

provision of the Act, if and to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Applicants request an exemption under section 6(c) from sections 18(c) and 18(i) to permit the Fund to issue multiple classes of shares.

4. Applicants submit that the proposed allocation of expenses and voting rights among multiple classes is equitable and will not discriminate against any group or class of shareholders. Applicants submit that the proposed arrangements would permit the Fund to facilitate the distribution of its securities and provide investors with a broader choice of shareholder services. Applicants assert that their proposal does not raise the concerns underlying section 18 of the Act to any greater degree than open-end investment companies' multiple class structures that are permitted by rule 18f-3 under the Act. Applicants state that the Fund will comply with the provisions of rule 18f-3 as if it were an open-end investment company.

Early Withdrawal Charges

5. Section 23(c) of the Act provides, in relevant part, that no registered closed-end investment company will purchase securities of which it is the issuer, except: (i) On a securities exchange or other open market; (ii) pursuant to tenders, after reasonable opportunity to submit tenders given to all holders of securities of the class to be purchased; or (iii) under other circumstances as the Commission may permit by rules and regulations or orders for the protection of investors.

6. Rule 23c-3 under the Act permits a registered closed-end investment company (an "interval fund") to make repurchase offers of between five and twenty-five percent of its outstanding shares at net asset value at periodic intervals pursuant to a fundamental policy of the interval fund. Rule 23c-3(b)(1) under the Act provides that an interval fund may deduct from repurchase proceeds only a repurchase fee, not to exceed two percent of the proceeds, that is reasonably intended to compensate the fund for expenses directly related to the repurchase.

7. Section 23(c)(3) provides that the Commission may issue an order that would permit a closed-end investment company to repurchase its shares in circumstances in which the repurchase is made in a manner or on a basis that does not unfairly discriminate against any holders of the class or classes of securities to be purchased. As noted

above, section 6(c) provides that the Commission may exempt any person, security or transaction from any provision of the Act, if and to the extent that the exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Applicants request relief under sections 6(c) and 23(c) from rule 23c-3 to permit them to impose EWCs on shares submitted for repurchase that have been held for less than a specified period.

8. Applicants believe that the requested relief meets the standards of sections 6(c) and 23(c)(3). Rule 6c-10 under the Act permits open-end investment companies to impose CDSCs, subject to certain conditions. Applicants state that EWCs are functionally similar to CDSCs imposed by open-end investment companies under rule 6c-10. Applicants state that EWCs may be necessary for the Investment Adviser to recover distribution costs. Applicants will comply with rule 6c-10 as if that rule applied to closed-end investment companies. The Fund also will disclose EWCs in accordance with the requirements of Form N-1A concerning CDSCs. Applicants further state that the Fund will apply the EWC (and any waivers or scheduled variations of the EWC) uniformly to all shareholders in a given class and consistently with the requirements of rule 22d-1 under the Act.

Asset-Based Distribution Fees

9. Section 17(d) of the Act and rule 17d-1 under the Act prohibit an affiliated person of a registered investment company or an affiliated person of such person, acting as principal, from participating in or effecting any transaction in connection with any joint enterprise or joint arrangement in which the investment company participates unless the Commission issues an order permitting the transaction. In reviewing applications submitted under section 17(d) and rule 17d-1, the Commission considers whether the participation of the investment company in a joint enterprise or joint arrangement is consistent with the provisions, policies and purposes of the Act, and the extent to which the participation is on a basis different from or less advantageous than that of other participants.

10. Rule 17d-3 under the Act provides an exemption from section 17(d) and rule 17d-1 to permit open-end investment companies to enter into distribution arrangements pursuant to

rule 12b-1 under the Act. Applicants request an order under section 17(d) and rule 17d-1 under the Act to permit the Fund to impose asset-based distribution fees. Applicants have agreed to comply with rules 12b-1 and 17d-3 as if those rules applied to closed-end investment companies.

Applicants' Condition

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

Applicants will comply with the provisions of rules 6c-10, 11a-3, 12b-1, 17d-3, 18f-3, and 22d-1 under the Act, as amended from time to time, as if those rules applied to closed-end management investment companies, and will comply with the NASD Sales Charge Rule, as amended from time to time.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 01-5538 Filed 3-6-01; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting, Agency 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 meeting during the week of March 5, 2001.

A closed meeting will be held on Monday, March 5, 2001, at 2 p.m.

Commissioner Hung, as duty officer, determined that no earlier notice thereof was possible.

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 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)(A) and (10), permit consideration of the scheduled matters at the closed meeting.

The subject matter of the closed meeting will be: Institution of an administrative proceeding of an enforcement nature.

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: March 2, 2001.

Jonathan G. Katz,
Secretary.

[FR Doc. 01-5675 Filed 3-5-01; 12:26 pm]

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SECURITIES AND EXCHANGE COMMISSION

[File No. 500-1]

In the Matter of Ives Health Co. Inc.; Order of Suspension of Trading

March 5, 2001.

It appears to the Securities and Exchange Commission that there is a lack of current and accurate information concerning the securities of Ives Health Company, Inc., an Oklahoma corporation, with its principal place of business in Claremore, Oklahoma. Questions have been raised about the adequacy and accuracy of publicly disseminated information concerning, among other things, a product being marketed by Ives Health for treatment of human immunodeficiency virus (HIV).

The Commission is of the opinion that the public interest and the protection of investors require a suspension of trading in the securities of Ives Health.

Therefore, it is ordered, pursuant to section 12(k) of the Securities Exchange Act of 1934, that trading in the securities of Ives Health Company, Inc. is suspended for the period from 9:30 a.m. EST, March 5, 2001, through 11:59 p.m. EST, March 16, 2001.

By the Commission.

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 01-5676 Filed 3-5-01; 1:12 pm]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-44013; File No. SR-AMEX-01-05]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the American Stock Exchange LLC Relating to Price Matching and Improvement Enhancements to Auto-Ex

February 28, 2001.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934,¹ and

Rule 19b-4 thereunder,² notice is hereby given that on February 12, 2001, the American Stock Exchange LLC (the "Amex" or the "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Exchange has designed the proposed rule change as constituting a "non-controversial" rule change under paragraph (f)(6) of Rule 19b-4 under the Act,³ which renders the proposal effective upon receipt of this filing by the Commission. On February 27, 2001, the Exchange Commission received Amendment No. 1 to the filing.⁴

The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

1. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Amex proposes to implement price improvement enhancements to the Exchange's Automatic Execution system. Below is the text of the proposed rule change. Proposed new language is in *italics*.

* * * * *

Automatic Execution of Options Orders Rule 933

(a)-(b) No change.

Commentary

.01(a) Orders to buy or sell options that are multiply traded on one or more options exchanges in addition to the Exchange will not be automatically executed at prices inferior to the current best bid or offer displayed by any other options exchange, as such best bids or offers are identified by the Exchange's order routing system.

(b) Customer orders in those series of options that have been specifically designated by the Auto-Ex Enhancements Committee ("automatic price matching series"), under circumstances where the Exchange's best bid or offer is inferior to the current best bid or offer displayed by another options exchange by no more than the

"price matching amount," as defined below, will be automatically executed at the current best bid or offer displayed by the other options exchange. If the Exchange's best bid or offer is inferior to the current best bid or offer displayed by another options exchange by more than the price matching amount, the order will be routed to the specialist and not automatically executed. Only customer orders within the order size parameters established by the Auto-Ex Enhancements Committee will be eligible for automatic price matching. A customer order that exceeds the established order size parameter will be routed to the specialist and not automatically executed.

(c) Customer orders in those series of options that have been specifically designed by the Auto-Ex Enhancements Committee ("automatic price improvement series") will be automatically executed when the Exchange's best bid or offer is equal to the current best bid or offer by the price improvement amount, as defined below. Only customer orders within the order size parameters established by the Auto-Ex Enhancements Committee will be eligible for automatic price improvement. A customer order that exceeds the established order size parameter will be either automatically executed at the Exchange's best bid or offer if it is within the Auto-Ex order size parameters, or it will be routed to the specialist and not automatically executed.

(d) Notwithstanding paragraphs (b) and (c) above, orders for automatic price matching series or automatic price improvement series will be routed to the specialist and not automatically executed in situations where: (i) the current best bid or offer for one of the series is crossed (e.g., 4.20 bid, 4 asked) or locked (e.g., 4 bid, 4 asked); (ii) the specialist in conjunction with a Floor governor or two Floor Officials determined quotes in such options or options exchange(s) are not reliable; or (iii) the Exchange is experiencing communications or systems problems, "fast markets," or delays in the dissemination of quotes by the Options Price Reporting Authority ("OPRA"). Members and member organizations will be notified when the Exchange has determined that quotes are not reliable and prior to one or both Auto-Ex Enhancements being shut off and customer orders being routed to the specialist for execution. The specialist will report the execution or non-execution of such orders to the firm that

² 17 CFR 240.19b-4.

³ 17 CFR 240.19b(f)(6).

⁴ See letter from Claire McGrath, Vice President and Special Counsel, Amex to Nancy Sanow, Assistant Director, Division of Market Regulation ("Division"), Commission, dated February 26, 2001 ("Amendment No. 1"). In Amendment No. 1, the Exchange deleted Commentary .01(g) from the proposed rule text, and clarified the circumstances under which customer orders would be routed to the specialist instead of being automatically executed.

¹ 15 U.S.C. 78s(b)(1)