

Commission, and recording secretaries will attend the Closed Meetings. 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)(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 Meetings.

The subject matter of the Open Meeting scheduled for Tuesday, April 1, 2003 will be:

The Commission will consider whether to adopt new rules and amendments to direct the national securities exchanges and national securities associations to prohibit the listing of any security of an issuer that is not in compliance with the audit committee requirements established by the Sarbanes-Oxley Act of 2002. These requirements relate to: The independence of audit committee members; the audit committee's responsibility to select and oversee the issuer's independent accountant; procedures for handling complaints regarding the issuer's accounting practices; the authority of the audit committee to engage advisors; and funding for the independent auditor and any outside advisors engaged by the audit committee. The rule implements the requirements of Section 10A(m)(1) of the Securities Exchange Act of 1934, as added by Section 301 of the Sarbanes-Oxley Act of 2002.

The subject matter of the Closed Meeting scheduled for Tuesday, April 1, 2003 will be:

Institution and settlement of administrative proceedings of an enforcement nature; Institution and settlement of injunctive actions; and Adjudicatory matters.

The subject matter of the Open Meeting scheduled for Wednesday, April 2, 2003 will be an oral argument:

The Commission will hear oral argument on an appeal by John J. Kenny and Nicholson/Kenny Capital Management, Inc., a registered investment adviser, from the decision of an administrative law judge. Kenny is a former associated person of a broker-

dealer and chairman and chief executive officer of Nicholson/Kenny.

The law judge found that Kenny engaged in schemes to defraud, in violation of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5, and aided, abetted, and was a cause of violations of those provisions by another person. The law judge further found that Kenny and Nicholson/Kenny violated Section 206 of the Investment Advisers Act of 1940.

The law judge barred Kenny from association with any broker, dealer, or investment adviser; revoked Nicholson/Kenny's registration as an investment adviser; ordered respondents to cease and desist from committing or causing violations or future violations of the antifraud provisions; assessed civil penalties of \$700,000 against Kenny and \$500,000 against Nicholson/Kenny; and ordered respondents, jointly and severally, to pay disgorgement in the amount of \$1,333,000.

Among the issues likely to be argued are:

1. Whether respondents committed the alleged violations; and
2. If so, whether sanctions should be imposed in the public interest.

The subject matter of the Closed Meeting scheduled for Wednesday, April 2, 2003 will be: Post-argument Discussion.

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: March 25, 2003.

Jonathan G. Katz,

Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-47562; File No. SR-Amex-2003-14]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change and Amendment Nos. 1, 2, and 3 Thereto by the American Stock Exchange LLC Relating to a One-Year Pilot Program in Connection With Exchange Fees for Options Intermarket Linkage Orders

March 21, 2003.

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 February 28, 2003, 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. On March 7, 2003, Amex submitted Amendment No. 1 to the proposed rule change.³ On March 19, 2003, Amex submitted Amendment No. 2 to the proposed rule change.⁴ On March 21, 2003, Amex submitted Amendment No. 3 to the proposed rule change.⁵ The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend its Options Fee Schedule in order to clarify that market makers on other exchanges that send orders through the Linkage ("Linkage Orders") to the Amex for execution will be charged the same fees that the Exchange charges Exchange specialists and registered options traders ("ROTs") for the orders these entities execute on the Exchange. Because of the lack of experience in operating the Linkage, however, the Exchange proposes, along with the other options exchanges, a one-year pilot program in connection with the fees applicable to Linkage Orders.

The text of the proposed rule change is below. Proposed language is

Attorney, Division, Commission, dated March 18, 2003 ("Amendment No. 2"). In Amendment No. 2, the Exchange made corrections to its fee schedule.

⁵ See letter from Jeffrey P. Burns, Assistant General Counsel, Amex, to Jennifer Lewis, Attorney, Division, Commission, dated March 20, 2003 ("Amendment No. 3"). In Amendment No. 3, the Exchange marked its fee schedule to show the changes it had made in Amendment No. 2.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See letter from Jeffrey P. Burns, Assistant General Counsel, Amex, to Jennifer Lewis, Attorney, Division of Market Regulation ("Division"), Commission, dated March 6, 2003 ("Amendment No. 1"). In Amendment No. 1, the Exchange clarified that market makers from other options exchanges sending Principal Acting as

Agent Orders through the options intermarket linkage ("Linkage") that are executed at the Exchange will pay the same fees that are paid for transactions executed on the Exchange by Exchange specialists and registered options traders. In addition, Amex amended the Options Fee Schedule to reflect that these linkage fees are pursuant to a one-year pilot program.

⁴ See letter from Jeffrey P. Burns, Assistant General Counsel, Amex, to Jennifer Lewis,