

the Series H Refunding Bonds and pay a related fee.

Eastern Enterprises (70-9195)

Eastern Enterprises ("Eastern"), 9 Riverside Road, Weston, Massachusetts 02139, a public utility holding company exempt by order under section 3(a)(1) of the Act has filed an application under sections 3(a)(1), 9(a)(2) and 10 of the Act.

Eastern proposes to acquire all of the issued and outstanding voting securities of Essex County Gas Company ("Essex"), a gas public utility company. To accomplish the acquisition, Eastern and Essex have entered into an Agreement and Plan of Merger, dated as of December 19, 1997 ("Agreement"). The Agreement provides, among other things, that a special purpose subsidiary of Eastern ("NEWCO") will merge with and into Essex. Shares of NEWCO will be converted into shares of new common stock of Essex, which will become a wholly owned subsidiary of Eastern. Each outstanding share of Essex will be converted into 1.183985 shares of Eastern common stock, subject to adjustment under certain circumstances based on the average market price for a specified period prior to closing. The stockholders of Essex will become stockholders of Eastern. Outstanding debt securities of Essex will not be affected and will remain outstanding on the same terms and conditions.

The trustees of Eastern approved the merger at a meeting held on December 12, 1997. No approval of Eastern's shareholders is required. The board of directors of Essex approved the merger at a meeting held on December 19, 1997. The shareholders of Essex voted to approve the Merger at a meeting held on June 24, 1998.

Eastern's sole utility subsidiary, Boston Gas Company ("Boston Gas"), serves approximately 530,000 gas retail customers, all in Massachusetts.¹ Essex serves approximately 42,000 gas retail customers entirely in eastern Massachusetts. The service territories of Eastern and Essex are contiguous. Eastern's net earnings for the twelve months ended December 31, 1997 were \$51,950,000 on revenues of \$970,204,000. Eastern's nonutility subsidiaries contributed \$269,259,000, approximately 27.8% of total revenues during this period. Essex's net earnings for the twelve months ended August 31, 1997, were \$3,966,519 on revenues of \$53,534,734, substantially all of which

were provided by its utility operations. Both Eastern and Essex are subject to the retail ratemaking jurisdiction of the Massachusetts Department of Telecommunications and Energy.

Eastern has several direct nonutility subsidiaries. These include: Midland Enterprises Inc. ("Midland"), AllEnergy Marketing Company, Inc., AMR Data Corporation, Boston Gas Services, Inc., Eastern Associated Capital Corp., Eastern Associated Securities Corp., Eastern Energy Systems Corp., Eastern Enterprises Foundation, Eastern Rivermoor Company, Inc., Eastern Urban Services, Inc., Mystic Steamship Corporation, PCC Land Company, Inc., Philadelphia Coke Co., Inc., ServiceEdge Partners, Inc., Water Products Group Incorporated, and Western Associated Energy Corp.² Midland and its subsidiaries³ are engaged in river barge transportation services and related support activities. The other nonutility subsidiaries are engaged in investment activities, real estate activities, installing and servicing HVAC equipment, automated meter reading services, and ownership of liquid natural gas storage facilities.

Essex has two nonutility subsidiaries, LNG Storage, Inc. ("LNG") and Northern Energy Company, Inc. ("Northern"). LNG owns a liquid natural gas storage facility. Northern is inactive.

In addition, Eastern requests an order granting it an exemption under section 3(a)(1) of the Act following the Merger. Eastern asserts that upon consummation of Merger, Eastern will continue to satisfy the requirements for an exemption under section 3(a)(1). Eastern states that it and its public utility subsidiaries, currently are, and will continue to be, predominately intrastate in character and will continue to carry on their businesses substantially in Massachusetts.

² AllEnergy Marketing Company, Inc., Boston Gas Services, Inc., Eastern Energy Systems Corp., Eastern Urban Services, Inc., Mystic Steamship Corporation, Philadelphia Coke Co., Inc., Water Products Group Incorporated, and Western Associated Energy Corp. are inactive.

³ Midland's subsidiaries include: Capital Marine Supply, Inc., Chotin Transportation, Inc., Eastern Associated Terminals Company, Federal Barge Lines, Inc., Hartley Marine Corp., Minnesota Harbor Service, Inc., The Ohio River Company, The Ohio River Company Traffic Division, Inc., The Ohio River Terminals Company, Orgulf Transport Co., Orsouth Transport Co., Port Allen Marine Service, Inc., Red Circle Transport Co., River Fleets, Inc., and West Virginia Terminals, Inc. Federal Barge Lines, Inc. is inactive. Midland and its active subsidiaries are engaged in river barge transportation services and related support activities.

Midlands also has an inactive nonutility subsidiary, Federal Barge Lines, Inc.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98-18293 Filed 7-9-98; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. PA-25; File No. S7-21-98]

Privacy Act of 1974: Establishment of Three New Systems of Records: Ridesharing System (SEC-44); Public Transportation Subsidy Program (SEC-45); and Identification Cards, Press Passes, and Proximity Access Control Cards (SEC-46)

AGENCY: Securities and Exchange Commission.

ACTION: Notice of the establishment of three new systems of records.

SUMMARY: In accordance with the requirements of the Privacy Act of 1974, as amended, 5 U.S.C. 552a, the Securities and Exchange Commission (SEC) gives notice of the establishment of three new Privacy Act systems of records: Ridesharing System (SEC-44); Public Transportation Subsidy Program (SEC-45); and Identification Cards, Press Passes, and Proximity Access Control Cards (SEC-46).

DATES: The proposed change will become effective August 19, 1998, unless further notice is given. The Commission will publish a new notice if the effective date is delayed to review comments, or if changes are made based on comments received. To be assured of consideration, comments must be received by the contact person below on or before August 10, 1998.

ADDRESSES: Persons wishing to submit comments should file three (3) copies thereof with Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Reference should be made to File No. [S7-21-98]. Copies of the comments will be available for public inspection and copying at the SEC's Public Reference Room, 450 Fifth Street, NW., Washington, DC 20549.

FOR FURTHER INFORMATION CONTACT: Hannah R. Hall, Privacy Act Officer (202) 942-4320, Office of Filings and Information Services, Freedom of Information Act and Privacy Act Operations, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Mail Stop O-5, Alexandria, VA 22312-2413.

¹ Boston Gas has an active wholly owned nonutility subsidiary, Massachusetts LNG Incorporated, which holds title to a liquid natural gas storage facility.

SUPPLEMENTARY INFORMATION: The SEC gives notice of the establishment of three new systems of records entitled the Ridesharing System (SEC-44); Public Transportation Subsidy Program (SEC-45); and Identification Cards, Press Passes, and Proximity Access Control Cards (SEC-46).

The SEC is establishing SEC-44 to administer its ridesharing program for those SEC employees who participate in a vanpool or carpool. The ridesharing system allows SEC employees who participate in a vanpool or carpool for equitable parking based on established criteria.

The SEC is establishing SEC-45 to administer its subsidy program for those SEC employees who use public transportation. The SEC's public transportation subsidy program was designed to reduce transportation to work by private conveyance and to increase the use of public transportation—thus reducing traffic congestion, energy consumption, and vehicular pollution. Generally, the subsidy is issued in a manner that is not readily transferable into cash. At the SEC Headquarters, the subsidy is distributed on a bimonthly basis whereas in the field offices, the method or period for distributing the subsidy is left to the discretion of each Regional Director and District Administrator.

The SEC is establishing SEC-46 to administer its Identification Cards, Press Passes, and Proximity Access Control Cards program for those SEC employees, members of the press, contractors, and consultants, who require access to SEC facilities. The SEC's identification card program was designed to facilitate access to SEC facilities and to exit the same.

The new systems of records reports, as required by 5 U.S.C. 552a(r) of the Privacy Act, have been submitted to the Committee on Government Operations of the House of Representatives, the Committee on Government Affairs of the Senate, and the Office of Management and Budget, pursuant to Appendix I to OMB Circular A-130, "Federal Agency Responsibilities for Maintaining Records About Individuals," as amended on February 20, 1996 (61 FR 6428, 6435).

Accordingly, the SEC proposes to establish the following systems of records.

SEC-44

SYSTEM NAME:

Ridesharing System.

SYSTEM LOCATION:

Securities and Exchange Commission, Operations Center, Office of

Administrative and Personnel Management, 6432 General Green Way, Mail Stop O-1, Alexandria, VA 22312-2413.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

SEC employees who participate in a vanpool or carpool and apply for parking permits.

CATEGORIES OF RECORDS IN THE SYSTEM:

Records include SEC Form 2421 (Official Parking Application). Records contain the employee's name, home address, SEC telephone number, and vehicle make, model, year, tag number, and state.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

Exec. Order 12191; 41 CFR 101-6.3; 41 CFR 101-20.104; and 41 CFR 101-20.104-1 through 4, and 42 U.S.C. 13201.

PURPOSE:

The system is primarily designed to encourage the formulation of carpools or vanpools, as a means to conserve petroleum, reduce congestion, and improve air quality; and to provide equitable parking based upon established criteria.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSE OF SUCH USES:

No routine use disclosures have been established for these records. The records and information contained in these records will not be disclosed outside the SEC, unless mandated by law. See Conditions of Disclosure to Third Parties, 5 U.S.C. 552a(b).

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING, AND DISPOSING OF RECORDS IN THE SYSTEM:

RETRIEVABILITY:

Electronic records may be searched and retrieved by the employee's name or parking permit number. Paper records are retrieved by the parking permit number only.

SAFEGUARDS:

Paper records are placed in a locked file cabinet, and the data which is extracted from these paper records is keyed into a computer database, safeguarded by restricted passwords.

RETENTION AND DISPOSAL:

Records are maintained on one form and in a computer database. Documentation (paper and electronic records) is kept for two years then destroyed.

SYSTEM MANAGER(S) AND ADDRESS:

Office of Administrative and Personnel Management, Operations

Center, Securities and Exchange Commission, 6432 General Green Way, Mail Stop O-1, Alexandria, VA 22312-2413.

NOTIFICATION PROCEDURE:

All requests to determine whether this system of records contains a record pertaining to the requesting individual may be directed to the Privacy Act Officer, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Mail Stop O-5, Alexandria, VA 22312-2413.

RECORD ACCESS PROCEDURES:

Persons wishing to obtain information on the procedures for gaining access to or contesting the contents of this record may contact the Privacy Act Officer, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Mail Stop O-5, Alexandria, VA 22312-2413.

CONTESTING RECORDS PROCEDURES:

See record access procedures above.

RECORD SOURCE CATEGORIES:

Information is provided by SEC employees, who have applied for parking, and by the issuing official.

EXEMPTIONS CLAIMED FOR THE SYSTEM:

None.

SEC-45

SYSTEM NAME:

Public Transportation Subsidy Program.

SYSTEM LOCATION:

Securities and Exchange Commission, Operations Center, Office of Administrative and Personnel Management, 6432 General Green Way, Mail Stop O-1, Alexandria, VA 22312-2413. SEC Regional and District Offices are as follows: Central Regional Office, 1801 California Street, Suite 4800, Denver, CO 80202-2648; Midwest Regional Office, 500 West Madison Street, Suite 1400, Chicago, IL 60661-2511; Northeast Regional Office, 7 World Trade Center, Suite 1300, New York, NY 10048; Southeast Regional Office, 1401 Brickell Avenue, Suite 200, Miami, FL 33131; Atlanta District Office, 3475 Lenox Road, N.E., Suite 1000, Atlanta, GA 30326-1232; Boston District Office, 73 Tremont Street, Suite 600, Boston, MA 02108-3812; Fort Worth District Office, 801 Cherry Street, 19th Floor, Fort Worth, TX 76102; Philadelphia District Office, The Curtis Center, Suite 1005 East, 601 Walnut Street, Philadelphia, PA 19106-3322; San Francisco District Office, 44 Montgomery Street, Suite 1100, San

San Francisco, CA 94104; and Salt Lake District Office, 50 South Main Street, Suite 500, Salt Lake City, UT 84144-0402.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

SEC employees who use public transportation.

CATEGORIES OF RECORDS IN THE SYSTEM:

Records include the employee's name, date of hire, social security number, organization, grade, and date of annual certification.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

Exec. Order 12191; Pub. L. 101-509, Section 629; Pub. L. 103-172; 26 CFR 1.132-6; and 42 U.S.C. 13201.

PURPOSE:

The system is primarily designed to encourage employees to use public transportation as a means to conserve petroleum, reduce congestion, and improve air quality.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSE OF SUCH USES.

The information contained in these records are used as follows:

1. To the appropriate personnel for periodic review of revalidation for subsidy;
2. To the Office of Inspector General for investigating allegations of abuse, should they occur;
3. To the appropriate Federal, State, or local agency responsible for investigating, prosecuting, enforcing, or implementing a statute, rule, regulation, or order where the SEC becomes aware of an indication of a violation or potential violation of civil or criminal law or regulation; and
4. To another Federal agency or to a court when the Government is party to a judicial proceeding before the court.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING, AND DISPOSING OF RECORDS IN THE SYSTEM:

RETRIEVABILITY:

Records are maintained alphabetically and retrieved by the employee's name.

SAFEGUARDS:

Computerized records are safeguarded by restricted passwords and the paper records are locked in file cabinets.

RETENTION AND DISPOSAL:

Records in either paper or electronic form may include applications, certification logs, vouchers, and spreadsheets, used to document the disbursement of transportation subsidies. These records are destroyed

after three years under the National Archives and Records Administration's *General Records Schedule* No. 9, Item 7.

SYSTEM MANAGER(S) AND ADDRESS:

Office of Administrative and Personnel Management, Operations Center, Securities and Exchange Commission, 6432 General Green Way, Mail Stop O-1, Alexandria, VA 22312-2413. SEC Regional and District Offices are as follows: Central Regional Office, 1801 California Street, Suite 4800, Denver, CO 80202-2648; Midwest Regional Office, 500 West Madison Street, Suite 1400, Chicago, IL 60661-2511; Northeast Regional Office, 7 World Trade Center, Suite 1300, New York, NY 10048; Southeast Regional Office, 1401 Brickell Avenue, Suite 200, Miami, FL 33131; Atlanta District Office, 3475 Lenox Road, N.E., Suite 1000, Atlanta, GA 30326-1232; Boston District Office, 73 Tremont Street, Suite 600, Boston, MA 02108-3812; Fort Worth District Office, 801 Cherry Street, 19th Floor, Fort Worth, TX 76102; Philadelphia District Office, The Curtis Center, Suite 1005 East, 601 Walnut Street, Philadelphia, PA 19106-3322; San Francisco District Office, 44 Montgomery Street, Suite 1100, San Francisco, CA 94104; and Salt Lake District Office, 50 South Main Street, Suite 500, Salt Lake City, UT 84144-0402.

NOTIFICATION PROCEDURE:

All requests to determine whether this system of records contains a record pertaining to the requesting individual may be directed to the Privacy Act Officer, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Mail Stop O-5, Alexandria, VA 22312-2413.

RECORD ACCESS PROCEDURES:

Persons wishing to obtain information on the procedures for gaining access to or contesting the contents of this record may contact the Privacy Act Officer, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Mail Stop O-5, Alexandria, VA 22312-2413.

CONTESTING RECORDS PROCEDURES:

See record access procedures above.

RECORD SOURCE CATEGORIES:

Records include SEC Form 2344, Return/Termination of Public Transportation Subsidy; SEC Form 2316, Employee Certification for Public Transportation Subsidy; SEC Form 2317, Receipt for Public Transportation Subsidy; SEC Form 2318, Disbursing Agents, Voucher; and SEC Form 2407,

Authorization for Third-Party Receipt of Public Transportation Subsidy.

EXEMPTIONS CLAIMED FOR THE SYSTEM:

None.

SEC-46

SYSTEM NAME:

Identification Cards, Press Passes, and Proximity Access Control Cards.

SYSTEM LOCATION:

Securities and Exchange Commission, Operations Center, Office of Administrative and Personnel Management, 6432 General Green Way, Mail Stop O-1, Alexandria, VA 22312-2413.

CATEGORIES AND INDIVIDUALS COVERED BY THE SYSTEM:

SEC employees, members of the press, contractors, and consultants who require access to SEC facilities.

CATEGORIES OF RECORDS IN THE SYSTEM:

Records include SEC Form 980, Regular Identification Card (name, date of birth, weight, height, color of hair and eyes, employee identification number, and date of expiration); SEC Form 980A, Day Pass (date, name, organization, and authorized by); SEC Form 990, Special Credential (signature of employee and card number); SEC Form 2354, Temporary Pass (date of expiration and control number); SEC Form 2355, Contractor and Consultant Pass (name, issuing officer, control number, identification number, date of issue, expiration date, date of birth, color of hair and eyes, height, weight, and assignment); SEC Form 2264, Permanent (Resident) Press Pass (name, organization, control number, and date of expiration); SEC Form 2265, Temporary (Non-Resident) Press Pass (name, organization, control number, and date of expiration); SEC Form 725, Identification/Access Control Card Worksheet (various personal characteristics); and Proximity Access Control Card (name, clearance(s), company and division).

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

The Federal Property and Administrative Services Act of 1949 (63 Stat. 377), as amended.

PURPOSE:

This system was primarily designed to permit access to SEC facilities by SEC employees, members of the press, contractors and consultants.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSE OF SUCH USES.

These records and information contained in these records are used as follows:

1. To the appropriate Federal, State or local agency responsible for investigating, prosecuting, enforcing, or implementing a statute, rule, regulation, or order, where the SEC becomes aware of an indication of a violation or potential violation of civil or criminal law or regulation;
2. To another Federal agency or to a court when the Government is party to a judicial proceeding before the court;
3. To a Federal, State, or local agency, in response to its requests, in connection with the hiring or retention of an employee, the issuance of a security clearance, or the conducting of a security or background investigation of an individual, to the extent that the information is relevant and necessary to the requesting agency; and
4. To the Office of Inspector General for investigating allegations of abuse, should they occur.

Policies and practices for storing, retrieving, accessing, retaining, and disposing of records in the system:

Retrievability:

By use of a database, records may be retrieved by the employee's name and identification number.

Safeguards:

Records are safeguarded by restricted computer passwords, locked file cabinets, and safes.

Retention and disposal:

Records are maintained in a computerized database and paper. Electronic records, identification cards, and passes are destroyed three months after expiration, revocation, or return to issuing office, as provided in the National Archives and Records Administration's *General Records Schedule* No. 11, Item 4.

System manager(s) and address:

Office of Administrative and Personnel Management, Operations Center, Securities and Exchange Commission, 6432 General Green Way, Mail Stop O-1, Alexandria, VA 22312-2413.

Notification procedure:

All requests to determine whether this system of records contains a record pertaining to the requesting individual may be directed to the Privacy Act Officer, Securities and Exchange Commission, Operations Center, 6432

General Green Way, Mail Stop O-5, Alexandria, VA 22312-2413.

Records access procedures:

persons wishing to obtain information on the procedures for gaining access to or contesting the contents of this record may contact the Privacy Act Officer, Securities and Exchange Commission, Operations Center, 6412 General Green Way, Mail Stop O-5, Alexandria, VA 22312-2413.

Contesting records procedures:

See record access procedures above.

Record source categories:

Information is provided by the SEC employee, contractor, consultant, or press member being issued the identification card and by the issuing official.

Exemptions claimed for the system:

None.

Dated: July 2, 1998.

By the Commission.

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 98-18298 Filed 7-9-98; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40157; File No. SR-Amex-96-44]

Self-Regulatory Organizations; Order Granting Approval of a Proposed Rule Change and Notice of Filing and Order Granting Accelerated Approval of Amendment Nos. 3, 4, 5 and 6 to the Proposed Rule Change by the American Stock Exchange, Inc. Relating to the Listing and Trading of Options on Exchange-Traded Fund Shares

July 1, 1998.

I. Introduction

On November 21, 1996, the American Stock Exchange, Inc. ("Amex" or "Exchange"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² filed with the Securities and Exchange Commission ("SEC" or "Commission") a proposed rule change to list and trade options on securities representing interests in open-end, exchange-listed investment companies that hold securities constituting or based on an index or portfolio of securities ("Exchange-Traded Fund

Shares" or "Fund Shares"). The Exchange filed Amendment Nos. 1 and 2 to the proposal on January 16, 1997, and February 19, 1997, respectively.³ Notice of the proposal, and Amendment Nos. 1 and 2 appeared in the **Federal Register** on February 25, 1997.⁴ No comment letters were received on the proposed rule change. On January 7, 1998, the Amex filed Amendment No. 3 to the proposed rule change.⁵

Among other things, Amendment No. 3 revises the proposal to permit the Amex to trade FLEX Equity options on Fund Shares. On March 12, 1998, the Amex filed Amendment No. 4 to the proposal⁶ and on April 28, 1998, the Exchange filed Amendment No. 5.⁷ Finally, on June 19, 1998, the Exchange filed Amendment No. 6 to the proposed rule change.⁸ This order approves the

³ Amendment Nos. 1 and 2 have been replaced and superseded by Amendment No. 5.

⁴ See Securities Exchange Act Release No. 38308 (February 19, 1997), 62 FR 8467.

⁵ See Letter from Claire P. McGrath, Vice President & Senior Counsel, Amex, to Sharon Lawson, Senior Special Counsel, Office of Market Supervision ("OMS"), Division of Market Regulation ("Division"), dated January 6, 1998 ("Amendment No. 3"). Amendment No. 3 makes a number of changes to the proposal which are discussed herein.

⁶ See Letter from Claire P. McGrath, Vice President and Special Counsel, Amex, to Sharon Lawson, Senior Special Counsel, OMS, Division, Commission, dated March 11, 1998 ("Amendment No. 4"). Amendment No. 4 provides that options on Fund Shares can either meet the uniform options listing standards set forth in Rule 915 and commentary .01 thereunder or meet the criteria set forth in proposed commentary .06 to Rule 915. The portion of Amendment No. 4 that addresses comprehensive surveillance sharing agreements with regard to non-U.S. stocks in the index or portfolio on which the fund shares are based has been replaced and superseded by Amendment No. 5.

⁷ See Letter from Claire P. McGrath, Vice President and Special Counsel, Amex, to Sharon Lawson, Senior Special Counsel, OMS, Division, Commission, dated April 27, 1998 ("Amendment No. 5"). In Amendment No. 5 the Amex proposes the following surveillance sharing standard: (1) that any Fund Share with non-U.S. stocks in the underlying index or portfolio that are not subject to comprehensive surveillance sharing agreements do not in the aggregate represent more than 50% of the weight of the index or portfolio; (2) stocks for which the primary market is in anyone country that is not subject to a comprehensive surveillance agreement do not represent 20% or more of the weight of the index; and (3) stocks for which the primary market is in any two countries that are not subject to comprehensive agreements do not represent 33% or more of the weight of the index. Amendment No. 5 supersedes and replaces Amendment Nos. 1 & 2, and the portion of Amendment No. 4 that addresses surveillance sharing.

⁸ See Letter from Claire P. McGrath, Vice President and Special Counsel, Amex, to Sharon Lawson, Senior Special Counsel, OMS, Division, Commission, dated June 19, 1998 ("Amendment No. 6"). In Amendment No. 6 the Exchange clarifies that Fund Shares that hold securities based upon a narrow-based index or portfolio must have options margin that equals at least 100% of the current market value of the contracts plus 20% of the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.