

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

**Margaret H. McFarland.**

*Deputy Secretary.*

[FR Doc. 01-27018 Filed 10-25-01; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

### Sunshine Act Meetings

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 October 29, 2001: closed meetings will be held on Monday, October 29, 2001 and Tuesday, October 30, 2001, at 10:00 a.m.

Commissioner Unger, 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)(5), (7), (9)(A), (9)(B), and (10) and 17 CFR 200.402(a)(5), (7), 9(i) 9(ii) and (10), permit consideration of the scheduled matters at the closed meetings.

The subject matter of the closed meetings scheduled for Monday, October 29, 2001 and Tuesday, October 30, 2001, will be:

Institution and settlement of injunctive actions;

Institution and settlement of administrative proceedings of an enforcement nature; and

Formal orders.

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: October 23, 2001.

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

[FR Doc. 01-27106 Filed 10-24-01; 12:20 pm]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-44958; File No. SR-Amex-2001-71]

### Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by American Stock Exchange LLC Relating to Priority on Multiple Price Transactions

October 19, 2001.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934,<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on September 6, 2001, the American Stock Exchange LLC ("Amex" or "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 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 Amex proposes to amend Exchange Rule 950 to add Commentary .05 relating to priority on multiple price transactions. The following is the text of proposed Commentary .05 (all new language):

*.05 Purchase Priority. If a member purchases one or more option contracts of a particular series at a particular price or prices such member shall, at the next lower price at which a member other than an Exchange Broker or specialist representing a customer agency order entitled to priority pursuant to Rule 950(c), have priority in purchasing up to the equivalent number (or a reasonably large number) of option contracts of the same series that he purchased at the higher price or prices, but only if his bid is made promptly and the purchase so effected represents the opposite side of a transaction with the same order or offer as the earlier purchase or purchases. Sale Priority. If a member sells one or more option contracts of a particular series at a particular price or prices, he shall, at the next higher price at which a member other than an Exchange Broker or specialist representing a customer agency order entitled to priority pursuant to Rule 950(c), have priority in selling up to the equivalent number (or a reasonably larger number) of option contracts of the same series that he sold at the lower price or prices, but only if*

*his offer is made promptly and the sale so effected represents the opposite side of a transaction with the same order or bid as the earlier sale or sales.*

*Two or more members entitled to priority. If the bids or offers of two or more members are both entitled to priority in accordance with paragraph (a) or paragraph (b), it shall be afforded them insofar as practicable, on a pro-rata basis.*

#### II. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Amex included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. 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

###### 1. Purpose

The Exchange proposes to amend Exchange Rule 950 by adding Commentary .05 to provide for multiple price priority in the execution of equity option transactions. The Exchange believes that the proposal is designed to promote price improvement in the execution of equity option orders and provide incentives to registered options traders ("ROTs") and specialists in the execution of such orders by providing ROTs and specialists with priority in the execution of those orders in which a ROT or specialist improves upon the displayed quotation.

In particular, proposed Commentary .05 provides for member price priority with respect to purchases (sales) up to an equivalent number of options contracts of the same series purchased at the higher price or prices (or sold at the lower price or prices for sales) if the bid (offer) is made promptly and the purchase (sale) effected represents the opposite side of a transaction with the same order or offer (bid) as the earlier purchases (sale). A floor broker or specialist representing a public customer order entitled to priority pursuant to Amex Rule 950(c) will continue to retain such priority under proposed Commentary .05.

For example, application of the proposal would operate as follows: If the displayed quotation is 6 (bid), 6.50

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

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