

amendments are effective, OPRA intends to commence discussions with ISE concerning the amount of the participation fee.

III. Solicitation of Comments

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. 20549-0609. Copies of the submission, all subsequent amendments, and 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 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 also will be available at the principal offices of OPRA. All submissions should refer to file number SR-OPRA-99-1 and should be submitted by November 10, 1999.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁵

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 99-27368 Filed 10-19-99; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[File No. 500-1]

Las Vegas Entertainment Network Inc.; Order of Suspension of Trading

October 15, 1999.

It appears to the Securities and Exchange Commission that there is a lack of current, adequate and accurate information concerning the securities of Las Vegas Entertainment Network, Inc., a Delaware corporation. Questions have been raised about the adequacy and accuracy of publicly disseminated information concerning, among other things, an agreement to receive \$190 million in cash from two investors.

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 9:30 a.m. EDT, October 18, 1999, through 11:59 p.m. EDT, on October 29, 1999.

By the Commission:

Jonathan G. Katz,
Secretary.

[FR Doc. 99-27469 Filed 10-18-99; 12:11 pm]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-41999; File No. SR-Amex-98-33]

Self-Regulatory Organizations; Notice of Filing of a Proposed Rule Change by American Stock Exchange LLC Regarding a Pilot Program Relating to Rule 462 (Minimum Margins) Applicable to Portfolio Depositary Receipts and Index Fund Shares

October 13, 1999.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on September 18, 1998, the American Stock Exchange LLC ("Amex" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change described in Items I, II, and III below, which Items have been prepared by the Amex. Amex amended the proposal twice on March 4, 1999.² The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Amex proposes amending that portion of Exchange Rule 462 addressing the required margin for certain short index options positions covered by positions in Portfolio Depositary Receipts ("PDRs") or Index Fund Shares.³ The Exchange requests

¹ 15 U.S.C. 78s(b)(1).

² The Commission received two amendments from the Exchange dated March 4, 1999. See Notice of Filing of Amendment No. 1 to a Proposed Rule Change by American Stock Exchange LLC Relating to Rule 462 (Minimum Margins) Applicable to Portfolio Depositary Receipts and Index Fund Shares ("Amendment No. 1") and letter from Michael Cavalier, Associate General Counsel, Legal & Regulatory Policy, Exchange to Michael A. Walinskas, Deputy Associate Director, Division of Market Regulation ("Division"), Commission ("Amendment No. 2").

³ PDRs are shares in a unit investment trust created under state or other local law, whose assets

that the proposed rule change be approved on an accelerated basis and that it be implemented as a one-year pilot program. The text of the proposed rule change is as follows, with [brackets] indicating words to be deleted and *italics* indicating words to be added:

Minimum Margins

* * * * *

Rule 462(d)(2)(H)(iv)

No margin need be required in respect of a call index option contract carried in a short position where there is carried for the same account a long position in Portfolio Depositary Receipts or Index Fund Shares as specified in Commentary .10 to this Rule, having a market value at least equal to the aggregate current index value of the stocks underlying the index options contracts to be covered.

No margin need be required in respect of a put index option contract carried in a short position where there is carried for the same account a short position in Portfolio Depositary Receipts or Index Fund Shares as specified in Commentary .10 to this Rule, having a market value at least equal to the aggregate current index value of the stocks underlying the index options contracts to be covered.

The term "aggregate current index value" shall have the meaning set forth in Rule 900C.

In computing margin on an existing position in Portfolio Depositary Receipts or Index Fund Shares covering a "short" put or "short" call, the market value of such Portfolio Depositary Receipts or Index Fund Shares to be used shall not be greater than the exercise price in the case of a call or less than the market value of such Portfolio Depositary Receipts or Index Fund Shares in the case of a put and the required margin shall be increased by an unrealized loss on the short security position.

[(iv)] (v) No change other than renumbering.

Commentary

.10 Under the provisions of subparagraph (H)(iv) of paragraph (d)(2) of this Rule regarding margin requirements applicable to positions in index options and Portfolio Depositary Receipts or Index Fund Shares: (1) positions in Standard & Poor's Depositary Receipts® ("SPDRs®") *shall be cover for positions in S&P 500® Index options (SPX), S&P 100® Index*

are a securities portfolio. Index Fund Shares are shares in an open-end management investment company registered under the Investment Company Act of 1940, as amended, whose assets are a securities portfolio.

⁵ 17 CFR 200.30-3(a)(29).

options (OEX) or Institutional Index options (XII); (2) positions in MidCap SPDRsTM shall be cover for positions in S&P MidCap 400 IndexTM options (MID); (3) positions in DIAMONDSTM shall be cover for positions in Dow Jones Industrial options (DIJ) or Major Market Index options (XMI); and (4) positions in Nasdaq-100 SharesSM shall be cover for positions in Nasdaq-100[®] Index options (NDX).

* * * * *

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 Amex 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 Amex 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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The filing proposes to amend Amex Rule 462(d)(2)(H)(iv) and to adopt Commentary .10 to Rule 462 to permit PDRs⁴ and Index Fund Shares traded on the Exchange under Amex Rules 1000 and 1000A, respectively, to serve as cover for certain short index options positions. Specifically, proposed Rule 462(d)(2)(H)(iv) would provide that no additional margin is required in respect of a call index option carried in a short position where the same account is long PDRs or Index Fund Shares as specified in proposed Commentary .10. Similarly, no additional margin would be required in respect of a short put index option contract where the account has a short position in PDRs or Index Fund Shares as specified in proposed Commentary .10. In either case, the PDR or Index Fund Shares position would be required to have a market value at least equal to the aggregate current index value, as defined in Amex rule 900C,⁵ of stocks underlying the index options contracts to be covered.⁶

⁴ "PDR" is a service mark of PDR Services LLC, a Delaware limited liability company whose sole member is the American Stock Exchange LLC.

⁵ See *infra* note 10 defining aggregate current index value.

⁶ Current subparagraph (iv) of Rule 462(d)(2)(H) would be renumbered as subparagraph (v).

In letters dated August 19, 1992, and January 14, 1993, to staffs of the SEC and the Board of Governors of the Federal Reserve System ("Federal Reserve"), respectively, the Exchange proposed certain margin treatment for Standard & Poor's Depository Receipts based on the S&P 500 Index[®].⁷ The Exchange proposed that, with respect to positions that are hedged or offset, where one leg of the position consists of SPDRs and the other leg is an Options Clearing Corporation-issued option on a broad-based stock index with at least a 99% correlation with the S&P 500 Index, such position be treated as the equivalent of covered equity options. Specifically, the Exchange requested that no additional margin be required in respect of a short index call position when a long position in SPDRs is carried for the same account, and in respect of a short index put position when a short position in SPDRs is carried for the same account. The Federal Reserve stated that the Exchange's proposed margin requirements were compatible with then-current Regulation T.⁸ Thereafter, the Federal Reserve took a comparable position with respect to MidCap SPDRs,TM based on the S&P MidCap 400 IndexTM.⁹

The Exchange proposes to incorporate the offsets and cover for short index options positions to those described in the Federal Reserve's February 1993 letter into Amex Rule 462, as well as to add comparable treatment for positions in DIJ, XMI and NDX options, as identified in proposed new Commentary .10 to Rule 462. Proposed Rule

⁷ See letter dated August 19, 1992 from James M. McNeil, Chief Examiner, Amex, to Sharon M. Lawson, Assistant Director, Division, SEC; letter dated January 14, 1993 from James M. McNeil, Chief Examiner, Amex, to Laura M. Homer, Division of Supervision and Regulation, Federal Reserve.

⁸ See letter dated February 1, 1993 from Michael J. Schoenfeld, Senior Securities Regulation Analyst, Federal Reserve, to James M. McNeil, Chief Examiner, Amex.

⁹ The Amex represents that the Federal Reserve orally confirmed this position by telephone call between James M. McNeil, Amex and Michael Schoenfeld, Federal Reserve on May 1, 1995. In connection with the commencement of trading in DIAMONDSSM Trust Units, the Amex also requested confirmation from the Federal Reserve that margin treatment of DIAMONDS would be comparable to that for SPDRs under Regulation T. Instead of providing such confirmation, the Federal Reserve, in its January 8, 1998 letter to the Amex regarding application of Regulation T to DIAMONDS noted that Section 220.18 of Regulation T, (the Supplement to Regulation T), amended effective June 1, 1997, provides that the margin requirements for options is "the amount or other position" specified by the national securities exchange that trades the option (for listed options). See letter from Scott Holz, Senior Attorney, Federal Reserve, to James M. McNeil, Chief Examiner, Amex, dated January 8, 1998.

462(d)(2)(H)(iv) provides that no additional margin is required in respect of a call index option contract carried in a short position where there is carried for the same account a long position in PDRs or Index Fund Shares as specified in Commentary .10 that has a market value at least equal to the aggregate current index value of the stocks underlying the index options contracts to be covered. In addition, no margin is required in respect of a put index options contract carried in a short position where there is carried for the same account a short position in PDRs or Index Fund Shares as specified in Commentary .10 that has a market value at least equal to the aggregate current index value of the stocks underlying the index options contracts to be covered.¹⁰

Proposed Commentary .10 to Rule 462 specifies the PDRs or Index Fund Shares which qualify for margin treatment under Rule 462(d)(2)(H)(iv), together with the specific index options that such PDRs or Index Fund Shares can offset or cover for margin purposes.¹¹ Proposed Commentary .10 specifies that: (1) positions in Standard & Poor's Depository Receipts[®] ("SPDRs[®]") shall be covered for positions in S&P 500[®] Index options (SPX), S&P 100[®] Index options (OEX) or Institutional Index options (XII); (2) positions in MidCap SPDRsTM shall be covered for positions in S&P MidCap 400 IndexTM options (MID); (3) positions in DIAMONDSTM shall be cover for positions in Dow Jones Industrial options (DIJ) or Major Market Index options (XMI); and (4) positions in Nasdaq-100 SharesSM shall be cover for positions in Nasdaq-100[®] Index options (NDX). The Exchange points out that these proposed offsets in Commentary .10 apply only to indexes and PDRs or Index Fund Shares with a high degree of correlation, both in performance (return on investments) and in the collection of securities underlying such indexes, PDRs and Index Fund shares.

¹⁰ "Aggregate current index value" means the "current index group value" multiplied by the "index multiplier."

The "current index group value" is \$1.00 multiplied by the total of the current prices of all stocks in an index after each stock's current price is multiplied by a factor representing that stock's weight in the index.

The "index multiplier" is a number (determined when the PDR or Index Fund Share is created) that the trading level of the corresponding index (*i.e.*, the Dow at 9926.2) is multiplied by to reduce it to an appropriate trading amount. For example, when the Dow trades at 9926.2, a DIAMONDS share trades at \$99.26. Thus, the index multiplier is .01.

See Amex Rule 900C.

¹¹ The rule does not apply to margin with respect to long or short positions in PDRs and Index Fund Shares.

The Exchange believes it is appropriate for the index options specified in proposed Commentary .10 to be offset by the specified PDRs because the index options and PDRs are based on the same underlying securities, or related to indexes whose underlying securities include all securities underlying another index (i.e., S&P 100® Index and the S&P 500® Index) or indexes that have a high degree of overlap of securities underlying the indexes and that have historically demonstrated a very high correlation in price changes (i.e., the Institutional Index and the S&P 500® Index; the Major Market Index and the Dow Jones Industrial Average). The Exchange will propose additions to or deletions from Commentary .10 by a filing with the Commission pursuant to Rule 19b-4.

(1) Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act in general and furthers the objectives of Section 6(b) in particular in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and, in general, to protect investors and the public interest.

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

The Exchange believes that the proposed rule change will impose no burden on competition.

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

No written comments were solicited or received with respect to the proposed rule change.

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

The Exchange requests that the Commission grant accelerated effectiveness to the proposed rule change pursuant to Section 19(b) of the Act. Amex represents that the proposed rule is similar in effect to the position taken previously by the Federal Reserve in correspondence with Amex, as cited above, in connection with trading of PDRs on the Exchange. Amex further requests that the proposed rule be implemented as a one-year pilot program.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing,

including whether the proposal 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 Room, 450 Fifth Street, NW, Washington, DC. Copies of such filing will also be available for inspection and copying at the principal office of the Amex. Comments also may be submitted electronically at the following E-mail address: rule-comments@sec.gov. File Number SR-AMEX-98-33 should be included on the subject line if E-mail is used to submit a comment letter. Electronically submitted comment letters will be posted on the Commission's Internet web site (<http://www.sec.gov>). All submissions should refer to File Number SR-AMEX-98-33 and should be submitted by November 10, 1999.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹²

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99-27367 Filed 10-19-99; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-41995; File No. SR-CBOE-99-29]

Self-Regulatory Organizations; Order Approving Proposed Rule Change and Notice of Filing and Order Granting Accelerated Approval to Amendments No. 1 and No. 2 to Proposed Rule Change by the Chicago Board Options Exchange, Inc. To Allow RAES Orders To Trade Against Orders in the Exchange's Limit Order Book

October 8, 1999.

I. Introduction

On June 23, 1999, the Chicago Board Options Exchange, Inc. ("CBOE" or "Exchange") submitted to the Securities and Exchange Commission

("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4² thereunder, a proposed rule change. In its proposal, the CBOE seeks to amend its rules to allow Retail Automatic Execution System ("RAES") orders to trade directly against orders in the Exchange's limit order book. The proposed rule change was published for comment in the **Federal Register** on July 22, 1999.³ On August 11, 1999, the CBOE filed Amendment No. 1 to the proposed rule change.⁴ On September 23, 1999, the CBOE filed Amendment No. 2 to the proposed rule change.⁵ The Commission received one comment on the proposal.⁶ This order approves the proposal, as amended. In addition, the Commission is publishing this notice to solicit comments on Amendments No. 1 and No. 2 to the proposed rule change and is simultaneously approving Amendments No. 1 and No. 2 on an accelerated basis.

II. Description of the Proposal

The Exchange is developing a system, the Automated Book Priority system, that will allow an order entered into RAES to trade directly with an order on the Exchange's customer limit order book in those cases where the prevailing market bid or offer is equal to the best bid or offer on the Exchange's book.⁷ Currently, when a RAES order is

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 41621 (July 14, 1999), 64 FR 39546.

⁴ In Amendment No. 1, the CBOE makes technical, non-substantive changes to the proposal. The CBOE resubmitted the text of the Exchange Rules to show the actual text of these rules as of the date the proposed rule change was submitted. See letter from Timothy Thompson, Director, Regulatory Affairs, CBOE, to Michael Walinskas, Associate Director, Division of Market Regulation ("Division"), Commission, dated August 10, 1999 ("Amendment No. 1").

⁵ In Amendment No. 2, the CBOE makes additional technical, non-substantive changes to the proposal. The CBOE resubmitted the proposed rule text to reflect amendments to existing rule text from a separate filing (SR-CBOE-99-17) that was approved by the Commission on August 23, 1999. See Securities Exchange Act Release No. 41782, 64 FR 47881 (Sept. 1, 1999). In addition, the CBOE clarifies that portions of rule text approved by SR-CBOE-99-17 will be removed by this proposed rule change. See letter from Timothy Thompson, Director, Regulatory Affairs, CBOE, to Ken Rosen, Attorney, Division, Commission, dated September 22, 1999 ("Amendment No. 2").

⁶ In approving the proposal, the Commission has considered the commenter's support of the proposed rule change. See letter from Gerald D. Putnam, Chief Executive Officer, Archipelago, L.L.C., to Jonathan G. Katz, Secretary, Commission, dated August 13, 1999.

⁷ In the event that the order in the book is for a smaller number of contracts than the RAES order, the balance of the RAES order will be assigned to participating market-makers at the same price at which the rest of the order was executed.

¹² 17 CFR 200.30-3(a)(12).