

the employees' securities companies to estate planning vehicles formed for the benefit of lineal descendants of the eligible employees.

APPLICANTS: Elfun Trusts, Elfun Tax-Exempt Income Fund, Elfun Income Fund, Elfun International Equity Fund, Elfun Diversified Fund, Elfun Money Market Fund (collectively, the "Elfun Funds"), and General Electric S&S Program Mutual Fund and General Electric S&S Long Term Interest Fund (collectively, the "S&S Funds").

FILING DATES: The application was filed on December 22, 1999, and amended on December 1, 2000.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on December 26, 2000, and should be accompanied by proof of service on applicants, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, NW., Washington, DC 20549-0609. Applicants, c/o Alan M. Lewis, Esq., GE Asset Management Incorporated, 3003 Summer Street, Stamford, Connecticut 06905.

FOR FURTHER INFORMATION CONTACT: Elaine M. Boggs, Special Counsel, at (202) 942-0572, or Christine Y. Greenlees, Branch Chief, at (202) 942-0564 (Division of Investment Management, Office of Investment Company Regulation).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee at the SEC's Public Reference Branch, 450 5th Street, NW., Washington, DC 20549-0102 (tel. (202) 942-8090).

Applicants' Representations

1. Applicants are diversified, open-end management investment companies registered under the Act. Shares of the Elfun Funds are registered under the Securities Act of 1933. Each applicant is organized and operated to meet the definition of an "employees' securities company" within the meaning of section 2(a)(13) of the Act for the benefit of employees of General Electric Company ("GE").

2. Pursuant to the Prior Orders, shares of the Elfun Funds may be purchased by: (a) members of an honor society of GE employees ("Elfun Society Members"); (b) employees of the Elfun Funds' adviser who have been employed by the adviser for at least one year ("Adviser Employees"); (c) immediate family members of both (a) and (b) above; (d) trusts whose sole beneficiaries are individuals in (a) through (c) above; (e) surviving unmarried spouses of deceased Elfun Society members; (f) members of the board of directors of GE; and (g) GE and its subsidiaries (persons in (a), (b), and (f) are "Elfun Eligible Investors").

3. The S&S Funds are part of a defined contribution profit sharing plan (the "Program") that is intended to qualify for favorable tax treatment under sections 401(a) and 401(k) of the Internal Revenue Code of 1986, as amended. Units in the S&S Funds ("Units") are offered only to employees participating in the Program ("S&S Employee Participants"). Although Units cannot be purchased outside of the Program, under certain circumstances S&S Employee Participants may hold Units outside the Program ("S&S Distributees"). (Collectively, Elfun Eligible Investors and S&S Distributees are "Eligible Employees")

4. Under the Prior Orders, the Elfun Funds have limited investment by the immediate family members of Elfun Society Members and Adviser Employees to spouses and children (including step and adoptive relationships) of such Elfun Society Members and Adviser Employees. The S&S Funds have limited the transfer of Units held outside of the Program to the immediate family members of S&S Distributees, which is limited to spouses and children (including step and adoptive relationships). Applicants propose to expand the class of immediate family members of Eligible Employees who may invest in the Elfun and S&S Funds to include any parent, spouse of a parent, child, spouse of a child, spouse, brother, sister, or grandchild (including step and adoptive relationships) ("Eligible Family Members") of Eligible Employees. In addition, the order would permit Eligible Employees to transfer shares of the Elfun and S&S Funds held by them to estate planning vehicles formed for the benefit of lineal descendants of the Eligible Employees.

Applicants' Legal Analysis

1. Section 2(a)(13) of the Act defines "employees' securities company" generally as any investment company,

or similar issuer, all of the outstanding securities of which (other than short-term paper) are beneficially owned by employees or persons on retainer, former employees, and immediate family of the employees, persons on retainer, or former employees.

2. Section 6(b) of the Act provides that the Commission shall exempt employees' securities companies from the provisions of the Act to the extent that the exemption is consistent with the protection of investors. Applicants state that the proposal satisfies the requirements of section 6(b).

3. Applicants state that an employees' securities company is a labor-related entity that exists primarily to promote the economic welfare of its employee-investors. Applicants also state that the requested relief would permit Eligible Employees to achieve certain tax and economic goals through the effective use of estate planning tools. Applicants state that the requested relief is consistent with the protection of investors because permitting Eligible Family Members of Eligible Employees to invest in the Funds, and Eligible Employees to transfer shares of the Funds to estate planning vehicles formed for the benefit of lineal descendants of the Eligible Employees, would preserve the status of the Funds as entities designed primarily to promote the economic welfare of Eligible Employees.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 00-31273 Filed 12-7-00; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meetings

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 meetings during the week of December 11, 2000.

An open meeting will be held on Wednesday, December 13, 2000, at 10:00 a.m. in Room 1C30, the William O. Douglas Room and closed meetings will be held on Wednesday, December 13, 2000, and Thursday, December 14, 2000 at 11 a.m.

The subject matter of the open meeting will be:

The Commission will hear oral argument on an appeal by Russo Securities, Inc. ("RSI"), a registered broker-dealer, and Kimberly Kent, RSI's

chief financial officer and registered financial and operations principal.

The law judge found that, on four separate dates between December 1995 and March 1996, RSI violated the Commission's net capital rule, failed to keep accurate books and records, and failed to notify the Commission of its net capital and books and records deficiencies. The law judge also found that Kent willfully aided and abetted, and caused, RSI's violations. The law judge fined RSI \$100,000; suspended Kent for one year from association with a broker-dealer or a member of a national securities exchange or registered securities association, and fined Kent \$25,000; and ordered RSI and Kent to cease and desist from future similar violations.

Among the issues likely to be argued are the following:

(1) Whether the stock due to RSI under its investment banking agreements was "readily convertible into cash," and thus an allowable asset under the net capital rule;

(2) Whether the net capital rule's provision for disallowing assets not "readily convertible into cash" violates due process;

(3) Whether Kent's conduct satisfied the elements of aider and abettor liability; and

(4) What sanctions; if any, are appropriate.

For further information, contact Joan Loizeaux at (202) 942-0950.

Commissioners, Counsel to the Commission, 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)(A) and (10), permit consideration for the scheduled matter at the closed meeting.

The subject matter of the closed meeting scheduled for Wednesday, December 13, 2000 will be:

- Post argument discussion.

The subject matter of the closed meeting scheduled for Thursday, December 14, 2000 will be:

- Institution and settlement of injunctive actions; and
- 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: December 6, 2000.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 00-31485 Filed 12-6-00; 3:44 pm]

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SECURITIES AND EXCHANGE COMMISSION

[File No. 500-1]

Net Tel International, Inc.; Order of Suspension of Trading

December 5, 2000.

It appears to the Securities and Exchange Commission that there is a lack of current and accurate information concerning the securities of Net Tel International, Inc. ("Net Tel") because of questions regarding the accuracy of publicly disseminated information concerning, among other things, letters of intent to acquire businesses entered into by Net Tel.

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 1:30 p.m. EST, December 5, 2000, through 11:59 p.m. EST, on December 18, 2000.

By the Commission.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 00-31408 Filed 12-6-00; 11:35 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-43653; File No. SR-CSE-00-08]

Self-Regulatory Organizations; The Cincinnati Stock Exchange, Incorporated; Order Granting Approval to Proposed Rule Change To Include CSE Rule 11.9(u) and Interpretation .01 Thereunder in the Minor Rule Violation Program

December 1, 2000.

I. Introduction

On October 13, 2000, The Cincinnati Stock Exchange, Incorporated ("CSE" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or

"Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to amend CSE Rule 8.15, Imposition of Fines for Minor Violation(s) of Rules, to include CSE Rule 11.9(u) and Interpretation .01 thereunder, requiring CSE members to display certain market orders ("Market Order Display Rule"). The proposed rule change was published for comment in the **Federal Register** on October 27, 2000.³ No comments were received on the proposal. This order approves the proposed rule change.

II. Description of the Proposal

The CSE proposes to amend CSE Rule 8.15, Imposition of Fines for Minor Violation(s) of Rules, which provides for an alternative disciplinary regimen involving violations of Exchange rules that the Exchange determines are minor in nature. In lieu of commencing a disciplinary proceeding pursuant to Rules 8.1 through 8.14, the Minor Rule Violation Program ("Program") permits the Exchange to impose a fine, not to exceed \$2,500, on any member, member organization, or registered or non-registered employee of a member or member organization ("Member") that the Exchange determines has violated a rule included in the Program. Adding a particular rule violation to the Program in no way circumscribes the Exchange's ability to address violations of those rules through more formal disciplinary rules. The Program simply provides the Exchange with greater flexibility in addressing rule violations that warrant a stronger regulatory response after the issuance of cautionary letters and yet, given the nature of the violations, do not rise to the level of requiring formal disciplinary proceedings.

The Exchange proposes to add the failure to properly expose on the Exchange or immediately price improve certain customer market orders, as provided in Interpretation .01 to Exchange Rule 11.9(u), to the list of Exchange rule violations and fines included in the Program.⁴ The Exchange believes that Market Order Display Rule violations often are inadvertent and, in most cases, are best addressed in a summary fashion. However, because Interpretation .01 is predicated on the Exchange's commitment to promote customer price improvement

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 43471 (October 20, 2000), 65 FR 64463 (October 27, 2000).

⁴ For further discussion of the CSE's Market Order Display Rule, see CSE Regulatory Circular to Exchange Members 97-07 (June 17, 1997).