

2. Section 12(h) of the Exchange Act provides that the Commission may exempt an issuer from section 13 of the Exchange Act if the Commission finds that the exemption is not inconsistent with the public interest and the protection of investors. Applicants state that the requested exemption meets this standard because applicants will be providing the same information required by the Exchange Act's reporting requirements on a consolidated basis.

Applicants' Conditions

Applicants agree that any order granting the requested relief will be subject to the following conditions:

1. Ameritrans will at all times own and hold beneficially and of record all of the outstanding voting capital stock of Elk and the Future Subsidiaries.

2. Elk and any Future BDC Subsidiaries will have the same fundamental investment policies as Ameritrans, as set forth in Ameritrans' registration statement, and will not engage in any other activities described in section 13(a) of the Act, except in each case as authorized by the vote of a majority of the outstanding voting securities of Ameritrans.

3. No person will serve or act as investment adviser or principal underwriter to Elk or any Future BDC Subsidiary unless the directors and shareholders of Ameritrans will have taken the action with respect thereto also required to be taken by the directors and sole shareholder of such Subsidiary.

4. Ameritrans will not itself issue or sell any senior security and Ameritrans will not cause or permit Elk or any Future BDC Subsidiary to issue or sell any senior security of which Ameritrans, Elk, or any Future BDC Subsidiary is the issuer, except to the extent permitted by section 18 (as modified for BDCs by section 61) of the Act; provided that, immediately after the issuance or sale by any of Ameritrans, Elk, or any Future BDC Subsidiary of any such notes or evidences of indebtedness, Ameritrans and its Subsidiaries on a consolidated basis, and Ameritrans individually, will have the asset coverage required by section 18(a) of the Act (as modified by section 61(a) for Ameritrans), except that, in determining whether Ameritrans and its Subsidiaries on a consolidated basis have the asset coverage required by section 18(a) of the Act, as modified by section 61(a), any Small Business Administration ("SBA") preferred stock interest in Elk and the Future BDC Subsidiaries and any borrowings by Elk and any Future BDC Subsidiaries will

not be considered senior securities and, for purposes of the definition of "asset coverage" in section 18(h), will be treated as indebtedness not represented by senior securities.

5. No person shall serve as a director of Elk or of a Future Subsidiary unless elected as a director of Ameritrans at its most recent annual meeting, as contemplated by section 16(a) of the Act. Vacancies on Ameritrans' Board will be filled in the manner provided for in section 16(a). Notwithstanding the foregoing, the Board of Elk and of any Future Subsidiary will be elected by Ameritrans as the sole shareholder of such Subsidiary, and such Board will be composed of the same persons that serve as directors of Ameritrans.

6. Ameritrans and any Subsidiary will acquire securities representing indebtedness of Elk or of any Future BDC Subsidiary operating as a SBIC only if, in each case, the prior approval of the SBA has been obtained. In addition, Elk or any Future BDC Subsidiary operating as a SBIC, on the one hand, and Ameritrans or any other Subsidiary on the other hand, will purchase and sell portfolio securities between themselves only if, in each case, the prior approval of the SBA has been obtained.

7. Ameritrans will: (i) File with the Commission, on behalf of itself, Elk, and any Future BDC Subsidiaries, all information and reports required to be filed with the Commission under the Exchange Act and other federal securities laws, including information and financial statements prepared solely on a consolidated basis as to Ameritrans, Elk, and any Future BDC Subsidiaries, such information and reports to be in satisfaction of any separate reporting obligations of Elk and any Future BDC Subsidiaries; and (ii) provide to its shareholders such information and reports required to be disseminated to Ameritrans' shareholders, including information and financial statements prepared solely on a consolidated basis as to Ameritrans, Elk, and any Future BDC Subsidiaries, such information and reports to be in satisfaction of any separate reporting obligations of Elk and any Future BDC Subsidiaries. Notwithstanding anything in this condition, Ameritrans will not be relieved of any of its reporting obligations including, but not limited to, any consolidating statement setting forth the individual statements of Elk and any Future BDC Subsidiaries required by rule 6-03(c) of Regulation S-X.

8. Ameritrans, Elk, and any Future BDC Subsidiaries may file on a consolidated basis under condition 7

above only so long as the amount of Ameritrans' total consolidated assets invested in assets other than securities issued by Elk and any Future BDC Subsidiaries, or securities similar to those in which Elk and any Future BDC Subsidiaries invest, does not exceed ten percent.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99-29155 Filed 11-5-99; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

Agency Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Public Law 94-409, that the Securities and Exchange Commission will hold the following meeting during the week of November 8, 1999.

A closed meeting will be held on Wednesday, November 10, 1999, at 11 a.m.

Commissioners, Counsel to the Commissioners, 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. 552(b)(4), (8), (9)(A) and (10) and 17 CFR 200.402(a)(4), (8), (9)(A) and (10), permit consideration for the scheduled matters at the closed meeting.

Commissioner Johnson, as duty officer, voted to consider the items listed for the closed meeting in a closed session.

The subject matter of the closed meeting scheduled for Wednesday, November 10, 1999, will be:

Institution and settlement of injunctive actions.

Institution and settlement of administrative proceedings of an enforcement nature.

Formal order of investigation.

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: November 3, 1999.

Jonathan G. Katz,

Secretary.

[FR Doc. 99-29254 Filed 11-4-99; 11:30 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-42074; File No. SR-BSE-99-11]

Self-Regulatory Organizations; Boston Stock Exchange, Inc.; Order Granting Approval to Proposed Rule Change Implementing a Post Primary Session

October 29, 1999.

I. Introduction

On July 13, 1999, the Boston Stock Exchange, Inc. ("BSE" or "Exchange") submitted to the Securities and Exchange Commission ("SEC" or "Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to implement a Post Primary Session ("PPS").

The proposed rule change was published for comment in the **Federal Register** on September 8, 1999. No comments were received on the proposal. This order approves the proposal.

II. Description of the Proposal

The Exchange proposes to extend the close of trading on the BSE from 4 p.m. to 4:15 p.m. Eastern Time, creating a new PPS. Pursuant to Chapter I-B, Section 1 (Primary Session), the current trading hours at the Exchange are from 9:30 a.m. until 4:00 p.m. Eastern Time. The proposal will extend these hours for an additional fifteen minutes, until 4:15 p.m. Eastern Time. Under the proposal, all Exchange rules applicable to floor trading during the Exchange's Primary Session will continue to apply during the PPS, with the following exceptions: (1) Only orders that are designated "PPS" will be eligible for execution; (2) limit order on the book from the Primary Session will not be eligible for execution, but will carry over to the next day; (3) there will be no automated executions; (4) there will be no application of the Execution Guarantee Rule,³ and (5) GTX⁴ orders will be executable after the close of the PPS (i.e., GTX orders are executable after

4:15 p.m. instead of 4:00 p.m. Eastern Time). Accordingly, the Exchange proposes to amend the following rules: (1) Chapter I-B, Sections 2 and 3, and (2) Chapter IIB, Sections 1 and 3.

PPS Eligible Orders

Pursuant to the proposed amendment of Chapter IIB, Section 3, only orders designated "PPS" will be eligible for execution during the PPS. Since the PPS is merely an extension of the Exchange's auction market, wherein bids and offers are continuously updated for trading under normal auction market principles, Exchange rules will continue to apply. Thus, to be designated as eligible for execution in the PPS, a market, limit, or contingent order must be acceptable under current Exchange rules.

Under the proposal, limit orders on the book from the Primary Session are not eligible for the PPS, and must be carried over to the next day. Also, those limit orders that are received during the PPS (and thus PPS eligible) remain subject to the Limit Order Display Rule.⁵

GTX Orders

A GTX Order is an agency limit order that is good until canceled, and is eligible for primary market protection based on the volume that prints on the after-hours trading session of the New York Stock Exchange or the American Stock Exchange. Thus, a GTX Order may be executed during regular trading hours or after the PPS, at 5 p.m. Eastern Time, but no GTX Order may be executed during the PPS.

BEACON as a Routing System

"BEACON" is the acronym for the Boston Exchange Automated Communication Order-routing Network. It provides a system for the automatic execution of orders on the Exchange under predetermined conditions. Orders accepted under the system may be executed on a fully automated or manual basis. The Exchange proposes to amend Chapter IIB, Section 3(b), to indicate that BEACON will continue to operate as a routing system for PPS eligible orders, but will not provide an automatic execution mechanism.

Operation of the ITS System During the PPS

In the amendment to Chapter IIB, Section 3(a), the BSE represents that ITS will be available for both inbound and outbound commitments during the PPS to the extent that other market centers (i.e., the Pacific Exchange, Inc.

("PCX"),⁶ the Philadelphia Stock Exchange, Inc. ("PHLX")⁷ and the Chicago Stock Exchange, Inc. ("CHX"))⁸ are open for trading. The BSE also represents that it will perform surveillance during the PPS in the same manner and using the same techniques as those used during the Primary Session. To facilitate the surveillance of the PPS, BSE's surveillance staff will remain on-site during the PPS and for any necessary additional time period after the close of the PPS.

Execution Guarantee Does Not Apply

The Execution Guarantee provides that Specialists must guarantee execution on all agency market and marketable limit orders from 100 up to and including 1,299 shares. According to the proposed amendments to Chapter IIB, Section 3(d), the Execution Guarantee will not be available in any form during the PPS.

III. Discussion

The Commission has reviewed carefully the BSE's proposed rule change⁹ and finds, for the reasons set forth below, that the proposal is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange, and in particular, with the requirements of Section 6(b).¹⁰ In particular, the Commission finds the proposal is consistent with the Section 6(b)(5)¹¹ requirements that the rules of an exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts, and, in general, to protect investors and the public, in that it is reasonably designed to promote just and equitable principles of trade, and, in general, perfect the mechanism of a free and open national market system. The implementation of the BSE's Post Primary Session should enhance

⁶ PCX's regular equity session closes at 4:30 p.m. Eastern Time. During the crossing session, PCX does not utilize ITS. See PCX Rule 4.2, Commentary .02.

⁷ PHLX operates a Post Primary Session from 4 p.m. until 4:15 p.m. Eastern Time which is an extension of its regular auction market. During the Post Primary Session, PHLX utilizes ITS to the same extent it does during regular trading hours. See PHLX Rule 101.

⁸ CHX's primary session closes at 4 p.m. Eastern Time. CHX conducts an Extended Session from 4 p.m. until 4:30 p.m. Eastern Time. Both sessions utilize ITS. See generally Article 20, CHX Rules 20, 37, 39, 40 and 41.

⁹ In approving this rule, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

¹⁰ 15 U.S.C. 78f(b).

¹¹ 15 U.S.C. 78f(b)(5).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See BSE Rules, Paragraph 2039A, Section 33.

⁴ For a description of GTX Orders, see "GTX Orders" *infra*.

⁵ See Chapter II, Section 40, Paragraph 2039B7.