

not an investment company as defined in section 3(a)(1)(C) because the Company does not own, and does not propose to acquire, "investment securities" having a value exceeding 40% of the value of its total assets. The Company states that its interest in Levin Management, its wholly-owned subsidiary, represents approximately 96% of the Company's total assets on an unconsolidated basis. The Company further states that Levin Management's only asset is its 100% ownership interest in Levco. The Company states that Levco is not an investment company within the meaning of section 3(a) of the Act.

4. The Company thus states that it has ceased to be an investment company, and that it is entitled to an order deregistering the Company under the Act.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 00-7727 Filed 3-28-00; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 24364; International Series Release No. 1218; 812-12036]

Cirsa Business Corporation, S.A.; Notice of Application

March 23, 2000.

AGENCY: Securities and Exchange Commission ("SEC").

ACTION: Notice of application for exemption under section 6(c) of the Investment Company Act of 1940 (the "Act") from all provisions of the Act.

SUMMARY OF APPLICATION: Applicant requests an order under section 6(c) of the Act exempting a special purpose vehicle and any special purpose vehicle that applicant establishes in the future in the same manner and for the same purpose (each, "SPV") from all provisions of the Act. The order would permit SPV to sell certain debt securities ("Notes") and use the proceeds to finance the business activities of applicant and its operating subsidiaries ("Operating Subsidiaries").

Government securities, (b) securities issued by employees' securities companies, and (c) securities issued by majority owned subsidiaries of the owner which are not investment companies, and are not relying on the exception from the definition of investment company in sections 3(c)(1) or 3(c)(7) of the Act.

FILING DATE: The application was filed on March 17, 2000.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving applicant with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on April 17, 2000 and should be accompanied by proof of service on applicant, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, NW, Washington, DC 20549-0609. Applicant, Carretera Castellar, 298, 08226 Terrassa, Barcelona, Spain.

FOR FURTHER INFORMATION CONTACT: Bruce R. MacNeil, Staff Attorney, at (202) 942-0634, or Nadya B. Roytblat, Assistant Director, at (202) 942-0564 (Division of Investment Management, Office of Investment Company Regulation).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee at the SEC's Public Reference Branch, 450 Fifth Street, NW, Washington, DC 20549-0102 (tel. 202-942-8090).

Applicant's Representations

1. Applicant, a limited liability corporation organized under the laws of the Kingdom of Spain, is a Spanish leisure and gaming company. Applicant conducts its business activities through the Operating Subsidiaries. The Operating Subsidiaries are limited liability companies organized under the laws of the Kingdom of Spain that manufacture, distribute and operate gaming machines and own and operate bingo halls, casinos and family entertainment centers.

2. SPV will be a public limited company formed under the laws of England and Wales. SPV will be organized specifically to raise funds for the operations of applicant and the Operating Subsidiaries by issuing the Notes and lending the proceeds to applicant and the Operating Subsidiaries for the development of their respective businesses and repayment of certain existing debts. SPV will be organized, and conduct its activities, in accordance with rule 3a-5 under the Act, with certain exceptions

discussed below. Rule 3a-5 provides an exemption from the definition of investment company for certain companies organized primarily to finance the business operations of their parent companies or companies controlled by their parent companies.

3. Applicant has determined to raise capital through SPV because the direct issuance of the Notes by applicant would not be feasible under Spanish corporate law. Spanish corporate law restricts the direct issuance of the Notes by applicant or a finance subsidiary of applicant. For this reason, at least 95% of equity securities of SPV will be held by an English private limited company ("HoldCo SPV"). All of HoldCo SPV's equity securities will be held by a professional trust corporation ("TrustCo") under the terms of an English law charitable trust. Applicant anticipates that TrustCo will also hold the remaining interest in SPV (less than five percent) under the terms of the charitable trust. The declaration of trust establishing the charitable trust will give TrustCo discretion to apply any residual value held by it for such purposes as it may select, provided they constitute "charitable purposes" under English law. In any case, any charity selected to benefit from any residual value in HoldCo SPV's assets (including the shares it owns in SPV) will not pay any consideration in connection with such acquisition.

4. SPV intends to issue the Notes in reliance on Regulation S and Rule 144A under the Securities Act of 1933 ("1933 Act") and shortly thereafter file as registration statement under the 1933 Act to register a separate series of high-yield debt securities with identical terms to the initial Notes to be offered in exchange for the initial Notes. These Notes will be unconditionally guaranteed by applicant and, if the terms and conditions of the Notes so require, jointly and severally by one or more of the Operating Subsidiaries on an unsecured basis.

5. Applicant and SPV, in connection with the offering of the Notes, will submit to the jurisdiction of any state or federal court in the Borough of Manhattan in the City of New York, and will appoint an agent to accept any process which may be served, in any suit, action, or proceedings brought against applicant or SPV based upon their obligation under the Notes as described in the application. The consent to jurisdiction and appointment of an authorized agent to accept service of process will be irrevocable until all amounts due and to become due with respect to the Notes have been paid.

6. SPV will loan at least 85% of any cash or cash equivalents raised by SPV to applicant and the Operating Subsidiaries as soon as practicable, but in no event later than six months after SPV's receipt of the cash or cash equivalents. In the event SPV borrows amounts in excess of the amounts to be loaned to applicant and the Operating Subsidiaries at any given time, SPV will invest the excess in temporary investments pending lending the money to applicant and the Operating Subsidiaries. Consistent with rule 3a-5, all investments by SPV, including all temporary investments, will be made in government securities, securities of applicant or a company controlled by applicant, or debt securities which are exempted from the provisions of the 1933 Act by section 3(a)(3) of the 1933 Act.

7. SPV's articles of association and its memorandum of association and any trust indenture agreement will: (i) Limit its activities to issuing the Notes or other debt securities and loaning the proceeds to applicant and the Operating Subsidiaries; and (ii) prohibit the transfer of SPV's shares to any party other than HoldCo SPV or TrustCo.

8. HoldCo SPV's articles of association and its memorandum of association will: (i) Limit its activities to borrowing funds from applicant to purchase and hold shares of SPV; (ii) prohibit the transfer of HoldCo SPV's shares to any party other than TrustCo; (iii) prohibit the transfer of SPV's shares to any party other than TrustCo; and (iv) prohibit HoldCo SPV from issuing any securities (other than the initial issuance of its share capital to TrustCo) or otherwise incurring any indebtedness other than the loan from applicant sufficient to cover the costs of purchasing the shares of SPV and costs incidental to the maintenance of HoldCo SPV and SPV.

Applicant's Legal Analysis

1. Applicant states that SPV may be viewed as falling technically within the definition of an investment company under section 3(a)(1) of the Act. Applicant requests an exemption under section 6(c) of the Act exempting SPV from all provisions of the Act. Section 6(c) of the Act permits the SEC to grant an exemption from the provisions of the Act if, and to the extent, that such exemption is necessary and appropriate in the public interest, consistent with the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act.

2. Applicant states that rule 3a-5 under the Act provides an exemption

from the definition of investment company for certain companies organized primarily to finance the business operations of their parent companies or companies controlled by their parent companies. Applicant states that SPV meets all of the requirements of rule 3a-5 except for one, which it cannot meet for Spanish corporate law reasons. Rule 3a-5(b)(1)(i) under the Act requires that all of SPV's common stock be owned by applicant or a company controlled by applicant. Applicant asserts that, while for Spanish corporate law reasons SPV's common stock will be held by HoldCo SPV, SPV will be organized to serve solely as a conduit for applicant's and the Operating Subsidiaries' capital raising activities. Applicant further states that SPV's functions will be limited by its constitutional documents and any trust indenture agreement to the activities of a traditional finance subsidiary.

Applicant's Conditions

Applicant agrees that any order granting the requested relief will be subject to the following conditions:

1. SPV will comply with all provisions of rule 3a-5 under the Act, except with respect to rule 3a-5(b)(1)(i), over 95% of SPV's common shares will be held by HoldCo SPV (all of whose shares will in turn be held under the terms of an English law charitable trust), with the rest held by TrustCo. For purposes of rule 3a-5 under the Act, applicant will be deemed to be SPV's "parent company" and each Operating Subsidiary will be deemed to be a "company controlled by the parent company."

2. SPV's articles of association and memorandum of association and any trust indenture agreement will: (i) Limit the SPV's activities to issuing the Notes or other debt securities and loaning the proceeds to applicant and the Operating Subsidiaries (as well as other activities incidental to the issuance of the Notes, loaning the proceeds thereof, and the day-to-day operations of the SPV); and (ii) prohibit the transfer of SPV's shares to any party other than HoldCo SPV or TrustCo.

3. HoldCo SPV's articles of association and its memorandum of association will: (i) Limit HoldCo SPV's activities to borrowing funds from applicant to purchase and hold shares of SPV; (ii) prohibit the transfer of HoldCo SPV's shares to any party other than TrustCo (pursuant to the terms of the charitable trust); (iii) prohibit transfer of SPV's shares to any party other than TrustCo; and (iv) prohibit HoldCo SPV from issuing any securities (other than the initial issuance of its share capital

to TrustCo) or otherwise incurring any indebtedness, other than a loan from applicant sufficient to cover the costs of purchasing the shares of SPV and costs and incidental to the maintenance of HoldCo SPV and SPV.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 00-7726 Filed 3-28-00; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-42558; File No. SR-CBOE-99-21]

Self-Regulatory Organizations; Chicago Board Options Exchange, Inc.; Order Approving Proposed Rule Change and Notice of Filing and Order Granting Accelerated Approval of Amendment Nos. 1 and 2 Relating to the Exchange's Firm Quote Rule

March 22, 2000.

I. Introduction

On May 27, 1999, the Chicago Board Options Exchange, Inc. ("CBOE" 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 relating to the exchange's Firm Quote Rule. The proposed rule change was published for comment in the **Federal Register** on July 6, 1999.³ No comments were received on the proposal. On September 23, 1999, CBOE submitted Amendment No. 1 to the proposed rule change.⁴ On January 11, 2000, CBOE submitted Amendment No. 2.⁵ In this

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Securities Exchange Act Release No. 41558 (June 24, 1999), 64 FR 36414.

⁴ See Letter to Heather Traeger, Attorney, Division of Market Regulation, SEC, from Timothy Thompson, Director—Regulatory Affairs, CBOE, dated September 22, 1999 ("Amendment No. 1"). In Amendment No. 1, CBOE proposes to eliminate the discretion of the appropriate Floor Procedure Committee to determine whether or not to apply the firm quote requirement to firm or broker-dealer orders by establishing that: (1) the extension of the firm quote requirement will apply to all equity and narrow-based index options and (2) only non-broker-dealer customer orders are entitled to firm quote treatment in all other products. The amendment also clarifies the proposed rule's requirement that the trading crowd change its quotes if members of the crowd are unwilling to trade at the displayed quote with an order that is not entitled to firm quote treatment.

⁵ See Letter to Heather Traeger, Attorney, Division of Market Regulation, SEC, from Timothy Thompson, Director—Regulatory Affairs, CBOE,