concerned and with the general purposes of the Act. Section 6(c) authorizes the Commission to exempt persons or transactions from the provisions of the Act to the extent that such exemptions are appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policies and provisions of the Act.

5. Applicants submit, for the reasons discussed below, that their request satisfies these standards. Applicants believe that compliance with rule 17a–7(a)–(f) will ensure that the Proposed Transaction is effected on terms that are fair and reasonable and do not involve overreaching. Applicants believe that because the Proposed Transaction involves a purchase of readily marketable securities for cash and because the Proposed Transaction has been reviewed and approved by the Board, there is no danger that any affiliated person will benefit at the expense of the Portfolio and its interest holders.

Applicants' Condition

Applicants agree that the order granting the requested relief will be subject to the following condition:

The proposed Transaction will comply with the terms of rule 17a–7(a) through (f).

For the SEC, by the Division of Investment Management, under delegated authority.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98–24814 Filed 9–15–98; 8:45 am]

BILLING CODE 8010–01–M

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 open meeting during the week of September 21, 1998.

An open meeting will be held on Wednesday, September 23, 1998, at 10:00 a.m.

The subject matter of the open meeting scheduled for Wednesday, September 23, 1998, at 10:00 a.m., will be:

Consideration of whether to adopt an amendment to Rule 102(e) of the Commission Rules of Practice clarifying the Commission's standard for determining when accountants engage in ''improper professional conduct.''

FOR FURTHER INFORMATION CONTACT. Michael J. Kingin, Associate Chief Accountant, Office of the Chief Accountant at (202) 942–0890.

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: September 14, 1998.

Jonathan G. Katz,

Secretary.

[FR Doc. 98–24916 Filed 9–14–98; 12:45 pm]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–40419; File No. SR–CBOE–98–35]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Chicago Board Options Exchange, Inc. Relating to Floor Brokerage Subsidies

September 9, 1998.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'') [1] and Rule 19b–4 [2] thereunder, notice is hereby given that on July 27, 1998, 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 CBOE. 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 Exchange proposes to adopt a new rule that would allow market-makers in a trading crowd to subsidize the activity of floor brokers who represent orders in that crowd. The proposed rule would also allow market-makers to determine to subsidize the execution of orders from the Exchange's public customer limit order book. Set forth below is the text of the proposed rule.

* * * * *

(The entire rule is new.)

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

Chicago Board Options Exchange, Inc. Rules

Chapter II—Organization and Administration

Part C—Dues, Fees, and Other Charges; Market-Maker Surcharge for Brokerage

Rule 2.40

(a) Definitions.

(i) Stationary Floor Broker. A Stationary Floor Broker (''SFB'') in a particular option class is a floor broker (A) who has established a business in the trading crowd for that class of accepting and executing orders for members or registered broker-dealers and (B) who transacted at least 80% of his orders for the previous month in the trading crowd at which that option class is traded.

(ii) Resident Market-Maker. A Resident Market-Maker in a particular class of options is a market-maker who transacted at least 80% of his market-maker contracts in option classes traded in the trading crowd where the particular option class is traded in the prior calendar month.

(iii) ORS Orders. For purposes of this Rule, an ORS order is an order that is (A) sent over the Exchange's Order Routing System, (B) given an ORS identification number and (C) not an order of the firm for which the SFB acts as a nominee or for whom the SFB has registered his membership.

(iv) Standard OBO Rate. The Standard OBO Rate is any rate for OBO floor brokerage established by the Exchange for the particular equity option class traded on the Exchange floor.

(b) Generally.

The Resident Market-Makers for a particular option class may vote, as set forth in paragraph (d) of this Rule, to impose a fee on a per contract basis for every contract traded by every market-maker, whether in-person or by order, in that option class during the period for which the fee is instituted. This fee will be collected by the Exchange and used to reimburse the Exchange to the extent the market-makers vote to reduce the Exchange's book rate pursuant to paragraph (g) of this Rule. Any amount remaining after the Exchange has been reimbursed will be paid to every SFB who executed an ORS Order in that option class during the relevant period of time. To the extent more than one SFB executed ORS Orders during the relevant period, this amount remaining shall be paid to the SFBs on a pro rata basis based on the number of ORS contracts executed by the respective SFBs during the period. The fee likely will be assessed after the end of the