SECURITIES AND EXCHANGE COMMISSION

Sunshine Act; Meeting

Federal Register Citation of Previous Announcement: [67 FR 31856, May 10, 2002]

Status: Closed Meeting.

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

Date and Time of Previously Announced Meeting: Monday, May 13, 2002, at 10 a.m.

Change in the Meeting: Additional item.

The following item has been added to the closed meeting scheduled for Monday, May 13, 2002:

Consideration of amicus participation.

Commissioner Hunt, as duty officer, determined that Commission business required the above change and that no earlier notice thereof was possible.

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: May 10, 2002.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 02–12188 Filed 5–10–02; 4:11 pm]

BILLING CODE 8010–01–P

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting Notice

Federal Register Citation of Previous Announcement: [67 FR 31856, May 10, 2002].

Status: Closed Meeting.

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

Date and Time of Previously Announced Meeting: Monday, May 13, 2002, at 10 a.m.

Change in the Meeting: Additional items.

The following items have been added to the closed meeting scheduled for Monday, May 13, 2002:

Opinion;
Adjudicatory matter; and
Cooperation with other regulatory organizations.

Commissioner Hunt, as duty officer, determined that Commission business required the above change and that no earlier notice thereof was possible.

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)(3), (5), (7), (9)(B), and (10) and 17 CFR 200.402(a)(3), (5), (7), (9)(ii) and (10), permit consideration of the scheduled matters at the closed meeting.

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: May 10, 2002.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 02–12189 Filed 5–10–02; 4:11 pm]

BILLING CODE 8010–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–45895; File No. SR–Amex–2002–15]

Self-Regulatory Organizations; Order Granting Accelerated Approval of Proposed Rule Change by the American Stock Exchange LLC to Amend Commentary .02(c) of Amex Rule 901C to Include Volume Weighted Average Pricing as a Permissible Index Option Settlement Value Calculation Methodology

May 8, 2002.

I. Introduction

On March 5, 2002, 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'')[1] and Rule 19b–4 thereunder,[2] a proposed rule change to amend Commentary .02(c) of Amex Rule 901C to add volume weighted average pricing (''VWAP'') as a permissible index option settlement value calculation methodology for National Association of Securities Dealers Automated Quotation System (''NASDAQ'') National Market System (''NMS'') listed components. Notice of the proposed rule change was published for comment in the **Federal Register** on April 10, 2002.[3] This order approves the proposed rule change on an accelerated basis.

II. Description of the Proposal

The Exchange proposes to amend Commentary .02(c) to Amex Rule 901C to add VWAP as a permissible index option settlement value calculation methodology for NASDAQ/NMS listed components. Currently, Commentary .02(c) of Amex Rule 901C provides that index settlement values are determined by using the regular way opening sale price for each of an index's component stocks in its primary market on the last trading day prior to expiration.[4] Unlike exchange-listed securities where there is a market opening price at which all investors entering a market-on-open order can participate, investors in NASDAQ/NMS securities cannot be sure of transactions at a price equal to the first reported print. In some instances, this price may be significantly different than the first price at which most investors can conduct transactions. As a result, investors, market-makers and the specialist cannot be sure that any hedges into which they may have entered will converge to the settlement value for the index; and, in some cases, the value of the hedge may differ significantly from the index settlement value. This uncertainty adds to the cost of trading the options and makes them less desirable to trade.

While it may still be difficult to get complete convergence, the Exchange believes that using the VWAP would provide more opportunity for investors to transact at a price near the settlement price, making it much less likely that there will be any significant difference between the hedge and the settlement value. For this reason, the Exchange proposes to permit, in addition to ''regular way'' opening price settlement, the VWAP settlement calculation methodology for NASDAQ/NMS listed components.

III. Discussion

The Commission has reviewed carefully the proposed rule change and finds that it is consistent with the Act and the rules and regulations promulgated thereunder applicable to a national securities exchange and, in particular, with the requirements of Section 6(b).[5] Specifically, the Commission finds that approval of the proposed rule change is consistent with Section 6(b)(5)[6] in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, and to remove impediments to and perfect the mechanism of a free and open market and a national market system, and in general, to protect investors and the

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

[2] 17 CFR 240.19b–4.

[3] Securities Exchange Act Release No. 45692 (April 4, 2002), 67 FR 17475. In the notice, the Commission stated it would consider granting accelerated approval of the proposed rule change after a 15-day comment period.

[4] *See, e.g.,* Securities Exchange Act Release No. 36283 (September 26, 1995), 60 FR 51825 (October 3, 1995) (SR–Amex–95–26) (order approving the listing and trading of options on the Morgan Stanley High Technology 35 Index).

[5] 15 U.S.C. 78f(b). In approving this proposal, the Commission has considered the proposed rule's impact on efficiency, competition and capital formation. 15 U.S.C. 78c(f).

[6] 15 U.S.C. 78f(b)(5).