

Closed meetings will be held on Monday, June 12, 2000 at 10:30 a.m. and on Thursday, June 15, 2000 at 11 a.m.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the closed meetings. 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 matters at the closed meetings.

The subject matter of the closed meeting scheduled for Monday, June 12, 2000 will be:

- An administrative proceeding of an enforcement nature.

The subject matter of the closed meeting scheduled for Thursday, June 15, 2000 will be:

- Institution 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: June 5, 2000.

Jonathan G. Katz,
Secretary.

[FR Doc. 00-14535 Filed 6-5-00; 4:19 pm]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT: Published elsewhere in this issue.

STATUS: Closed meeting.

PLACE: 450 Fifth Street, NW., Washington, D.C.

DATE PREVIOUSLY ANNOUNCED: June 5, 2000.

CHANGE IN THE MEETING: Cancellation of Meeting.

The closed meeting scheduled for Thursday, June 15, 2000 at 11 a.m. has been canceled.

Dated: June 6, 2000.

Jonathan G. Katz,
Secretary.

[FR Doc. 00-14581 Filed 6-6-00; 11:10 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-42862; File No. SR-CBOE-00-10]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Chicago Board Options Exchange, Incorporated To Permit the Chairman of the Appropriate Floor Procedure Committee To Exercise the Authority of the Committee To Decrease the Size of Orders Eligible for Entry Into the Retail Automatic Execution System During Unusual Market Conditions

May 30, 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 28, 2000, the Chicago Board Options Exchange, Incorporated ("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 CBOE. 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 proposes to amend its rules to permit the Chairman of the appropriate Floor Procedure Committee ("FPC"), or the Chairman's designee, to exercise the authority of the Committee to decrease the size of orders eligible for entry into CBOE's Retail Automatic Execution System ("RAES") during unusual market conditions.

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 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 CBOE 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

On December 1, 1998, the Commission approved a CBOE rule change that allowed the Chairman of the appropriate FPC, or the Chairman's designee, to exercise the authority of the FPC to *increase* the size of orders eligible for entry into RAES.³ This measure, which has been successfully utilized at the Exchange, is exercised when the Chairman, or his/her designee, believes that taking such action could alleviate a potential backlog of unexecuted orders where an option class is experiencing a large influx of orders. It has allowed the Exchange to react more quickly and efficiently to potential backlog situations. However, CBOE rules do not currently allow the Chairman to decrease the contract size limit for orders eligible for entry into RAES (an ability that the FPC maintains pursuant to CBOE Rule 6.8(e)).

The Exchange now proposes to amend its rules to allow the Chairman of the appropriate FPC, or the Chairman's designee, to exercise the authority of the FPC to *decrease* the size of orders eligible for entry into RAES for equity option classes during unusual market conditions.

Exchange Rule 6.8(a)(i) states, "the appropriate Floor Procedure Committee shall determine the size of orders eligible for entry into RAES." Paragraph (e) of CBOE Rule 6.8 states that "[e]ligible orders must be for fifty or fewer contracts on series placed on the system * * *. The appropriate FPC, in its discretion, may determine to restrict the size and kind of eligible orders, including but not limited to, lowering contract limits." The FPCs, particularly the Equity Floor Procedure Committee ("EFPC"), have discovered through experience in overseeing the operation of RAES, that it is sometimes necessary to temporarily reduce the eligible order size levels (which are amounts that the Exchange has been aggressively increasing in recent years) in situations where unusual market conditions exist.

However, the decision to decrease the RAES eligible order size to address these unusual market situations must be made quickly to be effective. Because the EFPC commonly consists of twenty or more members who conduct business in all parts of the floor, it is not practicable to provide notice to all the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 40736 (December 1, 1998), 63 FR 68323 (December 10, 1998) (File No. SR-CBOE-98-37).