

4. How can the burden of the collection of information be minimized, including the use of automated collection techniques?

A copy of the draft supporting statement may be viewed free of charge at the NRC Public Document Room, 2120 L Street NW, (lower level), Washington, DC. Members of the public who are in the Washington, DC, area can access this document via modem within 30 days of the signature date of this notice on the Public Document Room Bulletin Board (NRC's Advance Copy Document Library), NRC subsystem on FedWorld at 703-321-3339. Members of the public who are located outside of the Washington, DC, area can dial FedWorld, 800-303-9672, or use the FedWorld Internet address: fedworld.gov (Telnet). If assistance is needed in accessing the document, please contact the FedWorld help desk at 703-487-4608.

Comments and questions may be directed to the NRC Clearance Officer, Brenda Jo. Shelton, U.S. Nuclear Regulatory Commission, T-6 F33, Washington DC, 20555-0001, or by telephone at (301) 415-7233, or by Internet electronic mail at bjs1@nrc.gov.

Dated at Rockville, Maryland, this 19th day of October, 1995.

For the Nuclear Regulatory Commission.
Gerald F. Cranford,
Designated Senior Official for Information Resources Management.
[FR Doc. 95-26563 Filed 10-25-95; 8:45 am]
BILLING CODE 7590-01-P

Documents Containing Reporting or Recordkeeping Requirements; Notice of Pending Submittal to the Office of Management and Budget (OMB) for Review

AGENCY: U.S. Nuclear Regulatory Commission (NRC).

ACTION: Notice of pending NRC action to submit an information collection request to OMB and solicitation of public comment.

SUMMARY: The NRC is preparing a submittal to OMB for review or continued approval of information collections under the provisions of the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35).

Information pertaining to the requirement to be submitted:

1. The title of the information collection: 10 CFR Part 52, "Early Site Permits; Standard Design Certifications; and Combined Licenses for Nuclear Power Plants."

2. Current OMB approval number: 3150-0151.

3. How often the collection is required: On occasion and every 10 to 20 years for applications for renewal.

4. Who is required or asked to report: Designers of commercial nuclear power plants, electric power utilities, and any person eligible under the Atomic Energy Act to apply for a construction permit for a nuclear power plant.

5. The number of annual respondents: Two applications for design certification will be under review during the next three years.

6. The number of hours needed annually to complete the requirement or request: Approximately 65,333 hours per year for both applications in addition to the burden associated with 10 CFR Parts 20, 50, 73 and 100 (approved by OMB under Clearance Nos. 3150-0014, 3150-0011, 3150-0002, and 3150-0093, respectively).

7. Abstract: 10 CFR Part 52 establishes requirements for the granting of early site permits, certifications of standard nuclear power plant designs, and licenses which combine in a single license a construction permit and an operating license with conditions (combined licenses). Part 52 also establishes requirements for renewal of these permits, certifications, and licenses; amendments to them; exemptions from certifications; and variances from early site permits.

NRC uses the information collected to assess the adequacy and suitability of an applicant's site, plant design, construction, training and experience, and plans and procedures for the protection of the public health and safety. The NRC review of such information and the findings derived from that information form the basis of NRC decisions and actions concerning the issuance, modification, or revocation of site permits, design certifications, and combined licenses for nuclear power plants.

Submit by December 26, 1995 comments that address the following questions:

1. Is the proposed collection of information necessary for the NRC to properly perform its functions? Does the information have practical utility?

2. Is the burden estimate accurate?

3. Is there a way to enhance the quality, utility, and clarity of the information to be collected?

4. How can the burden of the collection of information be minimized, including the use of automated collection techniques or other forms of information technology?

A copy of the draft supporting statement may be viewed free of charge at the NRC Public Document Room, 2120 L Street, NW (lower level),

Washington, DC. Members of the public who are in the Washington, DC, area can access this document via modem on the Public Document Room Bulletin Board (NRC's Advanced Copy Document Library), NRC subsystem at FedWorld, 703-321-3339. Members of the public who are located outside of the Washington, DC, area can dial FedWorld, 1-800-303-9672, or use the FedWorld Internet address: fedworld.gov (Telnet). The document will be available on the bulletin board for 30 days after the signature date of this notice. If assistance is needed in accessing the document, please contact the FedWorld help desk at 703-487-4608.

Comments and questions may be directed to the NRC Clearance Officer, Brenda Jo. Shelton, U.S. Nuclear Regulatory Commission, T-6 F33, Washington, DC, 20555-0001, or by telephone at (301) 415-7233, or by Internet electronic mail at BJS1@NRC.GOV.

Dated at Rockville, Maryland, this 19th day of October, 1995.

For the Nuclear Regulatory Commission.
Gerald F. Cranford,
Designated Senior Official for Information Resources Management.
[FR Doc. 95-26564 Filed 10-25-95; 8:45 am]
BILLING CODE 7590-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-36400; File No. SR-Amex-95-14]

Self-Regulatory Organizations; American Stock Exchange, Inc.; Order Granting Approval to Proposed Rule Change Relating to Permanent Approval of Its Pilot Program That Permits Specialists to Grant Stops in a Minimum Fractional Change Market

October 20, 1995.

I. Introduction

On March 23, 1995, the American Stock Exchange, Inc. ("Amex" 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 approve permanently amendments to Exchange Rule 109 that would permit specialists to stop stock in a minimum fractional change market.

The proposed rule change was published for comment in Securities

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

Exchange Act Release No. 35909 (June 28, 1995), 60 FR 34562 (July 3, 1995). No comments were received on the proposal.³ For the reasons discussed below, the Commission has decided to approve the Amex's proposal.

II. Description of Proposal

The practice of stopping stock by specialists refers to a guarantee by a specialist that an order the specialist receives will be executed at no worse a price than the contra side price in the market when the order was received, with the understanding that the order may obtain a better price. Prior to the proposed rule change, Exchange Rule 109(c) permitted a specialist to stop stock only when the quotation spread was at least twice the permitted minimum fractional change in the stock (*i.e.*, for most stocks $\frac{1}{4}$ point), with the specialist then being required to narrow the quotation spread by making a bid or offer, as appropriate, on behalf of the order that is stopped.

In April 1992, the Commission approved on a pilot basis⁴ amendments to Exchange Rule 109 that permitted a specialist to stop stock in a minimum fractional change market.⁵ The Commission has subsequently extended the Exchange's pilot program several

times without any modifications.⁶ The most recent extension of the pilot program is scheduled to expire on October 21, 1995.

The pilot program amends Rule 109 to permit a specialist, upon request, to stop individual orders of 2,000 shares or less, up to an aggregate total of 5,000 shares for all stopped orders (*i.e.*, multiple orders) in minimum fractional change markets. A specialist may stop an order of a specified larger order size threshold, or a larger aggregate number of shares after obtaining Floor Official approval. For a specialist to stop an order in a minimum fractional change market, there must be a significant disparity between the bid and ask size (on the opposite side of the market from the order being stopped) that suggests the likelihood of price improvement.⁷ In the 1992 Approval Order, first approving the pilot, the Commission noted that a large imbalance on the opposite side of the market would help ensure that stops in a minimum fractional change market occur only when the likelihood of the benefits to the customer's order being stopped far exceeds the possibility of harm to customers' orders on the limit order book.⁸

Under these limited circumstances, the pilot permitted a specialist to stop a buy (sell) order at the market upon request and guarantee that the order will receive no worse than the best then-prevailing offer (bid) price. The specialist would then increase the bid (offer) size to reflect the stopped order.⁹ If the pre-existing volume at the bid (offer) is exhausted and a seller (buyer) hits the bid (offer) made on behalf of the stopped order, the buyer's (seller's) stopped order would obtain price improvement. If, however, before that

event occurs another buyer's (seller's) order is executed at the offer (bid), then the specialist will execute the stopped order at the stopped price.

In the orders approving the pilot procedures, the Commission requested that the Exchange study the effects of stopping stock in minimum fractional change markets and collect certain data to allow the Commission to evaluate fairly and comprehensively the pilot program.¹⁰ The Exchange has submitted to the Commission several monitoring reports regarding the amendments to Rule 109, with the latest report submitted on January 1995. The Commission then approved an extension of the pilot until October 21, 1995, so that the Commission would have additional time to evaluate the information provided in the monitoring reports, especially in the latest report, and to ensure that Rule 109, as amended, provides a benefit to investors through the possibility of price improvement to customers whose orders are granted stops in minimum fractional change markets while not unduly harming public customer limit orders on the specialist book.

III. Discussion

After careful consideration, the Commission has determined to approve permanently the proposed rule change. For the reasons discussed below, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange, and, in particular, with Section 6(b)(5)¹¹ and Section 11(b)¹² of the Act.

Historically, the Commission has had mixed reactions about the practice of stopping stock. The 1963 Report of the Special Study of the Securities Markets found that unexecuted customer limit orders on the specialist's book might be by passed by the stopped orders.¹³ The Commission, nevertheless, has allowed the practice of stopping stock in markets where the spread is at least twice the permitted minimum fractional change in the stock because the possible harm to orders on the book is offset by the

³The Commission has received three comment letters opposing the New York Stock Exchange's proposal for permanent approval of the NYSE's procedures for stopping stock in minimum variation markets, two of which were from the same commenter (Junius Peake). See letter from Junius W. Peake, Monfort Professor of Finance, University of Northern Colorado, to Secretary, SEC, dated March 1, 1995; letter from Junius W. Peake, Monfort Professor of Finance, University of Northern Colorado, to Secretary, SEC, dated July 21, 1995; letter from Morris Mendelson, Professor Emeritus of Finance, The Wharton School of the University of Pennsylvania, to Jonathan Katz, Secretary, SEC, dated August 2, 1995. Because the NYSE's procedures are identical to those of the Amex, issues raised in the comment letters apply equally to both rule proposals. The comment letters and the NYSE's response to Junius Peake's first comment letter are summarized in the Commission's order. In addition, the Commission's discussion in the NYSE order is applicable to this order. See Securities Exchange Act Release No. 36399 (Oct. 20, 1995) (permanently approving NYSE's pilot program for stopping stock in minimum variation markets); see also letter from James Buck, Senior Vice President and Secretary, NYSE, to Jonathan Katz, Secretary, SEC, dated July 17, 1995.

⁴ See Securities Exchange Act Release No. 30603 (Apr. 17, 1992), 57 FR 15340 (Apr. 27, 1992) (File No. SR-Amex-91-05) ("1992 Approval Order").

⁵ Amex Rule 127 sets forth the minimum fractional changes for securities traded on the Exchange. This Rule provides that the minimum fractional change for dealings in securities shall be as follows: securities selling under \$5.00 and above $\frac{1}{4}$ of \$1.00, $\frac{1}{16}$ of \$1.00 per share; under $\frac{1}{4}$ of \$1.00, $\frac{1}{32}$ of \$1.00 per share; and at \$5.00 and over, $\frac{1}{8}$ of \$1.00 per share. This Rule also provides that the Exchange may fix different minimum fractional changes for dealings in securities.

⁶ See Securities Exchange Act Release Nos. 32185 (Apr. 21, 1993), 58 FR 25681 (Apr. 27, 1993) (File No. SR-Amex-93-10) ("April 1993 Approval Order"); 32664 (July 21, 1993) 58 FR 40171 (July 27, 1993) (File No. SR-Amex-93-22) ("July 1993 Approval Order"); 33791 (Mar. 21, 1994), 59 FR 14432 (Mar. 28, 1994) (File No. SR-Amex-93-47) ("1994 Approval Order"); 35310 (Jan. 31, 1995), 60 FR 7236 (Feb. 7, 1995) (File No. SR-Amex-95-01) ("January 1995 Approval Order"); 36010 (July 21, 1995), 60 FR 38869 (July 28, 1995) ("July 1995 Approval Order").

⁷ See letter from Claire P. McGrath, Senior Counsel, Legal & Regulatory Policy Division, Amex, to Mary Revell, Branch Chief, Division of Market Regulation, SEC, dated January 6, 1992; 1992 Approval Order, *supra* note 4; Amex Information Circular Nos. 92-74 (Apr. 24, 1992) and 93-333 (Apr. 7, 1993).

⁸ The 1992 Approval Order also noted Amex's representation and the Commission's understanding that specialists would not routinely use such procedures.

⁹ The stopped order would be placed behind the existing limit orders at the bid (offer) for priority purposes.

¹⁰ See *supra* notes 4 and 6.

¹¹ 15 U.S.C. 78f.

¹² 15 U.S.C. 78k.

¹³ See SEC, Report of the Special Study of Securities Markets of the Securities and Exchange Commission, H.R. Doc. No. 95, 88th Cong., 1st Sess., Pt. 2 (1963) ("Special Study").

When stock is stopped, limit book orders on the opposite side of the market do not receive an immediate execution. Consequently, if the stopped order then receives an improved price, limit orders at the stop price are bypassed and, if the market turns away from that limit, may never be executed.

reduced spread that results and the possibility of price improvement.

Although the procedures for stopping stock in minimum fractional change markets do not reduce the spread between the quotes, the Commission has allowed, on a pilot basis, the practice in limited circumstances where there is a substantial imbalance on the opposite side of the market from the order being stopped. This limitation is intended to assure that specialists would stop stock in minimum fractional change markets only in situations where the likelihood of price improvement outweighs the possibility that contra-side limit orders would be bypassed.¹⁴ Moreover, the order size restrictions would act to ensure that most stops are granted to public customers with small orders, whose orders could most benefit from the professional handling by specialists. In addition, limiting the total stops to 5,000 shares is intended to ensure that the amount of stopped stock does not become so large that there would, in effect, cease, to be an imbalance on the opposite side of the market from the order being stopped. (*i.e.*, less likelihood of price improvement for the stopped orders). Finally, although the spread cannot be reduced by stopping stock in minimum fractional change markets, specialists must change the quoted bid or offer size to reflect the size of the order being stopped. This should ensure that the stopped stock will be shown in the quote.

To examine whether specialist have been using the pilot program as intended, the Commission had asked the Exchange to provide data on the stopping stock program in a minimum fractional change market.¹⁵ The Exchange has submitted to the Commission several monitoring reports regarding the amendments to Rule 109. The Commission believes that the monitoring reports, especially the latest monitoring report, provide useful information regarding the effectiveness of the program during the pilot period.

Specifically, according to the Amex's latest report, approximately half of eligible orders (*i.e.*, orders for 2,000 shares or less) stopped in minimum fractional change markets received price improvement. Moreover, according to the Amex report, stops in minimum

fractional change markets generally have been granted when there was a significant disparity (in both absolute and relative terms) between the number of shares bid for and the number offered. In particular, the report notes that the ratio between the quotes (*i.e.*, disparity between the bid and ask size on the opposite side of the market from the order being stopped) when orders were stopped was approximately 3 to 1. The Exchange also reports between 37% and 65% of the limit orders on the opposite side of the market from all market orders stopped in a minimum fractional change market were executed by the end of the day.¹⁶ Moreover, based on the one-day review of the ten stocks receiving the greatest number of stops, the Amex found that 92% of the shares on the opposite side of the market at the time the stop was granted was executed by the close of the day's trading. Finally, with respect to Floor Official approval of waivers to the numerical limitations, the Exchange reports that a very high percentage of orders requiring Floor Official approval received such an approval.

The Commission, therefore, believes that the data on stopping stock in minimum fractional change markets show that the pilot has operated as intended and should be approved permanently.¹⁷

In addition to a determination that the Amex proposal is consistent with Section 6 of the Act, the Commission also believes that the proposal is consistent with the prohibition in Section 11(b) against providing discretion to a specialist in the handling of an order.¹⁸ Section 11(b) was designed, in part, to address potential conflicts of interest that may arise as a result of the specialist's dual role as agent and principal in executing stock transactions. In particular, Congress intended to prevent specialists from unduly influencing market trends through their knowledge of market interest from the specialist's book and their handling of discretionary agency

orders.¹⁹ The Commission has stated that, pursuant to Section 11(b), all orders other than market or limit orders are discretionary and therefore cannot be accepted by specialists.²⁰

As previously noted in the 1992 Approval Order, the Commission believes that it is appropriate to treat stopped orders, even those under the pilot procedures, as equivalent to limit orders. The Amex's rules define a limit order as an order to buy or sell a stated amount of a security at a specified price, or at a better price if obtainable.²¹ The Commission believes that stopped orders are equivalent to limit orders, in this instance, because the orders would be automatically elected at the best bid or offer, or better if obtainable. Although the proposed amendments permit the specialist to employ his judgment to some extent, the Commission believes that the requirements imposed on the specialist for granting stops in minimum fractional change markets provide sufficient stringent guidelines to ensure that the specialist will only implement these provisions in a manner consistent with his market making duties and Section 11(b).²²

In permanently approving the stopping stock procedures for minimum fractional change markets, the Commission is relying on three aspects of the program and expects the Amex to reiterate these requirements in an Information Circular to members. First the Commission continues to believe that the requirement of a sufficient market imbalance is important to the proper application of the program. This requirement should help the Amex ensure that stops are only granted in a minimum fractional change market when the benefit (*i.e.*, price improvement) to orders being stopped far exceeds the potential for harm to orders on the specialist's book. Second, the Commission expects the Amex to take appropriate action in response to any instance of specialist non-compliance with the stopping stock procedures in minimum fractional change markets. Third, the Commission emphasized that Floor Official approval of an increase in the size of the stopped order or stopping more than 5000 shares must not be routine. The Commission

¹⁴ As for limit book orders on the same side of the market as the stopped stock, the Commission believes that Rule 109's requirements make it unlikely that these limit orders would not be executed. Under the Amex pilot program, an order can be stopped only if a substantial imbalance exists on the opposite side of the market. In those circumstances, the stock would probably trade away from the large imbalance, resulting in execution of orders on the limit order book.

¹⁵ See *supra* notes 4 and 6.

¹⁶ The percentages depended upon whether the stocks have been phased into the Exchange's electronic display book. For stocks in which the electronic display book had been implemented, the Exchange was able to monitor the limit orders on the opposite side of the market from the market orders stopped in minimum fractional change market. For other stocks, the Amex determined how often an equivalent volume (*i.e.*, the same number of shares as the stopped order) was executed on the opposite side's limit price by the close of the day's trading.

¹⁷ Cf. Securities Exchange Act Release No. 36399 n.24 (Oct. 20, 1995) (permanently approving NYSE's pilot procedures for stopping stock in minimum variation markets).

¹⁸ Section 11(b) permits a specialist to accept only market or limit orders.

¹⁹ See H. Rep. No. 1383, 73d Cong. 2d Sess. 22, S. Rep. 792, 73d Cong. 2d Sess. 18 (1934).

²⁰ See Special Study, *supra* note 13.

²¹ See Amex Rule 131(b).

²² Moreover, stopped orders as "limit orders" would not bypass pre-existing limit orders on the same side of the market. Under the Amex's procedures, specialists may not execute a stopped order before the limit order interest on the Exchange (at the same price as the stopped order) is exhausted.

expects the Amex to monitor compliance with these aspects of the stopping stock program through its special surveillance procedures.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,²³ that the proposed rule change (SR-Amex-95-14) is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.²⁴

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-26573 Filed 10-25-95; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-36390; International Series Release No. 872; File No. SR-CBOE-95-39]

Self-Regulatory Organizations; Chicago Board Options Exchange, Inc.; Order Approving a Proposed Rule Change and Notice of Filing and Order Granting Accelerated Approval of Amendment No. 1 to a Proposed Rule Change Relating to the Listing and Trading of Options and Long-Term Options on the CBOE Germany 25 Index and Long-Term Options on a Reduced-Value CBOE Germany 25 Index

October 18, 1995.

I. Introduction

On August 4, 1995, the Chicago Board Options Exchange, Inc. ("CBOE" or "Exchange") filed with the Securities and Exchange Commission ("Commission" or "SEC"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposal to list and trade on the Exchange cash-settled, European-style³ stock index options on the Germany 25 Index. The Index is a capitalization-weighted index of 25 German blue-chip equities listed on the Frankfurt Stock Exchange ("FSE"). The proposed rule change was published for comment and appeared in the Federal Register on August 28, 1995.⁴ The CBOE filed Amendment No. 1 to its proposal on October 13, 1995.⁵ No

comments were received regarding the CBOE's proposal.

II. Description of the Proposal

A. General

The purpose of the proposed rule change is to permit the Exchange to list and trade cash-settled, European-style stock index options on the Germany 25 Index. The Index is a capitalization-weighted index of 25 German blue-chip equities listed on the Frankfurt Stock Exchange ("FSE"). The Exchange represents that options on the Index will provide investors with a low-cost means of participating in the German economy and hedging against the risk of investing in that economy.

B. Index Design

The 25 stocks that comprise the Germany 25 Index were selected by the CBOE for their high market capitalization and high degree of liquidity. According to the Exchange, the Index stocks are drawn from a broad base of industries and are representative of the industrial composition of the German equity market. Specifically, the Index components are the top 25 German stocks by market capitalization excluding: (1) Stocks with an average daily volume of less than 50,000 shares per day over the past six months; and (2) preferred stock of an issuer if that issuer also has publicly-traded common stock. The Index will be reviewed annually by that CBOE at the end of May each year and any composition changes resulting from that review will be implemented after the June expiration in that year.

The Germany 25 Index is weighted by the capitalization (market value) of the component stocks. The capitalization of a particular stock in the Index is calculated by multiplying the listed shares (including common, preferred, and treasury shares) by the price of the stock.⁶

On June 30, 1995, the 25 stocks in the Index ranged in capitalization from DM

No. 1"). In Amendment No. 1, the CBOE provides information regarding the industries represented in the Index, IBIS average daily trading volume, and dissemination. Amendment No. 1 also states that if the weight of any one industry group exceeds 50% of the total weight of the Index, the Exchange will immediately notify Commission staff; and that the CBOE will not remove a component of the Index between annual reviews unless it becomes necessary (generally due to bankruptcy, delisting, takeover, or merger). *Id.*

⁶The Commission notes that this varies from the method used to calculate the values of domestic capitalization-weighted indexes, such as the S&P 100 Index. For such domestic indexes, values are determined based solely on the outstanding shares of common stock of each component in the indexes.

3.656 billion (US\$2.648 billion)⁷ to DM 51.642 billion (US\$37.408 billion). The total capitalization of the stocks in the index on that date was DM 399.101 billion (US\$289.099 billion); the mean capitalization was DM 15.964 billion (US\$11.564 billion) and the median capitalization was DM 11.144 billion (US\$8.072 billion). The largest stock by capitalization (Allianz AG Holdings) accounted for 12.94% of the total weighting of the Index, while the smallest (Kaufhof) accounted for 0.92%. The top five stocks accounted for 44.56% of the total weighting on that date.

For the period from January 1, 1995 through June 30, 1995, average daily volume in individual Germany 25 Index component stocks ranged from a low of approximately 87,629 shares to a high of 2.532 million shares traded per day, with a mean daily trading volume for all the stocks in the Index during that period of 523,501 shares traded per day.

The Exchange represents that the Index is composed of ten (10) broad industry groupings, including chemicals, automobile and insurance companies, among others, which reflect the industry composition of the German equity market.

C. Calculation

The CBOE states that the Germany 25 Index will reflect changes in the capitalization of the component stocks relative to the capitalization on a base date. The base date for the Index is June 30, 1995, at which time the Index was given a value of 200 by the CBOE. The Index value of 200 was reached by multiplying the price of each stock by the number of listed shares (including common, preferred, and treasury),⁸ obtaining the sum of these values of all component stocks, and then dividing by a divisor determined to give the Index a value of 200. The CBOE states that it will calculate and disseminate the Germany 25 Index, based on the most recent closing prices of the component stocks as reported by the FSE, each day prior to the opening of trading in the United States.⁹ It is anticipated that at least several information vendors will make this information available throughout the CBOE trading day.

D. Maintenance

The Index will be maintained and calculated by to Exchange. To maintain continuity of the Index, the Exchange

⁷The CBOE represents that the dollar values used herein are based on a German mark/U.S. dollar exchange rate of 1.3805 marks per U.S. dollar prevailing on June 30, 1995.

⁸See *supra* note 6 and accompanying text.

⁹Amendment No. 1, *supra* note 5.

²³ 15 U.S.C. 78s(b)(2).

²⁴ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1) (1988).

² 17 CFR 240.19b-4 (1994).

³ European-style options may only be exercised during a specified period before the options expire.

⁴ See Securities Exchange Act Release No. 36125 (August 18, 1995), 60 FR 44526.

⁵ Letter from Eileen Smith, Director, Product Development, Research Department, CBOE, to Michael Walinskas, Branch Chief, Office of Market Supervision, Division of Market Regulation, Commission, dated October 13, 1995 ("Amendment