The proposed rule change was approved by the Chairman of the Executive Committee.

The Office of the Secretary (202) 942-7070.

Dated: March 10, 1998.

Jonathan G. Katz,
Secretary.

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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") and Rule 19b-4 thereunder, proposed rule change to amend Section 8.1 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. 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. 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, that the proposed rule change (SR-CBOE-98-02) is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 98-6526 Filed 3-12-98; 8:45 am]
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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 SEC for approval a proposed rule change, pursuant to Section 19(b) of the Securities Exchange Act of 1934 ("Act") and Rule 19b-4 thereunder. 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) 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.

4 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).
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. 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. 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. 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) 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.

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 so 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.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.

Margaret H. McFarland,
Deputy Secretary.