PURPOSE(S):

To record any unusual or extraordinary action or circumstances happening during service or leading to the early termination of the volunteer or trainee?

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

General routine uses A, B, D, E, F, H, I, K, and L apply to this system.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING, AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

On paper and/or in a computerized database.

RETRIEVABILITY:

By name.

SAFEGUARDS:

Computer records are maintained in a secure, password-protected computer system. Paper records are maintained in lockable file cabinets. All records are maintained in secure, access-controlled areas or buildings.

RETENTION AND DISPOSAL:

Records are kept on-site for the duration of the volunteer's service in-country, and then destroyed after five years.

SYSTEM MANAGER(S) AND ADDRESS:

Director, Office of Special Services, Peace Corps, 1111 20th St., NW., Washington, DC 20526.

PROCEDURES FOR NOTIFICATION, ACCESS, AND CONTESTING:

Any individual who wants to know whether this system of records contains a record about him or her, who wants access to his or her record, or who wants to contest the contents of a record, should make a written request to the System Manager. Requesters will be required to provide adequate identification, such as a driver's license, employee identification card, or other identifying document. Additional identification procedures may be required in some instances. Requests for correction or amendment must identify the record to be changed and the corrective action sought. Complete Peace Corps Privacy Act procedures are set out in 22 CFR part 308.

RECORD SOURCE CATEGORIES:

Records subject, family members and their legal representatives, Peace Corps supervisors, physicians or other health care providers, and the Department of State.

Dated: This notice is issued in Washington, DC, on August 25, 2000.

Doug Greene,

Chief, Information Officer and Associate Director for Management.

[FR Doc. 00–22559 Filed 9–1–00; 8:45 am]

BILLING CODE 6051–01–M

SECURITIES AND EXCHANGE COMMISSION

[Release No. IC–24629; File No. 812–12098]

Aetna Life insurance and Annuity Company, et al.

August 30, 2000.

AGENCY: Securities and Exchange Commission (''SEC'' or ''Commission'').

ACTION: Notice of application for an order under Section 6(c) of the Investment Company Act of 1940 (''Act'') granting exemptions from the provisions of Sections 2(a)(32), 22(c) and 27(i)(2)(A) of the Act and Rule 22c–1 thereunder.

Applicants: Aetna Life Insurance and Annuity Company (''ALIAC'') and its Variable Annuity Account B (''VA B''), Aetna Insurance Company of America (''AICA,'' and together with ALIAC, ''Aetna''), and any other separate accounts of ALIAC or AICA (''Future Accounts'') that support in the future variable annuity contracts and certificates that are substantially similar in all material respects to the VA B contracts described (collectively, ''Applicants'').

SUMMARY OF APPLICATION: Applicants seek an order under Section 6(c) of the Act to the extent necessary to permit, under specified circumstances, the recapture of bonuses (defined below) applied to purchase payments made under: (i) deferred variable annuity contracts and certificates, described herein, that ALIAC will issue through VA B (the contracts and certificates, including certificate data pages and endorsements, are collectively referred to herein as ''VA B Contracts''), and (ii) deferred variable annuity contracts and certificates, including certificate data pages and endorsements, that Aetna may issue in the future through VA B or any Future Account (collectively, ''Accounts'') that are substantially similar in all material respects to the VA B Contracts (''Future Contracts,'' and together with the VA B Contracts, ''Contracts''). Applicants also request that the order being sought extend to any National Association of Securities Dealers, Inc. (''NASD'') member broker-dealer controlling or controlled by, or under common control with, Aetna, whether existing or created in the future, that serves as a distributor or principal underwriter of the Contracts offered through the Accounts (collectively ''Aetna Broker-Dealers'').

FILING DATE: The application was filed on May 16, 2000, and amended and restated on August 25, 2000. Applicants represent that they will file an amended and restated application during the notice period to conform to the representations set forth herein.

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 Secretary and serving Applicants with a copy of the request, personally or by mail. Hearing requests must be received by the SEC by 5:30 p.m. on September 19, 2000 and should be accompanied by proof of service on the Applicants, 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 Secretary of the SEC.

ADDRESSES: Secretary, SEC, 450 5th Street, N.W., Washington, D.C. 20549–0609. Applicants, c/o Aetna Insurance Company of America, 151 Farmington Avenue, TS31, Hartford, Connecticut 06156, Attn: J. Neil McMurdie, Esq.

FOR FURTHER INFORMATION CONTACT: Ann L. Vlcek, Senior Counsel, or Lorna MacLeod, Branch Chief, Office of Insurance Products, Division of Investment Management, at (202) 942–0670.

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

Applicants' Representations

1. ALIAC is a stock life insurance company organized under the insurance laws of the State of Connecticut in 1976. ALIAC serves as depositor for VA B, which was established in 1976 pursuant to authority granted under a resolution of ALIAC's Board of Directors. ALIAC also serves as depositor for several currently existing Future Accounts, one or more of which may support obligations under Future Contracts. ALIAC may establish one or more additional Future Accounts for which it will serve as depositor.

2. AICA is a stock life insurance company organized under the insurance

laws of the State of Connecticut in 1990 and redomesticated under the laws of the State of Florida on January 5, 2000. AICA serves as depositor for several currently existing Future Accounts, one or more of which may support obligations under Future Contracts. AICA may establish one or more additional Future Accounts for which it will serve as depositor.

3. ALIAC is the principal underwriter of VA B and is registered with the Commission as a broker-dealer under the Securities Exchange Act of 1934, as amended (the ''1934 Act''), and is a member of the NASD. ALIAC or a successor Aetna Broker-Dealer acting as principal underwriter will enter into arrangements with one or more registered broker-dealers, which may or may not be affiliated with ALIAC or a successor Aetna Broker-Dealer, to offer and sell VA B Contracts. ALIAC or a successor Aetna Broker-Dealer acting as principal underwriter also may enter into these arrangements with banks that may be acting as broker-dealers without separate registration under the 1934 Act pursuant to legal and regulatory exceptions. Further, ALIAC or successor Aetna Broker-Dealer may distribute VA B Contracts directly. ALIAC or a successor Aetna Broker-Dealer may enter into similar arrangement for Future Contracts. ALIAC may act as principal underwriter for Future Accounts and distributor for Future Contracts. A successor Aetna Broker-Dealer also may act as principal underwriter for any of the Accounts and distributor for any of the Contracts.

4. VA B is a segregated asset account of ALIAC. VA B is registered with the Commission as a unit investment trust under the Act. VA B will fund the variable benefits available under the VA B Contracts. Units of interest in VA B under the VA B Contracts it funds will be registered under the Securities Act of 1933 (the ''1933 Act''). ALIAC and AICA may issue Future Contracts through the Accounts. That portion of the assets of VA B that is equal to the reserves and other VA B Contract liabilities with respect to VA B is not chargeable with liabilities arising out of any other business of ALIAC. Any income, gains or losses, realized or unrealized, from assets allocated to VA B are, in accordance with the VA B Contracts, credited to or charged against VA B, without regard to other income, gains or losses of ALIAC. The same will be true of any Future Account of ALIAC or AAICA.

The following is a discussion of the VA B Contracts. Future Contracts funded by VA B or any Future Account of ALIAC or AICA will be substantially similar in all material respects to the VA B Contracts. Certain anticipated differences between VA B Contracts and Future Contracts are noted below. VA B Contracts will be sold by registered representatives of ALIAC, Aetna Broker-Dealers, and affiliated or unaffiliated broker-dealers with which ALIAC or a successor Aetna Broker-Dealer enters into selling agreements, as indicated above. ALIAC or a successor Aetna Broker-Dealer enters into selling agreements, as indicated above. ALIAC may issue VA B Contracts as individual or group flexible premium deferred variable annuity contracts. ALIAC may issue VA B Contracts in connection with retirement plans that qualify for favorable federal income tax treatment under Section 403 of the Internal Revenue Code of 1986 (''Code'') as a tax sheltered annuity or Section 408 of the Code as an individual retirement annuity (''Qualified Contracts''). ALIAC also may issue VA B Contracts on a non-tax qualified basis (''Non-Qualified Contracts''). VA B Contracts may be used for other purposes in the future, or offered only as Qualified Contracts or Non-qualified Contracts.

6. A non-Qualified Contract may be purchased with an initial payment of at least $15,000 (under Option Package I), or $5,000 (under Option Package II or Option Package III) (the Option Packages are defined below). The minimum initial purchase payment for a Qualified Contract is $1,500. Subsequent purchase payments must be at least $50 (ALIAC may change this amount from time to time). ALIAC will accept purchase payments of more that $1,000,000 subject to ALIAC's consent. The maximum age of any owner or annuitant on the date ALIAC establishes the Contract owner's account is 90. ALIAC does not accept subsequent purchase payments after the annuity date.

7. An owner can allocate purchase payments or account value to one or more sub-accounts of VA B, each of which will invest in a corresponding portfolio of a mutual fund. In addition, VA B Contracts will permit purchase payments to be allocated to fixed interest options funded through the ALIAC Guaranteed Account (the ''Guaranteed Account'') and the fixed account which provide a guarantee of the purchase payment allocated thereto and interest for specified periods. A positive or negative adjustment, or ''market value adjustment'' (''MVA''), will be made to the account value in the Guaranteed Account upon a withdrawal, surrender or transfer from the Guaranteed Account prior to the end of the guaranteed term. When a death benefit is paid under a VA B Contract within six months of the date of death, only a positive aggregate MVA amount, if any, is applied to the account value attributable to amounts withdrawn from the Guaranteed Account. This provision does not apply upon the death of a spousal beneficiary or joint contract owner who continued the account after the first death. Because of the MVA feature, fixed interest option interests are registered under the 1933 Act pursuant to a Form S–2 Registration Statement. Contract owners may receive income phase payments after annuitization on a fixed or variable basis. Under the terms of the VA B Contracts, Contract owners may not annuitize, *i.e.,* commence income phase payments, during the first account year.

8. At the time of application, a Contract owner may elect the premium bonus option (a ''bonus owner''). The election is irrevocable. The premium bonus option may not be available under all Contracts or in all states. For each purchase payment made by a bonus owner during the first account year, measured from the date ALIAC establishes the bonus owner's account (''Year 1 Payment''), ALIAC will credit a premium bonus (''bonus'') to the bonus owner's account. No bonus will be credited on amounts reinvested following a full withdrawal. Presently, ALIAC intends to offer a 4% bonus, which will subject the bonus owner to a 0.50% annual bonus option charge. In the future, ALIAC may offer reduced bonuses and/or reduced bonus option charges. ALIAC will allocate bonuses among the Investment Options (defined below) in the same proportion as the corresponding purchase payments are allocated by the bonus owner. ALIAC will fund bonuses from its general account assets.

ALIAC will recapture the bonus under the following circumstances: (i) ALIAC will recapture all bonuses if the bonus owner returns a VA B Contract to ALIAC for a refund during the 10 day (or longer, if required) ''free-look'' period; (ii) the amount of any account value, step-up value or roll-up value death benefit will not include any bonus credited to the bonus owner's account after or within 12 months of the date of death; and (iii) unless prohibited by state law, ALIAC will recapture all or part of the bonus if the bonus owner withdraws any Year 1 Payment during the first seven account years. The amount of the bonus forfeited will equal the amount of the bonus, multiplied by the Year 1 Payment(s) withdrawn that are subject to a withdrawal charge (defined below), divided by total Year 1 Payments. For Contracts issued in New

York, the amount of the bonus forfeited will be calculated by: (i) determining the amount of the bonus that is subject to forfeiture according to the following table:

Completed account years at the time of the withdrawal	[1]Amount of premium bonus subject to forfeiture (in percent)
Less than 5	100
5 or more but less than 6	75
6 or more but less than 7	50
7 or more	0

and (ii) multiplying that amount by the Year 1 Payment(s) withdrawn that are subject to a withdrawal charge divided by total Year 1 Payments. Applicants represent that the amounts recaptured will never exceed the bonuses, but any gain would remain part of the Contract's value.

The early withdrawal charge is calculated separately for each purchase payment withdrawn. For purposes of calculating early withdrawal charges, ALIAC considers that a Contract owner's first purchase payment to the account (first in) is the first withdrawn (first out). Earnings may be withdrawn after all purchase payments have been withdrawn. There is no early withdrawal charge for withdrawal of earnings.

9. Thirty-seven sub-accounts of VA B will be available under the VA B Contracts following the effectiveness of the Form N–4 registration statement related to such Contracts. Each sub-account will invest in shares of a corresponding portfolio (''Portfolio'') of an open-end, diversified series management investment company registered under the Act (each a ''Fund,'' collectively, the ''Funds''). The Funds currently available under the VA B Contracts are managed by various entities affiliated and unaffiliated with Aetna. The sub-accounts and the fixed interest options will comprise the initial ''Investment Options'' under the VA B Contracts.

10. ALIAC, at a later date, may determine to create an additional sub-account or sub-accounts of VA B to invest in any additional Portfolio or Portfolios, or other such underlying portfolios or other investments as may now or in the future be available. Similarly, sub-accounts of VA B may be combined or eliminated from time to time. Future Contracts may offer Funds managed by the same as well as other investment advisers.

11. Three options packages (''Option Package I,'' ''Option Package II,'' and ''Option Package III,'' collectively, ''Option Packages'') are available under the VA B Contracts. Contract owners select an Option Package at the time of application. The premium bonus option may be elected with any of the Option Packages. The principal differences among the Option Packages relate to the mortality and expense risk charge, death benefit on death of the annuitant, minimum initial purchase payment, free withdrawals, and availability of certain withdrawal charge waivers.

12. The VA B contracts also provide for various withdrawal options, annuity benefits and payout annuity options, as well as transfer privileges among Investment Options and Option Packages, dollar cost averaging, and other features. VA B Contracts have a withdrawal charge, calculated as a percentage of purchase payments. The withdrawal charge schedule for VA B Contracts issued outside New York is as follows: 7% in years less than two (from receipt of the purchase payment), 6% in years two or more but less than four, 5% in year four or more but less than five, 4% in year five or more but less than six, 3% in year six or more but less than seven, and 0% in years seven or more. The withdrawal charge schedule for VA B Contracts issued in New York is as follows: 7% in year less than one, 6% in year one or more but less than two, 5% in year two or more but less than three, 4% in year three or more but less than four, 3% in year four or more but less than five, 2% in year five or more but less than six, 1% in year six or more but less than seven, and 0% in years seven or more. A different withdrawal charge schedule applies to certain Roth IRA contracts issued through VA B outside the state of New York before the effectiveness of the Form N–4 registration statement related to the VA B Contracts. In any one account year, Contract owners may withdraw free of withdrawal charge 10% of the account value as of the beginning of such account year. Under Option Package III, Contract owners may carry forward into successive account years any unused percentage of the 10% free withdrawal amount, up to 30% of the account value.

VA B Contracts also have (i) an asset-based mortality and expense risk charge at the annual rate of 0.80% for Option Package I, 1.10% for Option Package II, and 1.25% for Option Package III during the accumulation phase, and 1.25% during the income phase (all Option Packages) assessed against the net assets of each sub-account; and (ii) an asset-based administrative expense charge at an annual rate of 0.15% during the accumulation phase for administration expenses (up to 0.25% during the income phase, but currently not deducted) assessed against the net assets of each sub-account. Also, each year during the accumulation phase, a $30 annual maintenance fee is deducted proportionately from each Investment Option. The annual maintenance fee will be waived if the Contract owner's account value is $50,000 or greater on the date this fee is due. The underlying Funds each impose investment management fees and charges for other expenses.

Contract owners who elect the premium bonus option will pay, during the first seven account years, an annual premium bonus option charge equal to 0.50% of the account value allocated to the sub-accounts. ALIAC may also deduct this charge from amounts allocated to the fixed interest options.

When sales of the VA B Contracts are made to individuals or a group of individuals in a manner that results in savings of sales or administrative expenses, ALIAC may reduce or eliminate the early withdrawal charge, annual maintenance fee, mortality and expense risk charge, administrative expense charge, or premium bonus option charge. Charges that apply under Future Contracts will be described in the related Form N–4 registration statements for such Contracts.

13. Applicants seek exemption pursuant to Section 6(c) of the Act from Sections 2(a)(32), 22(c), and 27(i)(2)(A) of the Act and Rule 22c–1 thereunder to the extent deemed necessary to permit Aetna to recapture bonuses credited under Contracts in the following three instances: (i) Aetna will recapture all bonuses if the bonus owner returns the Contract to Aetna for a refund during the 10-day (or longer, if required) free-look period; (ii) the amount of any account value, step-up value or roll-up value death benefit will not include any bonus credited to a bonus owner's account after or within 12 months of the date of death; and (iii) unless prohibited by state law, ALIAC will recapture the bonus according to the forfeiture schedule described above if the bonus owner withdraws Year 1 Payment(s) during the first seven account years.

Applicants' Legal Analysis

1. Section 6(c) of the Act authorizes the Commission to exempt any person, security or transaction, or any class or classes of persons, securities or transactions from the provisions of the Act and the rules promulgated thereunder if and to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Applicants

request that the Commission, pursuant to Section 6(c) of the Act, grant the exemptions summarized above with respect to the VA B Contracts and any Future Contracts funded by VA B or Future Accounts, that are issued by Aetna and underwritten or distributed by ALIAC or any Aetna Broker-Dealers. Applicants undertake that Future Contracts funded by VA B or any Future Account, in the future, will be substantially similar in all material respects to the VA B Contracts. Applicants believe that the requested exemptions are appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

2. Applicants represent that it is not administratively feasible to track the bonus amount in the Accounts after the bonus is applied. Applicants explain that, accordingly, the asset-based charges applicable to the Accounts will be assessed against the entire amounts held in the Accounts, including the bonus amount, during the period when the bonus owner's interest in the bonus is not completely vested. Applicants state that, therefore, during such periods, the aggregate asset-based charges assessed against a bonus owner's annuity account value will be higher than those that would be charged if the bonus owner's annuity account value did not include the bonus.

3. Subsection (i) of Section 27 provides that Section 27 does not apply to any registered separate account funding variable insurance contracts, or to the sponsoring insurance company and principal underwriter of such account, except as provided in paragraph (2) of the subsection. Paragraph (2) provides that it shall be unlawful for such a separate account or sponsoring insurance company to sell a contract funded by the registered separate account unless, among other things, such contract is a redeemable security. Section 2(a)(32) defines ''redeemable security'' as any security, other than short-term paper, under the terms of which the holder, upon presentation to the issuer, is entitled to receive approximately his proportionate share of the issuer's current net assets, or the cash equivalent thereof.

4. Applicants submit that the bonus recapture provisions summarized herein would not deprive a bonus owner of his or her proportionate share of the issuer's current net assets. Applicants state that a bonus owner's interest in the amount of the bonus allocated to his or her annuity account upon receipt of a Year 1 Payment is not vested until the applicable free-look period has expired without return of the Contract. Similarly, Applicants state that a bonus owner's interest in any bonus amount credited on Year 1 Payments that are withdrawn during the first seven account years, or credited to the account after or within 12 months of the date of death, also is not vested. Until or unless the amount of any bonus is vested, Applicants submit that Aetna retains the right and interest in the bonus amount, although not in any earnings attributable to that amount. Thus, Applicants argue that, when Aetna recaptures any bonus, it is simply retrieving its own assets and, because a bonus owner's interest in the bonus is not vested, the bonus owner has not been deprived of a proportionate share of the applicable Account's assets, *i.e.*, a share of the applicable Account's assets proportionate to the bonus owner's annuity account value (taking into account the investment experience attributable to the bonus).

5. In addition, with respect to bonus recapture upon the exercise of the free-look privilege, Applicants state that it would be patently unfair to allow a bonus owner exercising that privilege to retain a bonus amount under a Contract that has been returned for a refund after a period of only a few days. Applicants state that, if Aetna could not recapture the bonus, individuals could purchase a Contract with no intention of retaining it, and simply return it for a quick profit.

6. Furthermore, Applicants state that the recapture of any bonus amount credited to the account after or within 12 months of the date of death is designed to provided Aetna with a measure of protection from ''anti-selection.'' Applicants state that the risk here is that, rather than spreading purchase payments over a number of years, a bonus owner will make Year 1 Payment(s) shortly before death, thereby leaving Aetna less time to recover the cost of a bonus, to its financial detriment.

7. Applicants assert that the bonus will be attractive to and in the interest of investors because it will permit bonus owners to put an amount greater than their Year 1 Payment(s) to work for them in the selected Investment Options and because bonus owners will retain any earning attributable to the bonus and, unless any of the contingencies summarized above apply, the principal amount of the bonus.

8. Applicants submit that the provisions for recapture of any applicable bonus under the VA B Contracts do not, and any such Future Contract provisions will not, violate Sections 2(a)(32) and 27(i)(2)(A) of the Act. Nevertheless, to avoid any uncertainties, Applicants request an exemption from those Sections, to the extent deemed necessary, to permit the recapture of any bonus under the circumstances described herein with respect to the Contracts, without the loss of the relief from Section 27 provided by Section 27(i).

9. Section 22(c) of the Act authorizes the Commission to make rules and regulations applicable to registered investment companies and to principal underwriters of, and dealers in, the redeemable securities of any registered investment company, whether or not members of any securities association, to the same extent, covering the same subject matter, and for the accomplishment of the same ends as are prescribed in Section 22(a) in respect of the rules which may be made by a registered securities association governing its members. Rule 22c–1 thereunder prohibits a registered investment company issuing any redeemable security, a person designated in such issuer's prospectus as authorized to consummate transactions in any such security, and a principal underwriter of, or dealer in, such security, from selling, redeeming, or repurchasing any such security except at a price based on the current net asset value of such security which is next computed after receipt of a tender of such security for redemption or of an order to purchase or sell such security.

10. Arguably, Aetna's recapture of the bonus might be viewed as resulting in the redemption of redeemable securities for a price other than one based on the current net asset value of the Accounts. Applicants contend, however, that the recapture of the bonus is not violative of Section 22(c) and rule 22c–1. Applicants argue that the recapture of the bonus does not involve either of the evils that Rule 22c–1 was intended to eliminate or reduce, namely: (i) the dilution of the value of outstanding redeemable securities of registered investment companies through their sale at a price below net asset value or their redemption or repurchase at a price above it, and (ii) other unfair results, including speculative trading practices. Applicants state that, to effect a recapture of a bonus, Aetna will redeem interests in a bonus owner's annuity account at a price determined on the basis of the current net asset value of the respective Accounts. Applicants represent that the amount recaptured will never exceed the amount of the bonus that Aetna paid out of its general account assets. Applicants further state that, although bonus

owners will be entitled to retain any investment gain attributable to the bonus, the amount of such gain will be determined on the basis of the current net asset value of the respective Accounts. Applicants assert that, therefore, no dilution will occur upon the recapture of the bonus. Applicants also submit that the second harm that rule 22c–1 was designed to address, namely, speculative trading practices calculated to take advantage of backward pricing, will not occur as a result of the recapture of the bonus. However, to avoid any uncertainty as to full compliance with the Act, Applicants requested an exemption from the provisions of Section 22(c) and Rule 22c–1 to the extent deemed necessary to permit them to recapture the bonus under the Contracts.

Conclusion

Applicants submit, based on the grounds summarized above, that their exemptive request meets the standards set out in Section 6(c) of the Act, namely, that the exemptions requested are necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act, and that, therefore, the Commission should grant the requested order.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 00–22663 Filed 9–1–00; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting, Agency Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Pub. L. 94–409, that the Securities and Exchange Commission will hold the following meetings during the week of September 4, 2000.

A closed meeting will be held on Thursday, September 7, 2000 at 11:00 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(c)(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.

The subject matters of the closed meeting scheduled Thursday, September 7, 2000 will be: institution and settlement of injunctive actions; and institution and settlement of administrative proceedings of an enforcement nature.

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: August 31, 2000.

Jonathan G. Katz,

Secretary.

[FR Doc. 00–22769 Filed 8–31–00; 11:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–43216; File No. SR–ISE–00–07]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the International Securities Exchange LLC Relating to Decimal Pricing

August 28, 2000.

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 August 3, 2000, the International Securities Exchange LLC (''ISE'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'' or ''SEC'') the proposed rule change as described in Items I, II and III below, which Items have been prepared by the ISE. The Exchange filed the proposal pursuant to section 19(b)(3)(A) of the Act,[3] and Rule 19b–4(f)(6) thereunder,[4] which renders the proposal effective upon filing with the Commission.[5] 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 ISE proposes to amend its rules to provide for the implementation of decimal pricing. The ISE believes the proposed rule change conforms to the uniform industry approach to implementing decimal pricing contained in the joint submission to the Commission by the ISE and other interested parties dated July 24, 2000, entitled ''Decimals Implementation Plan for the Equities and Options Markets'' (''Decimals Plan''). The text of the Proposed rule change is below. Proposed new language is in italics. Deletions are in brackets.

Rule 710. Minimum *Pricing Variations* [Fractional Changes]

(a)–(c) No change.

(d) Conversion to Decimal Pricing Increments. Notwithstanding any other provision of this Rule, the Exchange will convert to decimal pricing increments for all options traded on the Exchange by April 9, 2001, or by such other date as the President of the Exchange shall determine consistent with any order issued by the Securities and Exchange Commission (SEC) or plan filed by the Exchange with the SEC. The President shall determine the schedule for this conversion, and shall designate those options that will trade in decimal increments during the conversion process. Decimal pricing increments shall be as follows:

(1) if the options contract is trading at less than $3,000 per option, $.05; and

(2) if the options contract is trading at $3.00 per option or higher, $.10;

provided that the President shall have the ability to designate certain options as trading at an increment of $.01 as part of a pilot program conducted in conformity with a plan filed with the SEC.

* * * * *

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 ISE included statements concerning the purpose of and basis for its proposal and discussed any comments it received regarding the proposal. The text of these statements may be examined at the places specified in Item IV below. The ISE has prepared summaries, set forth in Sections A, B and C below, of the most significant aspect of such statements.

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

1. Purpose

The Commission has ordered the securities exchanges and other interested parties to implement decimal

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] 15 U.S.C. 78s(b)(3)(A).

[4] 17 CFR 240.19b–4(f)(6).

[5] ISE provided written notice to the Commission on July 26, 2000 of its intent to file this proposal. *See* Rule 19b–4(f)(6)(iii). 17 CFR 240.19b–4(f)(6)(iii).