4. Section 6(c) provides that the SEC may exempt any person, security, or transaction from any provision of the Act, if and to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Applicants believe that the requested relief meets this standard.

5. Applicants note that the form and timing of the Acquisition were determined in response to a number of factors beyond the scope of the Act and substantially unrelated to the Investment Companies. Applicants state that it is not possible for the Investment Companies to obtain shareholder approval of the New Sub-advisory Agreements prior to the Acquisition Date. Applicants submit that the Boards will meet to approve the New Sub-advisory Agreements prior to the Acquisition Date, in accordance with section 15(c) under the Act, and the shareholders of the Investment Companies will be further protected by the establishment of the escrow account described in the application.

6. Applicants submit that the Sub-advisers will take all appropriate steps to ensure that the scope and quality of advisory and other services provided to the Investment Companies during the Interim Period will be at least equivalent to the scope and quality of services previously provided. During the Interim Period, the Sub-advisers will operate under the New Sub-advisory Agreements, which will have substantially the same terms and conditions as the respective Existing Sub-advisory Agreements, except for the effective dates, the escrow provisions and terms relating to the Servicing Agreement. Applicants state that the fees to be paid during the Interim Period will not be greater than the fees currently paid by the Investment Companies. Applicants also assert that allowing the implementation of the New Sub-advisory Agreements will ensure that there will be no disruption to the investment program and the delivery of related services to the Investment Companies because the personnel that provide such services to the Investment Companies will remain substantially the same as before the Acquisition Date.

## Applicant's Conditions

Applicants agree as conditions to the issuance of the exemptive order requested by the application that:

1. The New Sub-advisory Agreements to be implemented following the commencement of the Interim Period will be substantially the same as the respective Existing Sub-advisory Agreements, except for the effective dates, the termination dates, the escrow provisions and terms relating to the Servicing Agreement.

2. Fees payable to a Sub-adviser by an Investment Company for the period covered by the order will be maintained during the Interim Period in an interest-bearing escrow account (including interest earned on such amounts), and will be paid: (a) to the Sub-adviser after the requisite approval by shareholders is obtained; or (b) in the absence of such approval by the end of the Interim Period, to the relevant Investment Company.

3. Each Investment Company will promptly schedule a meeting of shareholders to vote on approval of the New Sub-advisory Agreements to be held within 150 days after the commencement of the Interim Period, but in no event later than July 23, 1999.

4. The Sub-advisers, not the Investment Companies, will pay the costs of preparing and filing the application and the costs relating to the solicitation of approval of the Investment Companies' shareholders of the New Sub-advisory Agreements.

5. The Sub-advisers will take all appropriate steps to ensure that the scope and quality of advisory and other services provided to the Investment Companies during the Interim Period will be at least equivalent, in the judgment of the respective Boards, including a majority of the directors who are not ''interested persons'' of the Investment Companies, as defined in section 2(a)(19) of the Act (''Disinterested Directors''), to the scope and quality of services they previously provided. In the event of any material change in the personnel providing services pursuant to the New Sub-advisory Agreements, the Sub-advisers will apprise and consult with the Boards of the affected Investment Companies in order to assure that the Boards, including a majority of the Disinterested Directors, are satisfied that the services provided will not be diminished in scope or quality.

For the SEC, by the Division of Investment Management, pursuant to delegated authority.

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 99–3830 Filed 2–16–99; 8:45 am]

**BILLING CODE 8010–01–M**

## SECURITIES AND EXCHANGE COMMISSION

### Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Pub. L. 94–409, that the Securities and Exchange Commission will hold the following meetings during the week of February 15, 1999.

A closed meeting will be held on Thursday, February 18, 1999, at 11:00 a.m. An open meeting will be held on Friday, February 19, 1999, at 10:00 a.m.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the closed meeting. 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)(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, February 18, 1999, at 11:00 a.m., will be:

Institution and settlement of administrative proceedings of an enforcement nature.

Institution and settlement of injunctive actions.

Formal order of investigation.

Opinions.

The subject matter of the open meeting scheduled for Friday, February 19, 1999, at 10:00 a.m., will be:

(1) Consideration of whether to adopt revisions to Rule 701 of the Securities act to remove the $5 million aggregate offering price ceiling and set the maximum amount of securities that may be sold in a 12-month period to a more appropriate limit based upon the size of the issuer. The revised rule also would require specific disclosure from all issuers that sell more than $5 million in a 12-month period and harmonize the definition of consultant and advisor to the definition in Form S–8. For further information, please contact Richard K. Wulff at (202) 942–2950.

(2) Consideration of whether to adopt amendments to Securities Act Form S–8, the streamlined form companies use to register sales of securities to their employees, and Securities Act Form S–3. The amendments would: (a) restrict the use of Form S–8 for the sale of securities to consultants and advisors; (b) allow Form S–8 to be used for the

exercise of employee benefit plan stock options by family members of employee optionees; and (c) make Form S–3 available to register securities to be received upon the exercise of outstanding warrants and options, whether or not transferable. The Commission also will consider proposing further amendments to Form S–8 designed to deter abuse of that form to register securities for capital-raising or promotional purposes. For further information, please contact Anne Krauskopf at (202) 942–2900.

(3) Consideration of whether to repropose amendments to Rule 15c2–11 under the Securities Exchange Act of 1934. Rule 15c2–11 governs the publication of quotations by broker-dealers for over-the-counter securities. For further information contact: Irene A. Halpin or Florence E. Harmon at (202) 942–0772. At times, changes in Commission priorities require alterations in the schedule 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: February 12, 1999.

**Jonathan G. Katz,**

*Secretary.*

[FR Doc. 99–3950 Filed 2–12–99; 11:14 am]

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## SECURITIES AND EXCHANGE COMMISSION

### Sunshine Act Meeting

**''FEDERAL REGISTER'' CITATION OF PREVIOUS ANNOUNCEMENT:** [To Be Published].

**STATUS:** Open Meeting.

**PLACE:** 450 Fifth Street, N.W. Washington, D.C.

**DATE PREVIOUSLY ANNOUNCED:** .

**CHANGE IN THE MEETING:** Additional Item.

The following item will be added to the open meeting scheduled for Friday, February 19, 1999, at 10:00 a.m.:

Consideration of whether to adopt revisions to Rule 504 of the Securities Act to limit the circumstances where general solicitation is permitted and freely tradable securities may be issued in reliance on the rule. These amendments are part of the Commission's comprehensive agenda to deter microcap fraud. For further information, please contact Richard K. Wulfff or Barbara C. Jacobs at (202) 942–2950.

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 (202) 942–7070.

Dated: February 12, 1999.

**Jonathan G. Katz,**

*Secretary.*

[FR Doc. 99–4026 Filed 2–12–99; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

**[Release No. 34–41032; File No. SR–DTC–99–01]**

### Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change Allowing DTC to Charge a Low Volume Tender Offer Processing Fee

February 9, 1999.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] notice is hereby given that on February 1, 1999, The Depository Trust Company (''DTC'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change (File No. SR–DTC–99–01) as described in Items I and II below, which items have been prepared primarily by DTC.[2] The Commission is publishing this notice and order to solicit comments from interested persons and to grant accelerated approval of the proposed rule change.

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

The proposed rule change will allow DTC to charge a processing fee of $2,700 in connection with low volume tender offers processed through DTC's facilities.[3] The low volume tender offer processing fee will be payable by the offeror in advance of DTC's processing the offer.

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

[2] On February 5, 1999, DTC supplemented the proposed rule change. Letter from Carl H. Urist, Deputy General Counsel, DTC (February 5, 1999).

[3] A low volume tender offer is an offer in which the offeror is seeking to purchase for cash up to 5% of the outstanding shares of an equity issue or any amount of a debt issue. Low volume tender offers do not include exchange offers or offers by the issuer of the target security.

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

In its filing with the Commission, DTC 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. DTC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.[4]

*(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change*

When DTC receives offering materials from an offeror making a tender offer, DTC first reviews the materials to ascertain the basic terms of the offer such as the target security, the identities of the offeror and its agent, the offer price, and any limitations on the quantity of the securities to be purchased. DTC also discusses the terms of the offer with the offeror or its agent. If DTC determines that the offer can be processed through its facilities, DTC announces the offer to its participants by entering the basic terms of the offer into DTC's Reorganization Inquiry for Participants service, an electronic announcement system. DTC and the offeror's agent enter into an agreement to make the offer eligible for the processing of acceptances by participants at DTC through DTC's Automated Tender Offer Program.

In charging fees in connection with tender offers, DTC's overall objective is to recover the cost of processing the offers. At present, DTC recovers its costs in processing a tender mostly through the fees paid by its participants when they accept the offer. The fee for accepting a tender at DTC is currently $31.10 per acceptance submitted by a participant. (DTC will soon propose revisions to its fee schedule, and the tender offer acceptance fee will increase to $32.30.) Participants have been willing to pay DTC's tender offer acceptance fee because of the efficiencies and cost savings for participants that result from accepting tender offers by book-entry delivery at DTC instead of through the delivery of physical certificates outside of DTC.

In the 2,127 tender offers processed by DTC in 1997 (which included 39 low volume tender offers), participants submitted an average of 85 acceptances

[4] The Commission has modified the text of the summaries prepared by DTC.