

that the Reorganizations will be on the basis of the Funds' relative net asset values.

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

Jonathan G. Katz,  
Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-44712; File No. SR-Amex-2001-58]

### Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by American Stock Exchange LLC Relating to Billing of Annual Fee for Listed Companies

August 16, 2001.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on August 2, 2001, the American Stock Exchange LLC ("Amex" 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 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 Exchange proposes to amend Section 141 of the Amex *Company Guide* as follows (deletions are bracketed; new language is italicized):

#### ANNUAL FEES

##### Sec. 141

##### Stock Issues

[No change to annual fee schedule.]

The annual fee is payable in January of each year and is based on the total number of all classes of shares (excluding treasury shares) and warrants according to information available on Exchange records as of December 31 of the preceding year. (The above fee schedule also applies to companies whose securities are admitted to unlisted trading privileges.)

In the calendar year in which a company first lists, the annual fee will be prorated to reflect only that portion of the year during which the security has been admitted to dealings and will be payable [In December] *within 30 days*

*of the date the company received the invoice*, based on the total number of outstanding shares of all classes of stock at the time of original listing.

#### 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, 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 the Statutory Basis for, the Proposed Rule Change

##### 1. Purpose

Section 141 of the Amex *Company Guide* sets out the schedule of annual fees payable by listed companies. The section provides that, in the calendar year in which a company first lists, the annual fee will be prorated to reflect the portion of the year that the company has been listed, and is payable in December based on the total number of outstanding shares at the time of original listing. Current Exchange billing practice for annual fees is to send the company an invoice after listing, payable on receipt.

In the interest of facilitating more timely receipt of the annual fee in the first year of listing, the Exchange proposes to provide that the annual fee in the first year of listing will be payable 30 days from the date the company receives the invoice.

##### 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act<sup>2</sup> in general and furthers the objectives of Section 6(b)(5)<sup>3</sup> in particular in that it is designed to remove impediments to the perfect the mechanism of a free and open market and a national market system, and, in general, to protect investor and the public interest; and is not designed to permit unfair discrimination between customers, issuers, brokers and dealers.

##### B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange believes that the proposed rule change will not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

##### C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

The Exchange has neither solicited nor received written comments with respect to the proposed rule change.

#### 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 orders approve such proposed rule change, or

(B) Institute proceedings to determine whether the proposed rule change should be disapproved.

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609. Copies of the submission, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change 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 Room. Copies of such filing will also be available for inspection and copying at the principal office of the Amex. All submissions should refer to the file number in the caption above and should be submitted by September 12, 2001.

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

<sup>2</sup> 15 U.S.C. 78f(b).

<sup>3</sup> 15 U.S.C. 78f(b)(6).

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>4</sup>

Jonathan G. Katz,  
Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-44710; File No. SR-CBOE-2001-45]

### Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by Chicago Board Options Exchange, Incorporated Relating to Exercise Prices for FLEX Equity Options

August 16, 2001.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 there under,<sup>2</sup> notice is hereby given that on August 14, 2001, Chicago Board Options Exchange, Incorporated ("CBOE" or "Exchange") filed with the Securities and Exchange Commission ("Commission" or "SEC") 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 proposal pursuant to Section 19(b)(3)(A) of the Act,<sup>3</sup> and Rule 19b-4(f)(6)<sup>4</sup> thereunder, which renders the proposal effective upon filing with the Commission.<sup>5</sup> 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 Proposal

The Exchange proposes to amend CBOE Rule 24A.4 to provide that exercise prices for Flexible Exchange options ("FLEX Options") on specified equity securities ("FLEX Equity Options") may be stated in fractional or decimal form. The text of the proposed rule change is below. Additions are in *italics*.

## CHAPTER XXIVA

### Flexible Exchange Options

Rule 24A.4 Terms of FLEX Options

(a)-(b) Unchanged.

(c)

(1) Unchanged.

(2) Exercise prices and premiums may be stated in dollar amount or percentage of the price of the underlying security, rounded to the nearest minimum tick or, in the case of exercise prices, to the nearest \$.10 or one-eighth of a dollar;

(3)-(4) Unchanged.

Interpretations and Policies:

.01 Unchanged.

\* \* \* \* \*

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

In its filing with the Commission, CBOE included statements concerning the purpose of and basis for its proposal and discussed any comments it received regarding the proposal. The text of these statements may be examined at the places specified in Item IV below. CBOE 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 purpose of the proposed rule change is to amend Rule 24A.4, Terms of FLEX Options, to provide that exercise prices for FLEX Equity Options may be stated in fractional or decimal form. Specifically, the Exchange proposes to amend paragraph (c)(2) of Rule 24A.4 to state that exercise prices for FLEX Equity Options may be rounded to the nearest \$.10, as well as to the nearest one-eighth of a dollar. The proposed rule change would enable market participation to state both exercise prices and premiums for FLEX Equity Options in decimal form, thereby facilitating transactions in FLEX Equity Options.<sup>6</sup>

###### 2. Statutory Basis

CBOE believes the proposed rule change is consistent with the provisions of Section 6(b) of the Act,<sup>7</sup> in general, and Section 6(b)(5)<sup>8</sup> in particular, in that it is designed to facilitate

transactions in securities, to protect investors and the public interest, and to remove impediments to and perfect the mechanism of a free and open market.

##### B. Self-Regulatory Organization's Statement on Burden on Competition

CBOE does not believe that the proposed rule change will impose a burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

##### C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

No written comments were solicited or received with respect to the proposed rule change.

#### III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not:

(i) Significantly affect the protection of investors or the public interest;

(ii) Impose any significant burden on competition; and

(iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>9</sup> and Rule 19b-4(f)(6) thereunder.<sup>10</sup> At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

The Exchange has requested that the Commission accelerate the operative date. The Commission finds good cause to designate the proposal to become operative upon filing with the Commission because such designation is consistent with the protection of investors and the public interest. Acceleration of the operative date will allow CBOE to better compete with the over-the-counter market and those options exchanges that have already adopted rules to permit offering FLEX Equity Options strike prices in \$.10 increments. For these reasons, the Commission finds good cause to designate that the proposal is both effective and operative upon filing with the Commission.<sup>11</sup>

<sup>4</sup> 17 C.F.R. 200.3-3(a)(12).

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

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

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>4</sup> 17 CFR 250.19b-4(f)(6).

<sup>5</sup> The Exchange provided the Commission with written notice of its intent to file the proposal on August 6, 2001, pursuant to Rule 19b-4(f)(6). 17 CFR 204.19b-4(f)(6). See August 3, 2001 letter from Jamie Galvan, Attorney, CBOE to Nancy Sanow, Division of Market Regulation, SEC.

<sup>6</sup> The proposed rule change is based upon the rules of other securities exchanges, specifically AMEX Rule 903G(c), PCX Rule 8.102(f) and PHLX Rule 1079(a).

<sup>7</sup> 15 U.S.C. 78f(b).

<sup>8</sup> 15 U.S.C. 78f(b)(5).

<sup>9</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>10</sup> 17 CFR 240.19b-4(f)(6).

<sup>11</sup> For purposes only of accelerating the operative date of this proposal, the Commission has