at the same time promoting investor protection. Congress passed The National Securities Markets Improvement Act of 1996[3] (the ''1996 Act'') as a result. The 1996 Act contains significant provisions that realign the partnership between federal and state regulators. The legislation reallocates responsibility for regulation of the nation's securities markets between the federal government and the states in order to eliminate duplicative costs and burdens and improve efficiency, while preserving investor protections.

II. 2000 Conference

The Commission and the North American Securities Administrators Association, Inc. (''NASAA'')[4] are planning the 2000 Conference on Federal-State Securities Regulation to be held April 3, 2000 in Washington, D.C. At the conference, Commission and NASAA representatives will divide into working groups in the areas of corporation finance, market regulation and oversight, investment management, investor education, and enforcement. Each group will discuss methods to enhance cooperation in securities matters and improve the efficiency and effectiveness of federal and state securities regulation. Generally, only Commission and NASAA representatives may attend the conference to encourage open and frank discussion. However, each working group in its discretion may invite specific self-regulatory organizations to attend and participate in certain sessions.

The Commission and NASAA are preparing the conference agenda. We invite the public, securities associations, self-regulatory organizations, agencies, and private organizations to participate by submitting written comments on the issues set forth below. In addition, we request comment on other appropriate subjects. Conference attendees will consider all comments.

III. Tentative Agenda and Request for Comments

The tentative agenda for the conference consists of the following topics in the areas of corporation finance, market regulation, investment management, investor education, and enforcement.

(1) Corporation Finance Issues

The 1996 Act amended section 18 of the Securities Act[5] to preempt state blue-sky registration and review of offerings of covered securities.[6] Covered securities, as defined by Section 18, include several types of securities. One class of covered securities are securities traded on the national markets like the New York Stock Exchange, Inc. (''NYSE''), American Stock Exchange LLC (''Amex'') and the Nasdaq National Market System (''Nasdaq/NMS''). Covered securities also include registered investment company securities and some exempt securities and offerings.

The states retain some authority over offerings of covered securities despite this preemption. Except for nationally-traded securities, the states have the right to require fee payments and notice filings. The states also retain anti-fraud authority over all securities offerings, including offerings of covered securities.

Securities that are not covered securities remain subject to state registration requirements. These securities generally include the securities of smaller companies, like those quoted on the Nasdaq SmallCap market or the over-the-counter Bulletin Board, or in the ''pink sheets.'' Securities issued under some federal exemptions from registration are not covered securities; the states retain authority to register or exempt those securities. These include securities issued in unregistered offerings under the following exemptions:

- Section 4(2) of the Securities Act where the offering does not meet the safe harbor requirements of Rule 506 of Regulation D;[7]
- Regulation A;[8] and
- Rules 504 and 505 of Regulation D.[9]

The states' authority over securities offerings, particularly their ability to register and review offerings of non-covered securities, continues the need for uniformity between the federal and state registration systems, where consistent with investor protection. Staff from the Commission's Division of Corporation Finance and state representatives will discuss ways to increase uniformity between the systems. The group will focus primarily on the following topics:

A. State Small Business Initiatives

The group will discuss several state initiatives designed to facilitate offerings by smaller issuers. These include:

- The Small Company Offering Registration (''SCOR'') form and state Regional Review Programs;
- The NASAA model state accredited investor exemption; and
- The Coordinated Equity Review (''CER'') program.

1. Small corporate offering registration; Regional review

NASAA adopted the SCOR form in 1989 to help small businesses raise seed capital to expand their operations through small securities offerings. The SCOR form is a simplified question and answer format used for the registration of securities offerings. Virtually all the states permit offerings on this form. It is used to register securities offerings exempt from federal registration under Rule 504 of Regulation D or Regulation A. More than 1,100 companies across the country have issued securities under the SCOR form. In September, 1999,

[2] Pub. L. 96–477, 94 Stat. 2275 (October 21, 1980).

[3] Pub. L. 104–290, 110 Stat. 3416 (October 11, 1996).

[4] NASAA is an association of securities administrators from each of the 50 states, the District of Columbia, Puerto Rico, Mexico and twelve Canadian Provinces and Territories.

[5] 15 U.S.C. 77r.

[6] 15 U.S.C. 77r(a) and (b).

[7] 17 CFR 230.501 through 230.508.

[8] 17 CFR 230.251 through 230.263.

[9] 17 CFR 230.504 and 230.505. Besides the listed securities, other securities also are not considered covered securities. These include securities traded on regional exchanges and asset-backed and mortgage-backed securities.

NASAA approved changes to simplify and improve the SCOR form.

The SCOR form disclosure requirements are the basis for one disclosure format for securities offerings exempt from federal registration under Regulation A. The Regulation A exemption allows companies that do not file reports with the Commission to offer and sell up to $5 million of securities within any twelve-month period without federal registration. An issuer seeking to rely on Regulation A must file an offering statement with the Commission, including, among other things, a disclosure document called an offering circular. Issuers may provide non-financial disclosure in their offering circulars based on one of three formats. One format includes the disclosure requirements of the state SCOR form. The group will discuss steps to address the revised SCOR form at the federal level, such as plans to amend Regulation A to incorporate the revised form.

Many states use a coordinated program to review state registrations using the SCOR form, the ''Regional Review Program.'' Under this program, states in certain regions of the country elect one state to lead the review and issue comments on the filing. Four regional programs have been started to date and include about 33 of the states requiring registration of these offerings.

NASAA's representatives will discuss their experiences with the SCOR form and the state coordinated review programs, including issues which have arisen in their use. Participants will consider how these programs may be improved to increase uniformity between the federal and state levels.

2. NASAA model state accredited investor exemption

The group also will discuss NASAA's Model Accredited Investor Exemption which was adopted in 1997. Generally, the model rule exempts offers and sales of securities from state registration requirements if, among other things, the securities are sold only to persons who are, or are reasonably believed to be, accredited investors.[10] Although the model exemption permits public offers to accredited investors, it limits the manner of the solicitation. State representatives will share their experiences with the exemption, and the group will discuss issues and concerns.

3. Coordinated Equity Review

The CER program provides for a coordinated state review process for some offerings of equity securities registered at the federal level. Under CER, the participating states coordinate with each other to produce one comment letter to an issuer which addresses both substantive and disclosure matters. To date, 43 states have agreed to participate in the program. The states have reviewed a number of registration statements under this program.

B. Federal small business initiatives

1. Rule 504 exemption

Rule 504 of Regulation D provides an exemption from the Securities Act registration requirements for offerings up to $1 million in any 12-month period, if certain conditions are met. Rule 504 is available only to the companies that do not report under the Exchange Act. The Commission amended Rule 504 in April 1999 to limit the circumstances where general solicitation is permitted and freely tradeable securities are issued under the rule.[11] Specifically, issuers may generally solicit and advertise and issue freely tradeable securities only in transactions that are either:

- Registered under state law requiring public filing and delivery of a substantive disclosure document to investors before sale; or
- Exempted under state law as long as sales are made to ''accredited investors'' only.

The group will discuss various matters that have arisen under the revised rule. One issue relates to some state accredited investor exemptions that do not impose a holding period requirement on purchasers. Although NASAA's model exemption generally restricts resales within 12 months of sale, some states have adopted unique exemptions that do not impose those transfer restrictions. The group will consider matters of common interest under revised Rule 504 and state accredited investor exemptions.

2. Securities of blank check companies

A blank check issuer or company is one in the development stage with no specific business plan or purpose, or one that indicates its plan is to engage in a merger or acquisition with an unidentified company or companies.[12] In 1990, the U.S. Congress found that offerings by these kinds of issuers were common vehicles for fraud and manipulation in the market for penny stocks. The Commission has adopted several rules, as Congress directed, to deter fraud in connection with these offerings.

Although blank check issuers are prohibited from relying on certain exemptions from federal registration, they may issue securities without federal registration under some exemptions including, for instance, the section 4(2) private offering exemption and the Rule 506 safe harbor. In many cases, the securities are issued for little or no consideration. Often, the promoters of the blank check company ''gift'' part of their securities to various donees.

The group will discuss matters of mutual concern relating to these offerings, including, for instance, issues raised by resales of restricted blank check securities.

3. Federal coordinating exemption for offerings exempt under state law

The Commission in 1996 adopted an exemption from federal registration for offerings up to $5 million made in compliance with one of California's exemptions from state securities qualification requirements. The California exemption—Section 25102(n) of the California Corporation Code—permits some forms of general solicitation and limits sales to persons called qualified purchasers.[13] The federal exemption applies only to offers and sales that satisfy the conditions of the California exemption. The Division understands that some issuers are misusing the exemption by making offers and sales to qualified purchasers in states other than California and claiming the federal coordinating exemption for those transactions. The staff believes those offers and sales are not exempt federally and may violate state securities laws as well.

The Division and state representatives will discuss ways to prevent misuse of this exemption and consider other issues of mutual interest.

4. Small business town hall meetings

During 1999, the Commission continued to meet with small businesses in town hall meetings conducted throughout the United States. These meetings—started in 1996—are intended to provide basic information

[10] 17 CFR 230.501(a). The term ''accredited investor,'' as defined by the Securities Act and the Commission's rules under the Act, is intended to encompass those persons whose financial sophistication render the protections of the Securities Act registration process unnecessary. Offers and sales to these investors are afforded special treatment under the federal securities laws.

[11] Securities Act Release No. 7644 (February 25, 1999) [64 FR 11090].

[12] *See* Section 7(b)(3) of the Securities Act. 15 U.S.C. 77g(b)(3).

[13] 17 CFR 230.1001.

about the securities offering process to small business issuers and educate the Commission about the concerns and problems facing small businesses in raising capital. Fifteen town hall meetings have been held to date. The group will discuss the results and prospects of this program.

C. Electronic distribution procedures in offerings of securities

Many underwriters have begun using the Internet to offer and sell securities in public offerings. These ''e-brokers'' are posting preliminary prospectuses and sometimes other materials on their websites. They also have set procedures that relate to prospectus access, account funding and the timing of offers and sales of the securities. Different firms have established diverse procedures.

The Division addressed the procedures of one e-broker in July, 1999. [14] The staff, without concurring in counsel's analysis, agreed not to recommend enforcement action to the Commission against the e-broker for its conduct of initial public offerings using the procedures described in the no-action letter request. The request described many procedures; one of which involved the solicitation of conditional electronic offers to buy the securities before effectiveness of the registration statement. The staff also has considered the transmission of ''road shows'' over the Internet. [15] Road shows generally are meetings between an issuer's senior management, brokers involved in the offering and a limited audience of select prospective investors that occur after the registration statement is filed with the Commission.

The group will discuss the various issues raised by offerings that are made electronically.

D. Plain English

Beginning October 1, 1998, issuers filing Securities Act registration statements must use plain English writing principles when drafting the front part of prospectuses, *i.e.,* the cover page and the summary and risk factors sections. [16] These plain English principles include: active voice; short sentences; everyday language; tabular presentation or ''bullet lists'' for complex material, if possible; no legal jargon or highly technical business terms; and, no multiple negatives.

The Division's staff, in its full review of a registration statement, examines the prospectus for compliance with the plain English requirements. If appropriate, the Division staff will issue comments to obtain improved plain English disclosures. Some states also review and issue comments on prospectus disclosures. The concurrent comment process from different regulators raises the prospect of inconsistent comments. For instance, the Division may ask for changes to conform to plain English requirements which seem contrary to state disclosure standards. The group will consider issues that have arisen in this area and ways to facilitate federal and state coordination in the comment process.

E. Uniform Securities Act

A committee of the National Conference of Commissioners on Uniform State Laws is in the process of drafting a new version of the Uniform Securities Act. The Uniform Securities Act is a uniform state securities law statute. Two versions are currently in force—The Uniform Securities Act of 1956 and the Revised Uniform Securities Act of 1985. The new version will modernize and update the law for many changes including, for example, NSMIA, technology advances, and internationalization of securities trading. The group will discuss the status of this redrafting effort and related matters.

(2) Market Regulation Issues

A. Books and Records

Section 103 of the 1996 Act prohibits any state from imposing broker-dealer books and records requirements that differ from, or are in addition to, the Commission's requirements. In addition, the same section directs the Commission to consult periodically with the state securities authorities concerning the adequacy of the Commission's books and records requirements.

On October 2, 1998, the Commission reproposed amendments to the books and records rules to clarify and expand recordkeeping requirements with respect to purchase and sale documents, customer records, associated person records, customer complaints, and certain other matters. The reproposed amendments also specified the books and records that broker-dealers would make available at their local offices. The Commission modified the reproposed amendments to reduce the burden on broker-dealers without substantially detracting from the original objective of establishing rules that would facilitate examinations and enforcement activities of the Commission, self regulatory organizations (SROs), and state securities regulators. [17] Among other changes in the reproposed amendments, the Commission redefined the term local office to include a place where two or more associated persons regularly conduct a securities business. The original proposal [18] defined the term local office to include a place where one associated person conducted a securities business. As reproposed, a broker-dealer would be required to update its customer account records at least once every three years. The original proposal required broker-dealers to update the customer account records annually.

The comment period closed December 9, 1998. The Commission received approximately 120 comment letters in response to the release re-proposing the amendments. The Commission staff has been reviewing the comments that have been submitted. The participants will discuss these efforts to amend Rules 17a–3 and 17a–4.

B. Capacity

The participants will discuss broker-dealer systems capacity issues in light of the increasing number of online brokerage accounts being opened by investors (9.7 million online accounts opened by the end of the second quarter of 1999, as compared to 7.3 million in 1998 and 3.7 million in 1997), and the instances of systems problems at broker-dealers.

C. Significant SEC and SRO Rule Proposals

On January 28, 2000, the Commission issued an order directing SROs to develop a plan to implement decimal pricing in the equities and options markets beginning no later than July 3, 2000. [19] The SROs are required to submit their decimalization implementation plan by March 13, 2000, and rule changes necessary to implement the plan by March 28, 2000. The participants intend to discuss the issues associated with the decimalization implementation plan submitted, as well as any comment letters submitted in response to proposed rule changes necessary to implement the plan.

Day trading practices continue to be the focus of media attention. Presently, the Commission is carefully considering the various issues relating to day trading activities. In particular, the Commission has been considering proposed rule

[14] *See* Wit Capital no-action letter (July 14, 1999).

[15] *See*, for example, the no-action letter to Charles Schwab & Co., Inc. (November 15, 1999 and February 9, 2000).

[16] Securities Act Release No. 7497 (January 28, 1998) [63 FR 6370].

[17] Exchange Act Rel. No. 40518 (October 2, 1998) [63 FR 54404].

[18] Exchange Act Rel. No. 37850 (October 22, 1996) [61 FR 55593].

[19] Exchange Act Release No. 42360 (January 28, 2000) [65 FR 5003].

changes by the NYSE and the National Association of Securities Dealers, Inc. (NASD) to amend margin requirements for day trading customers of member firms.

On January 14, 2000, the Commission published the NYSE's proposal raising margin requirements for day traders. The NASD filed a similar proposal on January 13, 2000, which was published on February 11, 2000. The Commission has received numerous comment letters, which are under review. Both the NYSE and NASD proposals are available on the Commission's web site.

D. Financial Modernization Legislation

After over twenty years of debate, on November 22, 1999, the President signed S. 900—the Gramm-Leach-Bliley Act of 1999—into law. S. 900 permits securities, insurance, and banking firms to enter each other's lines of business. In the coming years, the Commission staff will continue to work with other financial regulators and the financial services industry to implement the various provisions of S. 900. One early project will be to implement regulations regarding the privacy of customer financial information. The participants will discuss this legislation.

E. Central Registration Depository

The Central Registration Depository (CRD) system is operated and maintained by the NASD and is used by the Commission, the SROs, and state securities regulators in connection with registering and licensing broker-dealers and their registered personnel. On August 16, 1999, the old ''Legacy'' CRD system was replaced by Web CRD, a new Internet-based system. The ability to file electronically through Web CRD is expected to further streamline and lower the costs associated with the one-stop registration process for broker-dealers and their associated persons. In connection with this transition, the Commission adopted technical amendments to Forms BD and BDW, the uniform forms for broker-dealer registration and withdrawal from registration, and related rules under the Exchange Act.[20] The Commission also issued an order approving changes proposed by NASD Regulation, Inc. to Form U–4 (the Uniform Application for Securities Industry Registration or Transfer) and Form U–5 (the Uniform Termination Notice for Securities Industry Registration). These changes were also needed to conform to the Web CRD environment.[21] The participants may discuss issues related to Web CRD.

F. Examination Issues

State and federal regulators also will discuss various examination-related issues of mutual interest, including: summits and examination coordination; branch office examinations; micro-cap issues; and day trading.

(3) Investment Management Issues

A. Division of Regulatory Authority

In the 1996 Act, Congress amended the Investment Advisers Act of 1940 (''Advisers Act'')[22] to divide regulatory responsibility for investment advisers between the Commission and state securities regulators. Advisers that have assets under management of $25 million or more, or that advise registered investment companies, generally register with the Commission while advisers that have assets under management of less than $25 million must register with the appropriate state securities authorities.[23] Approximately 8,500 investment advisers are currently registered with the Commission.

The conferees will discuss cooperation between Commission and state adviser programs, including sharing information about examinations of advisers, advisers switching between federal and state registration, advisers that may no longer qualify for SEC registration, advisers whose registration has been canceled by the SEC, and advisers located in the state of Wyoming—the only state that does not have an investment adviser statute. The conferees also will discuss advisers that provide advice over the Internet and best execution reviews.

B. Electronic Filing System

Congress also amended the Advisers Act to require the Commission to establish and maintain a ''readily accessible telephonic or other electronic process'' to receive public inquiries about the disciplinary histories of investment advisers and persons associated with investment advisers.[24]

To satisfy this mandate, the Commission, in cooperation with NASAA and the state securities authorities, has been working with NASD Regulation, Inc. to design, build, and operate the Investment Adviser Registration Depository (IARD) system. The IARD will be a one-stop electronic filing system that investment advisers will use to apply for registration with the Commission or the appropriate state securities authorities, to update their registration, and to make notice filings with the states. The Commission and state authorities will have access to the resulting database to review adviser registration materials and the database will be available to the public on an Internet web site. Clients and prospective clients of investment advisers will be able to quickly obtain disciplinary and other information about investment advisers and persons associated with investment advisers.

The conferees will discuss the transition to electronic filing by investment advisers on the IARD, which is expected to begin receiving investment adviser submissions later this year.

C. Revised Registration and Disclosure Forms

The Commission and NASAA are revising the investment adviser registration and disclosure forms. The revised registration form would provide more useful information to the Commission and the state securities regulators. The new disclosure form would require advisers to provide clear and complete disclosures in plain English to clients and prospective clients.

The conferees will discuss the revised forms, which the Commission staff expects soon to recommend that the Commission propose for comment.

(4) Investor Education and Assistance Issues

The Commission currently pursues a number of programs to educate investors on how to invest wisely and to protect themselves from fraud and abuse. The states and NASAA have a long-standing commitment to investor education, and the SEC intends to complement those efforts to the greatest extent possible. The investor education working group will discuss the following investor education initiatives and potential joint projects:

A. Online Investor Protection

The SEC's staff will brief NASAA on the steps it has taken to fight Internet fraud and to educate investors on how to use the Internet to invest wisely.

[20] Release No. 34–41594 (July 2, 1999) [64 FR 37586]; Release No. 34–41356 (April 30, 1999) [64 FR 25143].

[21] Release No. 34–41560 (June 25, 1999) [64 FR 36059].

[22] 15 U.S.C. 80b–1.

[23] Advisers Act Section 203A(a), 15 U.S.C. 80b–3a. The Advisers Act also provides for registration with the Commission of advisers that have their principal office and place of business in a state that has not enacted an investment adviser statute (currently, Wyoming), or that have their principal office and place of business outside the United States. In addition, the Commission has adopted rules exempting five categories of investment advisers from the prohibition on registration with the Commission. See Rule 203A–2, 17 CFR 275.203A–2.

[24] 1996 Act section 306.

Similarly, NASAA will discuss state initiatives to enhance online investor protection.

B. Financial Literacy 2001

In the spring of 1998, NASAA, the NASD, and the Investor Protection Trust (IPT) joined forces to launch ''Financial Literacy 2001'' (FL2001), an unprecedented $1 million campaign targeting 25,000 high school teachers across America. The goal of FL2001 is to encourage—and make it easier for—teachers in every state to teach the basics on saving and investing. Working together, NASAA, the NASD, and the IPT have developed a state-by-state customized classroom guide and have begun to provide aggressive distribution and teacher training. During the working group session, the states will brief the SEC on the progress of FL2001 and plans for dissemination of the FL2001 program in the coming year.

C. Facts on Saving and Investing Campaign

In the spring of 1998, NASAA and the SEC, in conjunction with the Council of Securities Regulators of the Americas (COSRA), launched the Facts on Saving and Investing Campaign. The campaign is an ongoing, grassroots effort to educate individuals about saving, investing, and avoiding financial fraud. Twenty-one countries throughout the Western Hemisphere participated in the campaign's enormously successful kick-off week. In the U.S., campaign partners—including more than thirty government agencies, consumer organizations, and financial industry associations—held educational events and distributed information on saving and investing throughout the country. During the working group session, participants will discuss the campaign and future campaign initiatives. They'll also discuss other initiatives for international investor education.

D. New Investor Education Programs

Participants will brainstorm ideas for new investor education programs, including joint NASAA and SEC initiatives.

E. Investor Education Resources

The group will assess existing resources for investor education—including brochures, videotapes, online materials, and other media—and identify gaps. They will further discuss the most efficient and effective ways to provide educational resources to individuals at the grassroots level.

(5) Enforcement Issues

In addition to the above topics, state and federal regulators will discuss various enforcement-related issues of mutual interest.

(6) General

There are a number of matters which are applicable to all, or a number, of the areas noted above. These include EDGAR—the Commission's electronic disclosure system, rulemaking procedures, training and education of staff examiners and analysts, and information sharing.

The Commission and NASAA request specific public comments and recommendations on the above-mentioned topics. Commenters should focus on the agenda but may also discuss or comment on other proposals which would enhance uniformity in the existing scheme of state and federal regulation, while helping to maintain high standards of investor protection.

Dated: Dated: March 10, 2000.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 00–6516 Filed 3–15–00; 8:45 am]

BILLING CODE 8010–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–42514; File No. SR–CBOE–00–08]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Chicago Board Options Exchange, Inc., Relating to the Trading of Options on Biotech HOLDRs

March 9, 2000.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on March 9, 2000, the Chicago Board Options Exchange, Inc. (''CBOE'' or ''Exchange'') filed with the Securities and Exchange Commission (''SEC'' or ''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The proposed rule change has been filed by the CBOE as a ''non-controversial'' rule change under Rule 19b–4(f)(6)[3] under the Act. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] 17 CFR 240.19b–4(f)(6).

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

The CBOE proposes to trade standardized and FLEX equity options on Biotechnology Holding Company Depositary Receipts (''Biotech HOLDRs'' or ''HOLDRs''). The text of the proposed rule change is available at the Office of the Secretary, CBOE and at the Commission.

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 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 purpose of the proposed rule change is to provide for the trading of standardized equity options and FLEX[4] equity options on Biotech HOLDRs. Biotech HOLDRs are exchange-listed securities representing beneficial ownership of the specific deposited securities represented by the HOLDRs. They are negotiable receipts issued by a trust representing securities of issuers that have been deposited and are held on behalf of investors in HOLDRs. Biotech HOLDRs, which trade in round lots of 100, and multiples thereof, may be issued after their initial offering through a deposit of the required number of shares of common stock of the underlying issuers with the trustee. The trust will only issue HOLDRs upon the deposit of the shares of underlying securities that are represented by a round-lot of 100 HOLDRs. Likewise, the trust will cancel, and an investor may obtain, hold, trade or surrender HOLDRs in a round-lot and round lot multiples of 100 HOLDRs. Biotech HOLDRs are currently traded on the Exchange like other equity securities, subject to the Exchange's equity trading rules.

[4] Flex equity options provide investors with the ability to customize basic option features including size, expiration date, exercise style, and certain exercise prices.