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5. Odel Clay
6. James C. Coutee
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9. Ronald E. Houck
10. John A. Soderman

The person to contact for more information is Beatrice Ezerski, Secretary to the Board, Phone No. 312-751-4920.

Dated: November 10, 1997.

**Beatrice Ezerski,**

*Secretary to the Board.*

[FR Doc. 97-30095 Filed 11-12-97; 9:52 am]

BILLING CODE 7905-01-M

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-26776]

### Filings Under the Public Utility Holding Company Act of 1935, as Amended ("Act")

November 7, 1997.

Notice is hereby given that the following filing(s) has/have been made with the Commission pursuant to provisions of the Act and rules promulgated thereunder. All interested persons are referred to the application(s) and/or declaration(s) for complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendments thereto is/are available for public inspection through the Commission's Office of Public Reference.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by December 1, 1997, to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549, and serve a copy on the relevant applicant(s) and/or declarant(s) at the address(es) specified below. Proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. Any request for hearing shall identify specifically the issues of fact or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After said date, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

#### Central and South West Services, Inc. (70-7671)

Central and South West Services, Inc. ("CSWS"), 1616 Woodall Rodgers

Freeway, P.O. Box 660164, Dallas, Texas 75266, a non-utility subsidiary company of Central and South West Corporation, a registered holding company, has filed a post-effective amendment under sections 9(a) and 10 of the Act and rule 54 under the Act to an application-declaration filed under sections 9(a) and 10 of the Act.

By orders dated August 10, 1990 (HCAR No. 25132), December 18, 1992 (HCAR No. 25714), and December 28, 1994 (HCAR No. 26206) ("Orders"), CSWS was authorized, among other things, to license and sell to non-associate entities through December 31, 1997 specialized computer programs and to provide support services to licensees and entities that purchased the software. The support services were to include program enhancements and problem resolution and were to be sold to non-associate companies for an amount not less than cost to CSWS.

The Orders also authorized CSWS to make expenditures of up to \$1 million per calendar year and to make expenditures of up to \$250,000 per project to develop or change software for non-associate entities; to market software and services; and to add up to ten employees to support these activities.

Finally, the Orders authorized CSWS to sell reserve computer capacity and to provide data management services to non-associate entities provided that CSWS would limit computer capacity sales to non-associate entities to 50 percent of its total capacity.

CSWS now requests that the Commission extend the term of the authorizations contained in the Orders through December 31, 2002.

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

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 97-29988 Filed 11-13-97; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39306; File No. SR-AMEX-97-37]

### Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the American Stock Exchange, Inc., Relating to Its Designated Options Area

November 6, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934

("Act"), 15 U.S.C. 78s(b)(1), notice is hereby given that on October 14, 1997, the American Stock Exchange, Inc. (the "Amex" or the "Exchange") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Item I, II, and III below, which Items have been prepared by the Exchange. 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 Amex proposes to amend its policy to include additional physically separate locations on the Exchange's trading floor where options on Amex-listed stocks may trade. The information will be found in an upcoming information circular of the Exchange.

#### II. Self-Regulatory Organization's

Statement of the Purpose of, and Statutory 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

In 1988, the Exchange received Commission approval to trade options on Amex-listed stocks.<sup>1</sup> The approval was based upon the Amex's trading floor for equities and options on those equities being sufficiently separated such that there could be no time and

<sup>1</sup> Securities Exchange Act Release No. 26147 (October 3, 1988), 53 FR 39556 (October 7, 1988).

place advantage derived from the physical proximity of the two floors which could be exploited.

Since the 1988 approval was granted, the trading of options on Amex-listed securities has continued to occur on the Exchange at locations that are physically separate from the locations where the trading of Amex-listed stocks occurs. The Exchange contains additional locations that are also physically separate from the locations where Amex-listed stocks trade that have yet to be designated as areas for the trading of options on Amex-listed stocks. The Exchange now proposes to amend its policy to include those additional physically separate locations as areas where the trading of options on Amex-listed stocks may occur (the "Designated Options Area").

While the number of options on Amex-listed stocks has increased slowly, to approximately 45 classes since 1988, the overall number of option classes traded on the Exchange has increased over 350% since that time. As a result of this increase in classes of options traded at Amex, the Exchange currently lacks flexibility in moving trading units around its trading floors. Those specialist units currently trading options on Amex-listed stocks are forced to remain in the current Designated Options Area, even though they have outgrown their space, or face giving up those classes to move to larger quarters. Moreover, specialist units that currently do not trade any options on Amex-listed stocks are unable to do so because there is no room left in the current Designated Options Area. The increase in classes of options traded on the Exchange and the Exchange's need for flexibility in moving the various trading units around the Exchange's trading floors has made it necessary for the Exchange to find additional physically separate locations to include in the Designated Options Area.

To address the above concerns, the Exchange proposes to include in its Designated Options Area the mezzanine trading level located above the Exchange's main equity trading floor area (the "Mezzanine") and that area of the Exchange consisting of the back row of the west side of the Exchange's main trading floor also referred to as the west side of Exchange Post 12, 13, and 15 (the "Back Row"). The Commission recognized in 1994 that the Mezzanine is a physically separate trading location when it approved the inclusion of Amex-listed stocks in stock industry index groups provided the index traded separate from the Exchange's Designated

Stock Area.<sup>2</sup> Consistent with the Commission's approval of that proposal, the Mezzanine and the Back Row are physically separate from the Designated Stock Area so as to avoid direct sight lines and communication by means of hand signals between either the Mezzanine or the Back Row and the Designated Stock Area.

The proposed rule change will not increase the potential for trading abuse or manipulation as there is no line of sight between the Mezzanine and the Back Row and the Designated Stock Area, thus no time or place advantage results from the proposed rule change. Although the proposed rule change will not increase the potential for trading abuse or manipulation, the Exchange does currently have in place various safeguards to detect and prevent any such abuse or manipulation. These safeguards include Amex Rule 175, which prohibits any specialist from acting as an options specialist or functioning in any capacity involving marketmaking responsibilities in any option as to which the underlying security is a stock in which the specialist is registered as such.

In addition to the safeguards contained in Amex Rules 175, the Exchange prohibits, under Amex Rule 958, any equity specialist, odd-lot dealer or Nasdaq market maker from acting as a registered trader in a class of stock options on a stock in which he is registered in the primary market place. This Rule also prohibits any member, while acting as a Registered Options Trader, if he is also registered as a Registered Equity Trader or Registered Equity Marketmaker, from executing a proprietary Exchange option transaction on an Amex-listed stock if during the preceding 60 minutes, he has been in the Designated Stock Area where the Amex-listed stock is traded.

To insure compliance with the above safeguards, the Exchange has in place various surveillance procedures. The Exchange's surveillance procedures, which are set forth at Section XI, C of the Amex Trading Analysis Options Surveillance Manual Concerning Paired Security Review, including, among other items, the preparation of daily activity reports on Registered Options Trader's ("ROT") trading activity in Amex-listed stocks and options. These reports are then used to analyze ROT trading activity to insure compliance with Amex Rule 958.

## (2) Basis

The proposed rule change is consistent with Section 6(b) of the Act<sup>3</sup> in general and furthers the objectives of Section 6(b)(5)<sup>4</sup> in particular in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, and to remove impediments to and perfect the mechanism of a free and open market and a national market system.

### *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.

### *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**

Within 35 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission will:

(A) by order approve such proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

## **IV. Solicitation of Comments**

Interested persons are invited to submit written data, views and arguments concerning the foregoing. 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. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filled 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

<sup>2</sup> Securities Exchange Act Release No. 34359 (July 12, 1994), 59 FR 36799 (July 19, 1994).

<sup>3</sup> 15 U.S.C. § 78f(b).

<sup>4</sup> 15 U.S.C. § 78f(b)(5).

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, N.W., Washington, D.C. 20549. Copies of such filing will also be available for inspection and copying at the principal office of the Amex. All submissions should refer to SR-AMEX-97-37 and should be submitted by December 5, 1997.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>5</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 97-29931 Filed 11-13-97; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39305; File No. SR-CBOE-97-57]

### Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Chicago Board Options Exchange, Inc., Relating to Extension of the Permissible Maturity of FLEX Equity Options

November 6, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Exchange Act" or "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on October 23, 1997, the Chicago Board Options Exchange, Inc. ("CBOE" or "Exchange") 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 by the self-regulatory organization. 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 CBOE proposes to change its rules to permit a FLEX equity option to have a term of five years in certain circumstances.

The text of the proposed rule change is available at the Office of the Secretary, CBOE and at the Commission.

#### 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 self-regulatory organization 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 self-regulatory organization 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 Statutory Basis for, the Proposed Rule Change

###### 1. Purpose

The Exchange is proposing to allow FLEX equity options<sup>3</sup> traded on the Exchange to have a maturity beyond three years and up to five years in certain circumstances. Currently, FLEX equity options, by operation of Rule 24A.4(a)(4)(i), are limited to a maturity of three years.

When the Exchange filed for permission to list and trade FLEX equity options<sup>4</sup> it determined to limit the maturity of these options to three years because, unlike FLEX Index options which were already being traded on the Exchange since February 1993 and which could have a maturity of up to five years, the Exchange was concerned that there would not be sufficient liquidity in many equity option classes to support series with a longer term to expiration. Since it has traded FLEX equity options, however, the Exchange has had numerous requests from broker-dealers to extend the maturity of FLEX equity options to five years. Among the reasons the broker-dealer firms have been interested in seeking an extension in the allowable maturity is that these longer expiration FLEX equity options might be used to hedge a firm's longer term issuances of structured products linked to returns of an individual stock. The Rule would permit the longer term FLEX equity options to be listed when requested by the submitting member if the FLEX Post Official determined that sufficient liquidity existed among

<sup>3</sup> FLEX equity options are flexible exchange-traded options contracts which overlie equity securities. In addition, FLEX equity options provide investors with the ability to customize basic option features including size, expiration date, exercise style, and certain exercise prices.

<sup>4</sup> SR-CBOE-95-43 approved in Exchange Act Release No. 36841 (February 14, 1996), 61 FR 6666 (February 21, 1996).

Equity FLEX qualified participants. By allowing for the extension of the maturity of FLEX equity options to five years in situations where there is demand for a longer term expiration and where there is sufficient liquidity among Exchange qualified market-makers to support the request, the proposed rule change will better serve the needs of CBOE's customers and the Exchange members who make a market for such customers.

###### 2. Statutory Basis

The Exchange represents that the proposed rule change is consistent with Section 6(b)(5) of the Act<sup>5</sup> 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 a national market system, and to protect investors and the public interest.

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

The Exchange does not believe that the proposed rule change will impose any inappropriate 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 either solicited or received.

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

Within 35 days of the publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve the proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. 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. Copies of the submission, all subsequent amendments, all written statements

<sup>5</sup> 15 U.S.C. § 78f(b).

<sup>1</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. § 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.