

**STATUS:** Closed Meeting.  
**PLACE:** 450 Fifth Street, N.W.,  
 Washington, D.C.

**DATE PREVIOUSLY ANNOUNCED:** March 5,  
 1998.

**CHANGE IN THE MEETING:** Cancellation of  
 Meeting.

The closed meeting scheduled for  
 Tuesday, March 10, 1998, following the  
 10:00 a.m. open meeting, has been  
 cancelled.

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 (202) 942-  
 7070.

Dated: March 10, 1998.

**Jonathan G. Katz,**  
 Secretary.

[FR Doc. 98-6594 Filed 3-10-98; 4:41 pm]

BILLING CODE 8010-01-M

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39728; File No. SR-CBOE-  
 98-02]

### Self-Regulatory Organizations; Order Granting Approval of Proposed Rule Change by the Chicago Board Options Exchange, Inc. to Limit the Number of Consecutive Terms That May Be Served by the Chairman of the Executive Committee

March 6, 1998.

#### I. Introduction

On January 16, 1998, the Chicago  
 Board Options Exchange, Inc. ("CBOE"  
 or "Exchange") submitted to the  
 Securities and Exchange Commission  
 ("SEC" or "Commission"), 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> proposed rule  
 change to amend Section 8.1(a) of the  
 CBOE Constitution to limit the number  
 of consecutive terms served by the  
 Chairman of the Executive Committee.  
 The proposed rule change was  
 published for comment in the **Federal  
 Register** on February 3, 1998.<sup>3</sup> No  
 comments were received regarding the  
 proposal. This order approves the  
 proposal.

#### II. Description of the Proposal

Presently, the Chairman of the  
 Executive Committee ("Chairman") is

elected to a one-year term and may  
 serve an unlimited number of  
 consecutive terms. Under the proposed  
 rule change, an amendment to Section  
 8.1 of the CBOE Constitution, the  
 Chairman could serve consecutively a  
 maximum of three one-year terms. For  
 purposes of this limit, a combination of  
 at least six months of a one-year term  
 plus the next two one-year terms is  
 considered to be three consecutive one-  
 year terms. After an individual has been  
 out of office for at least six months, that  
 individual again becomes eligible to  
 serve as Chairman.

#### III. Discussion

After careful review, the Commission  
 finds that the proposed rule change is  
 consistent with the requirements of  
 section 6 of the Act. In particular, the  
 Commission believes the proposal is  
 consistent with Section 6(b)(3) of the  
 Act.<sup>4</sup> Section 6(b)(3) requires, among  
 other things, that the rules of the  
 exchange assure a fair representation of  
 its members in the administration of its  
 affairs. By limiting the number of  
 consecutive terms a person may serve as  
 Chairman, the proposal should help to  
 ensure that a broader range of  
 individuals serve in that position. As a  
 result, the proposal creates the  
 opportunity for a broader cross section  
 of market participants to be involved in  
 the administration of the Exchange.

#### IV. Conclusion

*It is therefore ordered*, pursuant to  
 Section 19(b)(2) of the Act,<sup>5</sup> that the  
 proposed rule change (SR-CBOE-98-  
 02) is approved.

For the Commission, by the Division of  
 Market Regulation, pursuant to delegated  
 authority.<sup>6</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 98-6526 Filed 3-12-98; 8:45 am]

BILLING CODE 8010-01-M

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39731; File No. SR-NASD-  
 98-19]

### Self-Regulatory Organization; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by National Association of Securities Dealers, Inc. Relating to Interim Forms and Public Disclosure Program

March 6, 1998.

On March 2, 1998, the NASD  
 Regulation, Inc. ("NASDR") filed with  
 the Securities and Exchange  
 Commission ("Commission" or "SEC")  
 a proposed rule change, 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> The proposed  
 rule change is described in Items I, II,  
 and III below, which Items have been  
 prepared by NASDR. NASDR has  
 designated this proposal as one  
 constituting a stated policy, practice, or  
 interpretation with respect to the  
 enforcement of an existing rule under  
 Section 19(b)(3)(A)(i)<sup>3</sup> of the Act, which  
 renders the proposal effective upon  
 receipt of this filing by the Commission.  
 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

NASDR is proposing to postpone the  
 effective date of recently approved  
 amendments to NASD Interpretive  
 Material 8310-2 and Forms U-4 and U-  
 5.

#### II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission,  
 NASDR 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. NASDR has prepared  
 summaries, set forth in Sections A, B,  
 and C below, of the most significant  
 aspects of such statements.

<sup>4</sup> 15 U.S.C. 78f(b)(3). In approving this rule, the  
 Commission has considered the proposed rule's  
 impact on efficiency, competition, and capital  
 formation. 15 U.S.C. 78c(f).

<sup>5</sup> 15 U.S.C. 78s(b)(2).

<sup>6</sup> 17 CFR 200.30-3(a)(12).

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

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

<sup>3</sup> Securities Exchange Act Release No. 39585  
 (January 27, 1998), 63 FR 5584.

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

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

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A)(i).

*A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for the Proposed Rule Change*

1. Purpose

The proposed rule change postpones the effective date of the amendments set forth in SR-NASD-97-78 that was approved on January 20, 1998.<sup>4</sup> In that Release, the Commission approved amendments to NASDR's Public Disclosure Program ("PDP"), as set forth in Interpretive Material 8310-2, and amendments to the Forms U-4 and U-5. These amendments were to become effective on February 17, 1998.<sup>5</sup> Between January 20 and February 17, 1998, member firms expressed concern that they did not have sufficient time to change their operations for filing the Forms and for educating their employees as to changes in the Forms, and therefore requested that the implementation of the Forms be delayed for one month.<sup>6</sup> Because the Forms are designed to provide NASDR with information that will be used as the basis for the modification to the PDR, NASDR has determined that it is appropriate to delay the effective date for the amendments to Interpretive Material 8310-2 as well

2. Statutory Basis

NASDR believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6)<sup>7</sup> of the Act. NASDR believes that delaying the effective date of the new rules to ensure that members are provided with a sufficient amount of time to change their operations so that Forms U-4 and U-5 are properly submitted will not be inconsistent with these requirements.

<sup>4</sup> See Securities Exchange Act Rel. No. 39562 (January 20, 1998), 63 FR 3942 (January 27, 1998). See also Securities Exchange Act Rel. No. 39442 (December 11, 1997) 62 FR 66706 (December 19, 1997), (partially approving, on an accelerated basis, that portion of the proposed rule change giving the NASD the option of responding to electronic inquiries requesting employment and disciplinary history of its members and their associated persons).

<sup>5</sup> *Id.* at p. 3943.

<sup>6</sup> On February 17, 1998, the NASDR submitted a letter informing the Division that it was changing the implementation date of the Interim Forms U-4 and U-5 from February 17, 1998 to March 16, 1998. See letter from Alden S. Adkins, General Counsel, NASD Regulation, Inc., to Katherine A. England, Assistant Director, Division of Market Regulation, SEC, dated February 13, 1998.

<sup>7</sup> Section 15A(b)(6) requires that the rules of the Association be designed to prevent fraudulent and manipulative acts and practices, to remove impediments to and perfect the mechanism of a free and open market, and in general, to protect investors and the public interest.

*B. Self-Regulatory Organization's Statement on Burden on Competition*

NASDR does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

*C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others*

Written comments were neither solicited nor received.

**III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action**

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(i) of the Act and subparagraph (e) of Rule 19b-4 thereunder<sup>8</sup> in that it constitutes a stated policy, practice, or interpretation with respect to the meaning of an existing rule.

At any time within 60 days of the filing of a rule change, the Commission may summarily abrogate the rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

**IV. Solicitation of Comments**

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including the proposed rule change is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, D.C. 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the NASD. All submissions should refer to the file number in the caption above and should be submitted by April 3, 1998.

<sup>8</sup> 17 CFR 240.19b-4(e)(1).

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>9</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 98-6525 Filed 3-12-98; 8:45 am]

BILLING CODE 8010-01-M

**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-39729; File No. SR-NASD-97-56]

**Self-Regulatory Organizations; Order Approving Proposed Rule Change and Amendment No. 1 Thereto and Notice of Filing and Order Granting Accelerated Approval to Amendment Nos. 2, 3, 4, 5, and 6 to Proposed Rule Change by the National Association of Securities Dealers, Inc., To Amend Rule 3110 and to Adopt New Rules 6950 Through 6957 Relating to the Creation of an Order Audit Trail System**

March 6, 1998.

**I. Introduction**

On July 29, 1997, NASD Regulation, Inc. ("NASDR"), a wholly-owned subsidiary of the National Association of Securities Dealers, Inc. ("NASD" or "Association"), submitted to the Securities and Exchange Commission ("SEC" or "Commission") on behalf of the NASD, 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> a proposed rule change to adopt new rules relating to the creation of an order audit trail system ("Order Audit Trail System" or "OATS"). On August 25, 1997, the NASDR submitted Amendment No. 1 to the proposed rule change.<sup>3</sup>

The proposed rule change was published for comment in the **Federal**

<sup>9</sup> 17 CFR 200.30-3(a)(12).

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

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

<sup>3</sup> See Letter from Joan C. Conley, Corporate Secretary, NASDR, to Katherine A. England, Assistant Director, Division of Market Regulation ("Division"). Commission, dated August 25, 1997 ("Amendment No. 1"). In addition to proposing technical corrections, Amendment No. 1: (1) expands the proposal's definition of "order," (2) clarified that the proposed requirements of Rule 3110(c) (regarding required books and records) would be temporary and only in effect from January 1, 1999, to January 31, 2000; (3) conforms the discussion section to the language of the proposed rule regarding effective dates for orders other than electronic orders; and (4) notices that the NASDR consulted generally with industry representatives and received a number of comment letters. The changes proposed in Amendment NO. 1 were incorporated into the Commission's notice of filing of the proposal prior to its publication in the **Federal Register**.