

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.*

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**BILLING CODE 8010-01-M**

## 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.*

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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")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> 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.<sup>3</sup> 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.<sup>4</sup> 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

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

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

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

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