

reporting the number of shares sold during the previous fiscal year. Form 24F-2 will provide a standard format for filing Rule 24f-2 Notices. The reporting burden required under Rule 24f-2 is approximately 1.9 hours per respondent. The proposed amendments and form will not change the reporting burden.

The estimates of average burden hours are made solely for the purposes of the Paperwork Reduction Act, and are not derived from a comprehensive or even a representative survey or study of the costs of SEC rules and forms.

Direct general comments to the Clearance Officer for the Securities and Exchange Commission at the address below. Direct any comments concerning the accuracy of the estimated average burden hours for compliance with Commission rules and forms to David T. Copenhafer, Acting Director, Office of Information Technology, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, DC 20549, and Clearance Officer for the SEC, Office of Management and Budget, Paperwork Reduction Project numbers 3235-0155 (Rule 24f-1), 3235-0159 (Rule 24f-2), and (Form 24F-2), Room 3208, New Executive Office Building, Washington, DC 20543.

Dated: March 21, 1995.

Margaret E. McFarland,

Deputy Secretary.

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[Release No. 34-35524; International Series Release No. 795 File No. SR-Amex-95-04]

Self-Regulatory Organizations; Notice of Filing of Amendment No. 1 to Proposed Rule Change by the American Stock Exchange, Inc. Relating to Margin Levels for Currency Warrants Based on the Value of the U.S. Dollar in Relation to the Mexican Peso

March 22, 1995.

Pursuant to Section 19(b)(1) of the Securities and Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on March 16, 1995, the American Stock Exchange, Inc. ("Amex" or "Exchange") filed with the Securities and Exchange Commission ("Commission") Amendment No. 1 to the proposed rule change as described in Items I, II, and III below, which Items have been

prepared by the Exchange. The Exchange filed the original proposal with the Commission on February 8, 1995. Notice of the proposed rule change appeared in the **Federal Register** on February 17, 1995.³ The Commission is publishing this notice to solicit comments on Amendment No. 1 to 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 pending proposal to list warrants on the Exchange based upon the value of the U.S. dollar in relation to the Mexican peso ("Mexican Peso Warrants") in order to specify applicable margin requirements. The text of Amendment No. 1 to the proposed rule change is available at the Office of the Secretary, Amex, 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 Exchange included statements concerning the purpose of and basis for Amendment No. 1 to the proposed rule change and discussed any comments it received on the amendment. 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 Statutory Basis for, the Proposed Rule Change

In the Exchange's proposal to list and trade Mexican Peso Warrants pursuant to Section 106 of the Amex Company Guide, the Amex represented that "the Exchange will require that customer positions in Mexican Peso Warrants be subject to the margin requirements applicable to foreign currency options."⁴ The Exchange is now amending that proposal to specify objective margin levels that will be applicable to Mexican Peso Warrants trading on the Exchange. Specifically, the Exchange proposes that for Mexican Peso Warrants held "short" in a customer's account, the margin will be 100% of the current market value of each such warrant plus 12% of the product of the units of underlying

currency per warrant and the spot price for such currency. This requirement would apply to both initial and maintenance margin. The minimum "add-on" for out-of-the-money Mexican Peso Warrants would be 8% of the product of the units of underlying currency per warrants and the spot price for such currency.

The Exchange believes that Amendment No. 1 to the proposed rule change is consistent with Section 6 of the Act, in general, and furthers the objectives of Section 6(b)(5) of the Act,⁵ in particular, in that the proposal will promote just and equitable principles of trade and will contribute to the protection of investors and the public interest.

(B) Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that Amendment No. 1 to 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

Written comments on Amendment No. 1 to the proposed rule change were neither solicited nor received.

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, as amended, or
- (b) Institute proceedings to determine whether the proposed rule change, as amended, should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning Amendment No. 1 to the proposed rule change. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change, as amended, that are filed with the Commission, and all written

¹ 15 U.S.C. 78s(b)(1) (1988).

² 17 CFR 240.19b-4 (1991).

³ See Securities Exchange Act Release No. 35363 (February 13, 1995), 60 FR 9416.

⁴ *Id.*

⁵ 15 U.S.C. 78f(b)(5) (1988).

communications relating to the proposed rule change, as amended, between the Commission and any person, other than those that may be withheld from the 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, NW., Washington, DC. Copies of such filing will also be available for inspection and copying at the principal office of the Amex.

All submissions should refer to File No. SR-Amex-95-04 and should be submitted by April 20, 1995.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁶

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-7842 Filed 3-29-95; 8:45 am]

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[Release No 34-35532; File No. SR-CBOE-94-43]

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. 2 to a Proposed Rule Change Relating to the Listing of Regular and Long-Term Index Options on the S&P SmallCap 600 Index

March 24, 1995.

I. Introduction

On November 8, 1994, 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-style index options on the Standard & Poor's SmallCap 600 Index ("S&P SmallCap 600" or "Index"), a broad-based capitalization weighted index designed to measure the performance of small capitalization stocks. The CBOE filed Amendment No. 1 to its proposal on January 9, 1995, and Amendment No. 2 to its proposal on March 14, 1995.³ The proposed rule

change was published for comment and appeared in the **Federal Register** on February 1, 1995.⁴ No comments were received regarding the CBOE's proposal.

II. Description of the Proposal

A. General

The CBOE proposes to list and trade cash-settled, European-style stock index options on the S&P SmallCap, a capitalization-weighted index of 600 domestic stocks chosen for market size, liquidity, and industry group representation.

B. Composition of the Index

The S&P SmallCap 600 Index has been designed to measure the performance of small capitalization stocks. The Index is a capitalization-weighted index of U.S. stocks with each stock affecting the Index in proportion to its market capitalization.

As of October 19, 1994, the 600 component stocks ranged in capitalization from \$933 million to \$46 million, and the market capitalization of the Index totalled \$181 billion. The largest stock accounted for 0.51% of the total weighting of the Index, while the smallest accounted for 0.03%. The median capitalization of the components in the Index was \$267 million. A breakdown of the component stocks by trading markets shows that Nasdaq is the primary market for 53% of the weight of the Index (318 issues), the New York Stock Exchange ("NYSE") represents 43% (257 issues), and the American Stock Exchange ("Amex") represents 4% (25 issues). The Nasdaq stocks in the Index are authorized as Nasdaq National Market Securities, the top tier of Nasdaq stocks.

A total of 98 industry groups are represented in the Index. The top five groups and their weights are: (1) Computer Software and Services—9.01%; (2) Insurance—5.13%; (3) Savings and Loans—4.88%; (4) Health Care Services—4.31%; and (5) Banks—Regional—4.26%. During the period April through September 1994, the average monthly trading volume for the Index component stocks ranged from 93,000 to 25.3 million shares. The

Division of Market Regulation ("Division"), Commission, dated January 5, 1995 ("Amendment No. 1").

Amendment No. 2 provides that the CBOE will monitor the Index semi-annually, and will notify staff of the Commission in the event that certain index component capitalization and volume levels fall below designated thresholds. See letter from Joseph Levin, Vice-President, Research & Product Development, CBOE, to Michael Walinskas, Branch Chief, Division, Commission, dated March 14, 1995 ("Amendment No. 2").

⁴ See Securities Exchange Act Release No. 35280 (January 25, 1995), 60 FR 6325.

average monthly volume was 1.9 million shares. The top 100 stocks account for 33.42% of the Index, while the bottom 100 stocks account for 5.69% of the Index. The prices for each of the components ranged from \$1.385 to \$64.50. The average price was \$19.37. The shares outstanding for each of the Index component stocks ranged from 4.0 million to 189.0 million with an average of 17.8 million.⁵

S&P relies on several criteria to select Index component stocks. Among other things, stocks must trade on the NYSE or Amex, or be Nasdaq National Market securities; stocks must trade above \$1.00 at the time of selection; companies with 50% or more of their shares outstanding held by another corporation are not included; companies with 60% or more of their shares held by insiders are not included; stocks must have at least a six month trading history; stocks that do not trade on any three days during a 12-month period are not included; and share turnover (annual trading volume as a percent of shares outstanding) has to exceed 20% on an annualized basis. Index component stocks are then chosen from the field of stocks that meets these criteria so that they balance the economic sector weightings, described above.⁶

C. Calculation of the Index

The methodology used to calculate the value of the Index is similar to that used to calculate the value of the S&P 500 Index. The value of the Index is determined by adding the price of each stock multiplied by the number of shares outstanding. This sum is then divided by an index divisor ("Index Divisor") which gives the Index a value of 100 on its base date of December 31, 1993. The Index Divisor is adjusted for pertinent changes as described below in the section titled "Maintenance." The Index had a closing value of 96.82 on September 30, 1994.

D. Maintenance

The S&P SmallCap 600 will be maintained by S&P, and the CBOE has represented that it will not influence any S&P decisions concerning maintenance of the Index.⁷ To maintain

⁵ See Amendment No. 1, *supra* note 3.

⁶ *Id.* The CBOE has represented that should the character of the Index change from the basic description contained herein, it shall so notify the Commission staff, and such change could require a filing pursuant to Section 19(b)(1) of the Exchange Act and Rule 19b-4 thereunder. Telephone conversation between Eileen Smith, Director, Product Development, Research Department, CBOE, and Francois Mazur, Attorney, Division, Commission, on March 1, 1995.

⁷ See March 1, 1995 telephone conversation, *supra* note 6.

⁶ 17 CFR 200.30-3(a)(12) (1994).

¹ 15 U.S.C. 78s(b)(1) (1988).

² 17 CFR 240.19b-4 (1994).

³ Amendment No. 1 Provides the following information regarding the Index: (1) Industry groups represented; (2) price and volume information regarding the component stocks; and (3) component stock selection criteria. See letter from Eileen Smith, Director, Product Development, Research Department, CBOE, to Steve Youhn, Attorney,