

Option class	Market-maker surcharge (per contract)	Order book of- ficial broker- age rate (per contract) ⁴
Amerisource Health (AAS)	0.10	0.00
Finish Line Inc	0.15	0.00
Kemet Corporation (KQE)	0.20	0.00
Florida Panthers (PAW)	0.15	0.00
Pegasus Systems (PUG)	0.15	0.00
Lucent Technologies (LU)	0.12	0.00
NCR Corp.	0.12	0.00
HMT Technology (HTQ)	0.12	0.00
Estee Lauder (EL)	0.09	0.00
iMall Incorporated (IUM) **	0.10	0.00

These fees will be effective as of June 1, 1999, except for the surcharge and change in the Order Book Official brokerage fee for iMall Incorporated (which is a newly listed class) which went into effect on May 27, 1999. All of the fees will remain in effect until such time as the Committee or the Board determines to change these fees and files the appropriate rule change with the Commission.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with Section 6(b)(4) ⁵ of the Act because it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its members.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose 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 on the proposed rule change were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change establishes or changes a due, fee, or other charge imposed by the Exchange and, therefore, has become effective pursuant to Section 19(b)(3)(A)(ii) ⁶ and subparagraph (f)(2) of Rule 19b-4 thereunder. ⁷ At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such 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. ⁸

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether 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, DC 20549-0609. 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 at the Commission's Public Reference Room. Copies of such filing also will be available for inspection and copying at the principal office of the CBOE. All submissions should refer to File No. SR-CBOE-99-22 and should be submitted by July 2, 1999.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority. ⁹

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-41476; File No. SR-DTC-99-13]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to DTC's Enhancement of its Repo Tracking System

June 4, 1999.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), ¹ notice is hereby given that on May 19, 1999, The Depository Trust Company ("DTC") 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 primarily by DTC. 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 proposed rule change enhances DTC's Repo Tracking System ("RTS") ² to enable participants to use a new participant terminal system ("PTS") function to cancel principal and income ("P&I") distributions that result from RTS tracking.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, DTC 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

⁵ 15 U.S.C. 78f(b)(4).

⁶ 15 U.S.C. 78s(b)(3)(A)(ii).

⁷ 17 CFR 240.19b-4(f)(2).

⁸ In reviewing this proposal, the Commission has considered the proposal's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² For a detailed description of RTS, refer to Securities Exchange Act Release No. 28765 (January 10, 1991), 56 FR 1832.

in Item IV below. DTC has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.³

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

The purpose of the proposed rule change is to provide participants with additional flexibility in their use of RTS. Under RTS, a participant that has purchased a security ("repo buyer") is obligated to make payments on future P&I distributions, other than the final distribution, to the participant recorded in RTS as the seller of the security ("repo seller"). At issue is the concern for a P&I distribution which includes a principal payment large enough to significantly affect the value of the securities. In such cases, RTS tracking of the distribution might expose the repo buyer to significant credit risk until a related "mark-to-market" payment is received from the repo seller.

To control this risk, DTC's current procedures permit the repo buyer to unilaterally cancel a particular P&I payment through RTS at the participant level by submitting a hard copy letter of instruction to DTC by 11:30 a.m. (ET) on the distribution payment date. The rule change provides a PTS function, called PIAR (Principal and Income Adjustments resulting from Repurchase agreements), to submit instructions to cancel a P&I payment, and thus eliminate the need to submit a hard copy letter of instruction.⁴ Participants will be charged the current \$.09 PTS inquiry fee for each PIAR PTS inquiry and the same \$.31 fee currently charged for RTS adjustments for each credit or debit adjustment that results from a PIAR entry.

Under the rule change, participants will be able to use the new PIAR PTS function to review and cancel P&I payments resulting from RTS tracking. The PIAR function will allow repo buyers to cancel P&I payments scheduled to be credited to the repo seller on payable date and it will also allow participants to view all of their repo P&I payments, both as repo buyer and repo seller, for the current day.

DTC believes that the proposed rule change is consistent with Section

17A(b)(3)(A) of the Act⁵ and the rules and regulations thereunder because the proposed rule change will give participants greater flexibility in controlling risk without substantially changing the current operation of RTS.

B. Self-Regulatory Organization's Statement on Burden on Competition

DTC perceives no adverse impact on competition by reason of the proposed rule change.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

The proposed rule change was developed in response to an ongoing effort by The Bond Market Association to address industry concerns regarding potential credit exposure as a result of principal paydowns. The proposed rule change has been developed through discussions with several participants. Written comments from DTC participants or others have not been solicited or received on the proposed rule change.

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 Act⁶ and pursuant to Rule 19b-4(f)(1)⁷ promulgated thereunder because the proposal constitutes a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule. At any time within sixty days of the filing of such rule change, the Commission may summarily abrogate such 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 whether 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, DC 20549-0609. 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 Section, 450 Fifth Street, NW, Washington, DC 20549. Copies of such filing also will be available for inspection and copying at the principal office of DTC.

All submissions should refer to File No. SR-DTC-99-13 and should be submitted by July 2, 1999.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁸

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-41478; File No. SR-NSCC-99-06]

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing and Order Granting Accelerated Approval of a Proposed Rule Change That Establishes Additional Procedures for Class A Surveillance of Certain Settling Members and Permits the Collection of Clearing Fund and Other Collateral Deposits From These Settling Members

June 4, 1999.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on May 10, 1999, the National Securities Clearing Corporation ("NSCC") filed with the Securities and Exchange Commission ("Commission") and amended on June 2, 1999, the proposed rule change as described in Items I and II below, which items have been prepared primarily by NSCC.² The Commission is publishing this notice and order to solicit comments from interested persons and to grant accelerated approval of the proposed rule change through May 31, 2000.

⁸ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78(b)(1).

² Letter from Julie Beyers, Vice President and Associate Counsel, NSCC, to Jerry Carpenter, Assistant Director, Division of Market Regulation, Commission (June 2, 1999).

³ The Commission has modified the text of the summaries prepared by DTC.

⁴ DTC has included in its filing an Important Notice to Participants, dated April 19, 1999, which describes the rule change enhancements to RTS and includes a new section of the dividend service guide relating to PIAR. DTC's filing is available for inspection at the Commission's Public Reference Room or through DTC.

⁵ 15 U.S.C. 78q-1(b)(3)(A).

⁶ 15 U.S.C. 78s(b)(3)(A)(i).

⁷ 17 CFR 240.19b-4(f)(1).