

arguments presented in memoranda it previously filed in this docket. If necessary, the Commission also may ask petitioners or the Postal Service for more information.

### The Commission Orders

(a) The Postal Service shall file the record in this appeal by January 29, 1998.

(b) The Secretary of the Postal Rate Commission shall publish this Notice and Order and Procedural Schedule in the **Federal Register**.

By the Commission.

**Cyril J. Pittack,**  
*Acting Secretary.*

**Nassau, Minnesota 56272**

[Docket No. A98-1]

### Appendix

December 22, 1997: Filing of Appeal letter.  
January 14, 1998: Commission Notice and Order of Filing of Appeal.

February 3, 1998: Last day of filing of petitions to intervene (see 39 CFR 3001.111(b)).

February 13, 1998: Petitioner's Participant Statement or Initial Brief (see 39 CFR 3001.115 (a) and (b)).

March 2, 1998: Postal Service's Answering Brief (see 39 CFR 3001.115(c)).

March 17, 1998: Petitioner's Reply Brief should Petitioner choose to file one (see 39 CFR 3001.115(d)).

March 24, 1998: Deadline for motions by any party requesting oral argument. The Commission will schedule oral argument only when it is a necessary addition to the written filings (see 39 CFR 3001.116).

April 21, 1998: Expiration of the Commission's 120-day decisional schedule (see 39 U.S.C. 404(b)(5)).

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certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(4), (8), (9)(A) and (10) and 17 CFR 200.402(a)(4), (8), (9)(i) and (10), permit consideration of the scheduled matters at the closed meeting.

Commissioner Hunt, as duty officer, voted to consider the items listed for the closed meeting in a closed session.

The subject matter of the closed meeting scheduled for Wednesday, January 21, 1998, at 3:00 p.m., will be: Institution and settlement of injunctive actions

Institution and settlement of administrative proceedings of an enforcement nature

The subject matter of the open meeting scheduled for Thursday, January 22, 1998, at 10:00 a.m., will be:

The Commission will consider adopting (1) a rule requiring plain English for the cover page, summary, and risk factor sections of prospectuses filed under the Securities Act of 1933; and (2) codifying earlier interpretive advice on how public companies can comply with the current rule that prospectuses be clear, concise and understandable. The purpose of the proposed change is to make prospectuses simpler, clearer, more useful, and more used. For further information, please contact David Maltz at (202) 942-1921.

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: January 14, 1998.

**Jonathan G. Katz,**  
*Secretary.*

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thereunder,<sup>2</sup> a proposed rule change to permit a FLEX equity option to have a term of five years in certain circumstances.

The proposed rule change was published for comment in the **Federal Register** on November 14, 1997.<sup>3</sup> No comments were received on the proposal. This order approves the proposal.

### II. Description

The CBOE is proposing to allow FLEX equity options<sup>4</sup> traded on the Exchange to have a maturity beyond three years and up to five years when the longer term is requested by a submitting member and the FLEX Post Official<sup>5</sup> determines that sufficient liquidity exists among Equity FLEX Qualified Market Makers. 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>6</sup> it determined to limit the maturity of these options to three years because, unlike FLEX Index options which had been 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. The CBOE represents, however, that since it has traded FLEX equity options, the Exchange has had numerous requests from broker-dealers to extend the maturity of FLEX equity options to five years. According to the Exchange, among the reasons the broker-dealer firms have been interested in seeking an extension in the allowable maturity is that such longer expiration FLEX equity options might be used to hedge a firm's issuance of long-term structured products linked to returns of an individual stock. The Rule would permit the longer term FLEX equity options (up to a maximum of five years) to be listed when requested by the submitting member if the FLEX Post

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

<sup>3</sup> Exchange Act Release No. 39305 (November 6, 1997), 62 FR 61156 (November 14, 1997).

<sup>4</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>5</sup> Under CBOE Rule 24A.1(g), a FLEX Post Official is the Exchange employee designated pursuant to Rule 24A.12 to perform the FLEX post functions set forth in that rule.

<sup>6</sup> SR-CBOE-95-43 approved in Exchange Act Release No. 36841 (February 14, 1996), 61 FR 6666 (February 21, 1996).

## SECURITIES AND EXCHANGE COMMISSION

### Sunshine Act 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 January 19, 1998.

A closed meeting will be held on Wednesday, January 21, 1998, at 3:00 p.m. An open meeting will be held on Thursday, January 22, 1998, at 10:00 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

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39524; File No. SR-CBOE-97-57]

### Self-Regulatory Organizations; Chicago Board Options Exchange, Inc.; Order Granting Approval to Proposed Rule Change Relating to an Extension of the Permissible Maturity Term of FLEX Equity Options

January 8, 1998.

#### I. Introduction

On October 23, 1997 the Chicago Board Options Exchange, Inc. ("CBOE" or "Exchange") submitted to the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4

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