

will make a separate finding, reflected in the Board's minutes, that the change is in the best interests of the Fund and its shareholders and does not involve a conflict of interest from which the Adviser or the Affiliated Subadviser derives an inappropriate advantage.

6. Within 90 days of the hiring of any new Subadviser, shareholders will be furnished all information about the new Subadviser that would be contained in a proxy statement, including any change in such disclosure caused by the addition of a new Subadviser. Each Fund will meet this condition by providing shareholders, within 90 days of the hiring of a Subadviser, an information statement meeting the requirements of Regulation 14C, Schedule 14C, and Item 22 of Schedule 14A under the Securities Exchange Act of 1934.

7. The Adviser will provide general management services to each Fund, including overall supervisory responsibility for the general management and investment of each Fund's assets, and, subject to review and approval by the Board, will (a) set the Fund's overall investment strategies; (b) evaluate, select, and recommend Subadviser(s) to manage all or a part of the Fund's assets; (c) monitor and evaluate the performance of Subadviser(s); (d) ensure that Subadvisers comply with each Subadvised Fund's investment objectives, restrictions, and policies by, among other things, implementing procedures reasonably designed to ensure compliance; and (e) allocate and, when appropriate, reallocate a Fund's assets among its Subadvisers when a Fund has more than one Subadviser.

8. No trustee or officer of the Trust or director or officer of the Adviser will own, directly or indirectly (other than through a pooled investment vehicle that is not controlled by any such trustee, director or officer) any interest in a Subadviser except for: (a) Ownership of interests in the Adviser or any entity that controls, is controlled by, or is under common control with the Adviser, or (b) ownership of less than 1% of the outstanding securities of any class of equity or debt securities of any publicly-traded company that is either a Subadviser or an entity that controls, is controlled by, or is under common control with a Subadviser.

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

**Margaret H. McFarland,**  
*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

### Sunshine Act Meeting

**Federal Register Citation of Previous Announcement:** [66 FR 1524, January 11, 2002]

*Status:* Closed meeting.

*Place:* 450 Fifth Street, NW., Washington, DC.

*Date and Time of Previously Announced Meeting:* Tuesday, January 15, 2002 at 10:00 a.m.

*Change in the Meeting:* Time Change.

The closed meeting scheduled for Tuesday, January 15, 2002 at 10:00 a.m. has been changed to Tuesday, January 15, 2002 at 9:00 a.m.

Dated: January 11, 2002.

**Jonathan G. Katz,**

*Secretary,*

[FR Doc. 02-1094 Filed 1-11-02; 11:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-45252; File No. SR-Amex-2001-26]

### Self-Regulatory Organizations; American Stock Exchange LLC; Order Granting Approval to Proposed Rule Change and Amendment No. 1 Thereto Relating to an Increase in the Exchange Regulatory Fee

January 8, 2002.

On May 7, 2001, the American Stock Exchange LLC ("Amex" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to amend the Amex Equity Fee Schedule to increase the regulatory fee from .00005 x Total Value to .000075 x Total Value for certain orders in Portfolio Depository Receipts, Index Fund Shares, and Trust Issued Receipts (collectively, the "Products") entered electronically into the Amex Order File from off the Floor ("System Orders") by a member or member organization trading as an agent for the account of a non-member competing market maker.

The proposed rule change was published for comment in the **Federal Register** on June 18, 2001.<sup>3</sup> The Commission received no comments on the proposal. On December 12, 2001, the Amex filed an amendment to the

proposed rule change.<sup>4</sup> In Amendment No. 1, the Amex made a technical amendment to the proposed rule change by further clarifying its purpose for increasing the Exchange's regulatory fee that does not need to be published for comment. In Amendment No. 1, the Exchange states that the regulatory fee increase has been put in place to ensure that the Amex has the appropriate resources to provide the regulatory, operational, and business development function necessary to meet the increasing demands of a complex and competitive marketplace.<sup>5</sup>

The Commission notes that the proposed rule change allows for disparate treatment of competing market makers in that it increases the regulatory fee for System Orders in the Products by a member or member organization trading as an agent for the account of a non-member.<sup>6</sup> However, the Commission notes that under the Amex's current fee schedule, orders in the Products by a member or member organization trading as an agent for the account of a non-member were not entitled to the same treatment as other orders in the fee schedule in that they were not exempt from the regulatory fee. This proposed rule change does not alter this result. Furthermore, the Commission believes that the Intermarket Trading System ("ITS") will continue to provide an alternative means by which non-member competing market makers can access the Amex. ITS provides an avenue for non-member competing market makers to interact with trading interests on the Amex, fee-free.

For these reasons, the Commission finds that the proposed rule change and Amendment No. 1 are consistent with the requirements of the Act and the rules and regulations thereunder

<sup>4</sup> See letter from Michael J. Ryan, Jr., Executive Vice President & General Counsel, Amex, to Katherine England, Assistant Director, Division of Market Regulation, Commission, dated December 11, 2001 ("Amendment No. 1").

<sup>5</sup> Specifically, the Amex states that the Exchange continues to make heavy investments in: technologies to support the efficient trading of Exchange Traded Funds ("ETFs") and HOLDERS on the Exchange; product development to bring new products to market; and the regulation of the EFT and HOLDERS markets. The Exchange believes that non-member competing market makers receive the most benefit from trading ETFs and HOLDERS on the Amex, with associated Amex technological enhancements and regulatory structure. The Exchange believes that the fee increase will support the infrastructure relied upon by the broader marketplace including competitive exchanges and market participants. *Id.*

<sup>6</sup> The Commission does not intend this proposal to establish a precedent to permit a primary market to make distinctions in the treatment of orders on its Floor as a means to discriminate unfairly against its competitors.

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

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

<sup>3</sup> See Securities Exchange Act Release No. 44410 (June 12, 2001), 66 FR 32852.