

contracts for a Lincoln Life Contract, and a participant under a UNUM NY Contract who opts-in or is deemed to have opted-in to the Reinsurance Transactions, in effect, will be exchanging his or her interest in a UNUM NY Contract for a Lincoln Life of NY Contract. Likewise, Applicants submit, the participant under a First UNUM Contract or a First UNUM Coinsured Contract who opt-in or is deemed to have opted-in to the Reinsurance Transactions, in effect, will be exchanging his or her interest in a First UNUM Contract or a First UNUM Coinsured Contract for an interest in a Lincoln Life of NY Contract. Applicants state that the granting of a right to make an election to opt-in or opt-out of the Reinsurance Transactions may be considered an offer to exchange securities of one unit investment trust for another unit investment trust, for purposes of Section 11 of the 1940 Act.

13. Applicants represent that the terms of the exchange offers proposed herein do not involve any of the practices Section 11 of the 1940 Act was designed to prevent, and are fair to Contractholders and participants, because: (i) participants will be fully apprised of their rights in connection with the exchange offers and will receive definitive prospectuses for the relevant Lincoln Life Contract or Lincoln Life of NY Contract; (ii) no charges will be imposed in connection with effecting the exchanges and, therefore, the exchanges will be made on the basis of the relative net asset value; (iii) participants who opt-in to the Reinsurance Transactions will have their interests assumptively reinsured under a materially similar Lincoln Life Contract or Lincoln Life of NY Contract with an identical sales charge structure; (iv) when appropriate, participants under a UNUM Contract or First UNUM Contract will receive credit for the time invested in such contract for purposes of determining any applicable sales charge under the corresponding Lincoln Life Contract or Lincoln Life of NY Contract; (v) the same underlying funds will be available upon reinsurance and, thus, there will be no interruption in the underlying funds serving as an investment media for the contracts; and (vi) participants who do not wish to accept the assumption reinsurance by Lincoln Life or Lincoln Life of NY may elect to opt-out of the Reinsurance Transactions, and their existing contractual rights under the UNUM Contract or First UNUM Contract will remain unchanged. Applicants also assert that there will be no adverse tax consequences to Contractholders and

participants as a result of the assumption reinsurance of their contracts or the exercise of any opt-out rights in connection with the proposed exchange offers.

14. Applicants submit that if, through common ownership, UNUM were affiliated with Lincoln Life and UNUM and First UNUM were affiliated with Lincoln Life of NY, Rule 11a-2 would permit the proposed exchange offers to be made without the prior approval of the Commission. Applicants submit that the proposed exchange offers between non-affiliates—which would be permitted under Rule 11a-2 if the companies were affiliated—should not be held to a more stringent standard than Rule 11a-2.

#### Conclusion

For the reasons set forth above, Applicants represent that the requested exemptions satisfy the standards of Section 17(b) of the 1940 Act, and that the terms of the proposed exchange offers satisfy the standards of Section 11 of the 1940 Act. Applicants, therefore, request that the Commission issue an order granting the requested exemptions and approving the proposed exchange offers.

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

Margaret H. McFarland,  
*Deputy Secretary.*

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BILLING CODE 8010-01-M

#### Sunshine Act Meeting

##### Agency Meeting

“FEDERAL REGISTER” CITATION OF PREVIOUS ANNOUNCEMENT: [To be Published].

STATUS: Closed Meeting.

PLACE: 450 Fifth Street, N.W., Washington, D.C.

DATE PREVIOUSLY ANNOUNCED: To be Published.

CHANGE IN THE MEETING: Cancellation.

The closed meeting scheduled for Thursday, September 5, 1996, at 10:00 a.m., has been cancelled.

Commissioner Hunt, as duty officer, determined that Commission business required the above change and that no earlier notice thereof was possible.

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 (202) 942-7070.

Dated: August 30, 1996.

Margaret H. McFarland,  
*Deputy Secretary.*  
[FR Doc. 96-22722 Filed 8-30-96; 4:25 pm]  
BILLING CODE 8010-01-M

[Release No. 34-37621; File No. SR-CBOE-96-49]

#### Self-Regulatory Organizations; Order Approving Proposed Rule Change by Chicago Board Options Exchange, Incorporated Relating to Permitting Additional Submissions Following Respondent's Petition for Review

August 29, 1996.

On July 23, 1996, the Chicago Board Options Exchange, Incorporated (“CBOE” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder.<sup>2</sup> The proposed rule change amends Exchange Rule 17.10 which governs the review of Business Conduct Committee (“BCC”) decisions by the Exchange’s Board of Directors (“Board”). Notice of the proposed rule change, together with the substance of the proposal, was issued by Commission release (Securities Exchange Act Release No. 37473, July 23, 1996) and by publication in the Federal Register (61 FR 39685, July 30, 1996).<sup>3</sup> No comment letters were received. The Commission is approving the proposed rule change.

#### I. Background

The purpose of the proposed change to Exchange Rule 17.10 is to formalize the current practice whereby the Board has permitted one additional submission by both Exchange staff and Respondent following Respondent’s petition for review. Presently, the Rule does not provide for any subsequent submissions following a Respondent’s appeal of a BCC decision to the Board.

#### II. The Terms of Substance of the Proposed Rule Change

The proposed rule change provides that, after a Respondent appeals a BCC decision to the Board, Exchange staff may submit a written response to which the Respondent may submit a reply. The proposed rule change requires the

<sup>1</sup> 15 U.S.C. § 78s(b)(1) (1988).

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

<sup>3</sup> The proposed rule change was originally filed with the Commission on July 11, 1996. The CBOE subsequently submitted Amendment No. 1 to the filing. Letter from Michael L. Meyer, Schiff, Hardin & Waite, to Katherine England, Assistant Director, Division of Market Regulation, SEC, dated July 19, 1996.