

the Fund Managers comply with the relevant Fund's investment objectives, policies and restrictions.

4. At all times, a majority of the Board will be persons who are not "interested persons," within the meaning of section 2(a)(19) of the Act, of the Fund ("Independent Trustees"), and the nomination of new or additional Independent Trustees will be at the discretion of the then existing Independent Trustees.

5. The Adviser will not enter into a Fund Manager's Agreement with any Affiliated Manager without that agreement, including the compensation to be paid thereunder, being approved by the shareholders of the applicable Fund.

6. When a Fund Manager change is proposed for a Fund with an Affiliated Manager, the Board, including a majority of the Independent Trustees, will make a separate finding, reflected in the Board minutes, that the change is in the best interests of the Fund and its shareholders and does not involve a conflict of interest from which the Adviser or the Affiliated Fund Manager derives an appropriate advantage.

7. No director, trustee or officer of the Funds or director or officer of the Adviser will own directly or indirectly (other than through a pooled investment vehicle over which such persons do not have control) any interest in any Fund Manager except for: (i) ownership of interests in the Adviser or any entity that controls, is controlled by, or is under common control with the Adviser, or (ii) ownership of less than 1% of the outstanding securities of any class of equity or debt of a publicly-traded company that is either a Fund Manager or an entity that controls, is controlled by, or is under common control with a Fund Manager.

8. Within 90 days of the hiring of any new Fund Manager, shareholders will be furnished all information about the new Fund Manager or Fund Manager Agreement that would be included in a proxy statement, including any change in the disclosure caused by the addition of a new Fund Manager. The information will include disclosure as to the level of fees to be paid to the Adviser and each Fund Manager. Each Fund will meet this condition by providing shareholders, within 90 days of the hiring of a Fund Manager, with an information statement meeting the requirements of Regulation 14C and Schedule 14C under the Securities Exchange Act of 1934 ("Exchange Act"). The information statement also will meet the requirements of Item 22 of Schedule 14A under the Exchange Act.

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

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40791; File No. SR-OPRA-98-03]

Options Price Reporting Authority; Notice of Filing and Immediate Effectiveness of Amendment to OPRA Plan Revising Certain of Its Facilities and Access Fees

December 15, 1998.

Pursuant to Rule 11Aa3-2 under the Securities Exchange Act of 1934 ("Exchange Act"), notice is hereby given that on December 7, 1998, the Options Price Reporting Authority ("OPRA"),¹ submitted to the Securities and Exchange Commission ("SEC" or "Commission") and amendment to the Plan for Reporting of Consolidated Options Last Sale Reports and Quotation Information ("Plan"). The amendment revises certain of the fees payable to OPRA by professional and nonprofessional subscribers and vendors for access to OPRA's Basic Service. OPRA has designated this proposal as concerned solely with establishing or changing a fee or other charge collected on behalf of all of the OPRA participants in connection with access to or use of OPRA facilities, permitting the proposal to become effective upon filing pursuant to Rule 11Aa3-2(c)(3)(i) under the Exchange Act.² The Commission is publishing this notice to solicit comments from interested persons on the proposed amendment.

I. Description and Purpose of the Amendment

The purpose of the amendment is to revise certain of the fees payable to OPRA by professional and nonprofessional subscribers and

vendors for access to OPRA's Basic Service, which consists of market data and related information pertaining to equity and index options ("OPRA Data").³ The revisions reflect modest increases in the professional and nonprofessional subscriber fees and certain port-based vendor fees, and decreases in the redistribution fee and in various usage-based vendor fees that are alternatives to port-based fees.

Specifically, OPRA is proposing to increase the nonprofessional subscriber fee from a flat monthly rate of \$2.00 to \$2.50. OPRA is also proposing to increase device-based professional subscriber fees by varying amounts, and to increase the enterprise rate professional subscriber fee payable by the largest subscribers (those with more than 20,000 registered representatives) from \$7.50 to \$10.00 per registered representative. Professional subscribers are those persons who subscribe to OPRA Data and do not qualify for the reduced fees charged to nonprofessional subscribers. The enterprise rate is available to professional subscribers as an alternative to device-based fees. The change in the enterprise rate for the largest subscribers will bring that fee for those subscribers to the same level that currently applies to subscribers with 20,000 or fewer registered representatives. Concurrently with this revision, the coverage of the enterprise rate will be extended to all of a subscriber's locations worldwide at no added cost for subscribers with at least 7,000 U.S. registered representatives. (Previously, the enterprise rate covered U.S. locations only.)

In proposing an increase of the professional subscriber fee, this amendment represents the fourth stage of a four-year fee revision program that was first described in 1995. Like the first three stages, this amendment is intended to increase OPRA revenues derived from device-based subscriber fees in order to permit a greater share of the costs of collecting, consolidating, processing and transmitting options market information to be covered by professional subscriber fees. Subscriber fees charged to members will continue to be discounted by 2% for members who preauthorize payment by electronic funds transfer through an automated clearinghouse system. OPRA estimates that these fee revisions will increase revenues derived from device-based professional subscriber fees by approximately 7.6%.

³Proposed revisions to fees charged to subscribers for access to information pertaining to foreign currency options provided through OPRA's FCO Service are being proposed in a separate filing. See File No. SR-OPRA-98-4.

¹ OPRA is a National Market System Plan approved by the Commission pursuant to Section 11A of the Exchange Act and Rule 11Aa3-2 thereunder. Securities Exchange Act Release No. 17638 (Mar. 18, 1981).

The Plan provides for the collection and dissemination of last sale and quotation information on options that are traded on the member exchanges. The five exchanges which agreed to the OPRA Plan are the American Stock Exchange ("AMEX"); the Chicago Board Options Exchange ("CBOE"); the New York Stock Exchange ("NYSE"); the Pacific Exchange ("PCX"); and the Philadelphia Stock Exchange ("PHLX").

² 17 CFR 240.11Aa3-2(c)(3)(i).

In addition, reflecting the increased utilization of the Internet as a distribution channel, OPRA is proposing to reduce the monthly \$1,500 Redistribution Fee payable by redistributors of OPRA data to a monthly fee of \$600 payable by those redistributors who utilize the Internet as their exclusive means of redistribution. By lowering this fee, OPRA hopes to encourage new entrants into the business of offering an Internet-based options market data service, thereby increasing the availability of such data at lower cost.

OPRA is proposing to increase the monthly port charge payable by providers of a dialup market data service from \$50 to \$75 per port. OPRA is also proposing to replace the monthly fee of \$5.00 per port payable by providers of a synthetic voice service with the regular device-based professional subscriber fee, treating each port as a separate device for purposes of the fee. At the same time, OPRA is proposing to reduce the usage-based fees that may be elected as alternatives to both of these port-based fees as well as to the device-based radio paging service fee. This will result in all three usage-based fees declining from a flat rate of \$.02 per "quote packet" (consisting of any one or more of the last sale price, the bid/ask and related information for a single series of options) to a tiered rate, under which the fee will remain at \$.02 per quote packet for the first two million quote packets in a single month, will decline to \$.015 for each of the next two million quote packets in the same month, and will decline further to \$.01 for each quote packet in excess of four million in the same month. The increase in port-based fees reflects recent developments in computer technology that now permit a single port to serve a greater number of simultaneous inquiries than when these port-based fees were first established. The reduction in usage-based fees reflects OPRA's effort to encourage greater utilization of this type of fee, which in the long run, as improved technology continues to erode the traditional "port" concept, will provide the most reasonable way to allocate OPRA's charges to persons who make use of the services to which these fees apply. In addition to reducing the level of the three usage-based fees as described above, OPRA is also proposing to enlarge the category of "historical" information inquiries, which are not taken into account in calculating usage-based fees. Currently, information derived from a given trading day becomes "historical," and

thus no longer fee-liable, upon the opening of trading on the next succeeding trading day. As proposed to be revised, information would become "historical" for purposes of usage-based fees after the close of trading on the same day in which the information was derived.

To the extent the proposed fee revisions are anticipated to result in increased net revenues from information fees, OPRA is proposing them in response to actual and anticipated increases in the costs of collecting, processing, consolidating, and disseminating options last sale and bid/ask information. This, in turn, reflects the continued enhancement and enlargement of systems and equipment necessary to provide the greater capacity and enhanced reliability and security of the OPRA system occasioned by the continuing expansion of the listed options business.

II. Solicitation of Comments

Pursuant to Rule 11Aa3-2(c)(3),⁴ because the amendment is concerned solely with changing fees charged on behalf of OPRA, the amendment is effective upon filing with the Commission. The Commission may summarily abrogate the amendment within 60 days of its filing and require refiling and approval of the amendment by Commission order pursuant to Rule 11Aa3-2(c)(2),⁵ if it appears to the Commission that such action is necessary or appropriate in the public interest; for the protection of investors and the maintenance of fair and orderly markets; to remove impediments to, and perfect the mechanisms of, a National Market System; or otherwise in furtherance of the purposes of the Exchange Act.

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed plan amendment is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of the submission, all subsequent amendments, and all written statements with respect to the proposed plan amendment that are filed with the Commission, and all written communications relating to the proposed plan amendment between the Commission and any person, other than those 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 the filing will also be available at the principal offices of OPRA. All submissions should refer to File No. SR-OPRA-98-03 and should be submitted by January 12, 1999.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁶

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40794; File No. SR-CBOE-98-49]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Chicago Board Options Exchange, Incorporated Related to Trading and Listing Options on the Dow Jones Equity REIT Index

December 15, 1998.

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 November 5, 1998 the Chicago Board Options Exchange, Incorporated ("CBOE" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") a 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 Exchange proposes to amend certain of its rules to provide for the listing and trading of options on the Dow Jones Equity Real Estate Investment Trust Index ("Index"), a broad-based index. Options on the Index will be cash-settled and will have European-style exercise provisions. The text of the proposed rule change is available at the Office of the Secretary, CBOE and at the Commission.

⁶ 17 CFR 200.30-3(a)(29).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

⁴ 17 CFR 240.11Aa3-2.

⁵ 17 CFR 240.11Aa3-2(c)(2).