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

Commissioner Hunt, as duty officer, voted to consider the items listed for the closed meeting in a closed session.

The subject matter of the closed meeting scheduled for Thursday, September 2, 1999, will be:

Institution and settlement of administrative proceedings of an enforcement nature.

Institution of injunctive actions.

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: August 25, 1999.

Jonathan G. Katz,

Secretary.

[FR Doc. 99–22664 Filed 8–26–99; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–41775; File No. SR–Amex–99–28]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the American Stock Exchange LLC to Revise the Settlement Value Calculation Methodology for Nasdaq/NMS Component Stocks in the Morgan Stanley High Technology 35 Index

August 20, 1999.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on July 29, 1999, the American Stock Exchange LLC (the ''Exchange'' or ''Amex'') 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 revise the settlement value calculation methodology for Nasdaq National Market System (''Nasdaq/NMS'') component stocks in the Morgan Stanley High Technology 35 Index (''Index''). The proposal does not revise the Index in any other way.

The text of the proposed rule change is available at the Office of the Secretary, the Exchange, and at the Commission.

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 Exchange 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 revise the settlement value calculation methodology for Nasdaq/NMS component stocks in the Index. Currently, the Index's settlement value is determined by using the regular way opening sale price for each of the Index's component stocks in its primary market on the last trading day prior to expiration.[3] The Exchange proposes to revise the settlement value calculation methodology by using the volume weighted average price for each Nasdaq/NMS listed Index component, as calculated during the first five minutes of trading immediately following the first reported trade for such component.[4]

While investors in exchange-listed securities are able to receive executions at the specialist-determined opening price by entering a market-on-open order, investors in Nasdaq securities cannot be assured of transacting at a price equal to the first reported print. In some instances, the first reported price may be significantly different than the price at which investors receive execution. As a result, investors, market-makers, and the Index specialist cannot be sure that their hedges or offsets will converge to the settlement value for the Index. Moreover, 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 Index options and makes them less desirable to trade.

While it may remain difficult to accomplish complete or perfect convergence using the proposed methodology, the volume weighted average price should provide a better opportunity for market participants to transact at a price near the settlement price used for the Index. This makes it less likely that there will be a significant difference between a market participant's hedge and the settlement value of the Index. For this reason, the Exchange is revising the settlement value calculation methodology for Nasdaq/NMS listed Index components.[5]

The Exchange proposes to calculate the Index's settlement value by using the volume weighted average price for all Nasdaq/NMS listed Index components, as calculated during the first five minutes of trading in such component. Once the first trade in a Nasdaq/NMS component is reported, that component's volume weighted average price is determined by: (i) Multiplying the number of shares traded (volume) by the price at which those shares traded (execution price) for each trade; (ii) aggregating these products; and (iii) dividing this sum by the total number of shares traded (total volume) during the five minute period immediately following the first reported trade.[6] For all other Index components

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

[2] 17 CFR 240.19b–4.

[3] *See* Securities Exchange Act Release No 36283 (Sept. 26, 1995), 60 FR 51825 (Oct. 3, 1995) (order approving the Exchange's proposed rule change to list and trade options on the Index).

[4] If no other trades are executed in a Nasdaq/NMS listed Index component during the five minutes following the first reported trade, the Exchange will use the price of the first reported trade in calculating the settlement value for the Index. Telephone conversation between Michael L. Loftus, Attorney, Division of Market Regulation, Commission, and Scott G. Van Hatten, Legal Counsel, Derivative Securities, Exchange (August 17, 1999).

[5] The Exchange intends to submit to the Commission a separate, but similar, rule filing that revises the settlement value calculation methodology for other Exchange indexes by using volume weighted average prices for Nasdaq/NMS component securities in place of regular way opening sale prices. Telephone conversation between Michael L. Loftus, Attorney, Division of Market Regulation, Commission, and Scott G. Van Hatten, Legal Counsel, Derivative Securities, Exchange (August 17, 1999).

[6] The facilitate the prompt and accurate calculation of the Index's final settlement value, the volume weighted average price for all Nasdaq/NMS stocks included in the Index will be calculated by Nasdaq's ''Index Calculation Group'' and forwarded

not primarily listed on the Nasdaq/NMS (*i.e.*, those Index components having the Exchange or the New York Stock Exchange as their primary market), the Index's settlement value will continue to reflect the regular way opening sale prices reported on the primary market on the last trading day prior to expiration.

The settlement value calculation methodology currently used for Nasdaq/NMS components (''Old Methodology'') will continue to be used for the settlement of any option series still outstanding when Index option contracts based on the proposed settlement value calculation methodology (''New Methodology'') are introduced. Thereafter, any newly introduced Index option series will settle based on the New Methodology. Index option contracts based on the Old Methodology will be aggregated with those based on the New Methodology for purposes of determining compliance with position and exercise limits.[7] LEAPS® (Long Term Equity Anticipation Securities) still outstanding when the New Methodology is implemented will continue to settle based on the Old Methodology. Thereafter, any newly introduced LEAPS® will settle based on the New Methodology.

The Exchange believes that the use of the volume weighted average price to calculate the Index's settlement value is appropriate and should result in a settlement value that better reflects the markets in Nasdaq/NMS securities. The Exchange proposes no other changes to the Index, and will continue to maintain the Index in accordance with the applicable criteria set forth in the original order approving the Index for options trading.[8] The Exchange will disseminate an information circular to its members to inform them of the change to the Index's settlement value calculation methodology. The circular will detail the method by which contracts settling under the Old Methodology will be phased out and those settling based on the New Methodology will be introduced.

electronically to Amex's ''Index Calculation Group.''

[7] As set forth in Exchange Rules 904C and 905C, the current position and exercise limits for options on the Index are 15,000 contracts on the same side of the market. The Exchange notes, however, that these position and exercise limits may be revised upwards in connection with an Exchange proposal to increase the position and exercise limits for narrow-based index options. *See* Securities Exchange Act Release No. 40756 (Dec. 7, 1998), 63 FR 68809 (Dec. 14, 1998).

[8] *See* Note 3 *supra.*

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,[9] in general, and furthers the objectives of Section 6(b)(5),[10] in particular, in that it is designed to prevent fraudulent and manipulative acts and practices; promote just and equitable principles of trade; foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities; and remove impediments to and perfect the mechanism of a free and open market and a national market system.

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.

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 comments 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: (1) Does not significantly affect the protection of investors or the public interest; (2) does not impose any significant burden on competition; (3) by its terms, does not become operative for 30 days after July 29, 1999, the date of filing; [11] and the Exchange provided the Commission with written notice of its intent to file the proposed rule change, along with the text of the proposal, at least five business days prior to the filing date; the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act [12] and Rule 19b–4(f)(6) [13] thereunder.

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if its 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.

[9] 15 U.S.C. 78f(b).

[10] 15 U.S.C. 78f(b)(5).

[11] Although the proposed rule change is considered effective upon filing, it may not become operative until at least August 28, 1999, which is 30 days after the date of filing (July 29, 1999).

[12] 15 U.S.C. 78s(b)(3)(A).

[13] 17 CFR 240.19b–4(f)(6).

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, N.W., Washington, D.C. 20549–0609. Copies of the submissions, all subsequent amendments, 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 persons, 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 Section, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filing will also be available for inspection and copying at the principal office of the Exchange. All submissions should refer to File No. SR–Amex–99–28 and should be submitted by September 20, 1999.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[14]

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99–22428 Filed 8–27–99; 8:45 am]

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[14] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–41770; File No. SR–EMCC–99–09]

Self-Regulatory Organizations; Emerging Markets Clearing Corporation; Notice of Filing and Order Granting Accelerated Approval of a Proposed Rule Change Regarding Year 2000 Policies

August 20, 1999.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] notice is hereby given that on August 19, 1999, the Emerging Markets Clearing Corporation (''EMCC'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items II and II below, which items have been prepared primarily by EMCC. The Commission is publishing this notice

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