III based on the relative net asset value per share. Applicant paid approximately $60,878 in expenses related to the reorganization.

Filing Dates: The application was filed on April 23, 1997 and amended on April 16, 1998.

Applicant's Address: One Financial Center, Boston, Massachusetts 02111.

The Brazilian Investment Fund, Inc. [File No. 811–6248]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. By December 31, 1997, applicant completed a liquidating distribution to its stockholders as net asset value. Expenses incurred in connection with the liquidation totaled $281,530 and were borne by applicant.

Filing Dates: The application was filed on January 7, 1998. Applicant has agreed to file an amendment during the notice period, the substance of which is incorporated in this notice.

Applicant's Address: c/o Morgan Stanley Asset Management Inc., 1221 Avenue of the Americas, New York, New York 10020.

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

Jonathan G. Katz,

Secretary.

[FR Doc. 98–12147 Filed 5–6–98; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–39933; File No. SR–AMEX–98–15]

Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change by the American Stock Exchange, Inc., and Amendment No. 1 Thereto Relating to a Reduction in the Value of, and Increase in Position and Exercise Limits for, the Institutional Index

April 30, 1998.

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 April 7, 1998, the American Stock Exchange, Inc. (the ''Amex'' or the ''Exchange'') filed with the Securities and Exchange Commission (the ''Commission'') the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. On April 20, 1998, the Amex filed an amendment to the proposal.[3] The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons and to grant accelerated approval for the proposed rule.

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

The Amex proposes to split the Institutional Index (the ''Index'' or ''XII'') to one-half its current value and correspondingly amend Exchange Rule 904C to double the position and exercise limits for XII options.

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 Amex included statements concerning the purpose of and basis for the proposed rule change. No written comments were solicited or received with respect to the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Amex 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 the Statutory Basis for, the Proposed Rule Change

(1) Purpose

On August 28, 1986, the Commission granted the Exchange approval to permit the trading of options on the Institutional Index, a broad market index based on the 75 major stocks currently held in the highest dollar amounts in institutional portfolios that have a market value of more than $100 million in investment funds.[4] Initially, the aggregate value of the stocks contained in the Institutional Index was reduced by a divisor to establish an index benchmark value of 250. Since its creation, and as of the date of this filing, the level of the Institutional Index has increased nearly fivefold from 250 to 1218.

As a consequence of the Index's rising value, premium levels for the Institutional Index options have also risen. These higher premium levels have been cited as a principal factor that has discouraged retail investors and some small market professionals from trading these Index options. As a result of the foregoing, the Exchange is proposing to decrease the Institutional Index to one-half of its present value. The Exchange believes that decreasing the Index value may make the Index options more attractive to retail investors and other market professionals and therefore more competitive with other products in the marketplace.

To decrease the Index's value, the Exchange will double the divisor used in calculating the Index. The Exchange suggests that the lower valued Index will result in a substantial lowering of the dollar values of options premiums for the Institutional Index contracts. The Exchange plans to adjust outstanding series similar to the manner in which equity options are adjusted for a 2-for-1 stock split.[5] On the effective date of the split ''ex-date,'' the number of outstanding Institutional Index option contracts will be doubled and strike prices halved. No other changes are proposed as to the components of the Index, its method of calculation (other than the change in the divisor), expiration style of the options or any other Index specification.

a. Position and Exercise Limits.

Currently, position and exercise limits for the Institutional Index equal 100,000 contracts on the same side of the market of which no more than 25,000 contracts may be used to realize any differential in price between the Institutional Index and the securities underlying the Index. Although the limitation of up to 25,000 contracts for purposes of realizing any differential in price between the Institutional Index and the securities underlying the Index will remain unchanged, the Exchange proposes to double the Index's position and exercise limits to 200,000 contracts on the same side of the market. The change in position and exercise limits will be made in conjunction with the simultaneous reduction of the Index's value and the doubling of the number of contracts. Accordingly, an investor who is currently at the 100,000 contract limit will, as a result of doubling the number of contracts, automatically hold 200,000

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

[2] 17 CFR 240.19b–4.

[3] *See* letter from Scott Van Hatten, Legal Counsel, Derivative Securities, Amex, to Michael Walinskas, Senior Special Counsel, Division of Market Regulation, Commission (April 20, 1998) (''Amendment No. 1''). Amendment No. 1 specifies that on April 16, 1998, the Exchange's Board of Governors approved the submission of the instant proposed rule change to the Commission.

[4] Exchange Act Release No. 23573 (August 28, 1986), 51 FR 31859 (September 5, 1986).

[5] Consistent with customary Exchange practice, at least two weeks prior to the implementation of the proposed change to the Institutional Index value and the resulting adjustments to the outstanding Institutional Index options contracts, the Exchange will issue an information circular to its members setting forth the Index's current and new divisors, the manner in which the Index will be adjusted, the adjusted contract symbols, amounts and strike prices for outstanding XII series and the effective date of the adjustments.

contracts based on the lowered Index value. Similar to the treatment approved concerning the recent split of the Standard & Poor's 100 Stock Index,[6] thus, market participants will be able to maintain their current level of investment in XII options following the split of the Index.

The new limits will be economically equivalent to the Index's present limits in that the dollar value represented by the contracts at the new position limit will remain the same as before the split. In addition, the existing Index components will remain the same and maintain their existing respective weights in the Index. Further, existing surveillance procedures will continue to apply to the Index. Therefore, the Exchange believes that there will be no additional potential for manipulation of the Index or the underlying securities resulting from the doubling of position limits in conjunction with the halving of the Index level.

(2) Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Act,[7] in general, and furthers the objectives of Section 6(b)(5),[8] in particular, 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.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

No written comments were solicited or received with respect to the proposed rule change.

III. Commission's Findings and Order Granting Accelerated Approval of the Proposed Rule Change

The Exchange has requested that the proposed rule change be given accelerated effectiveness pursuant to Section 19(b)(2) of the Act.[9]

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange. Specifically, the Commission believes that reducing the value of the Index will serve to promote the public interest and help remove impediments to a free and open securities market by providing a broader range of investors with a means of hedging exposure to market risk associated with securities representing highly capitalized companies. Doubling the Index divisor should result in the Index options premiums being more affordable, enabling more retail investors and other market professionals to utilize this trading vehicle, resulting in a more active and liquid trading environment.

The Commission also believes that Amex's adjustments to its position and exercise limits are appropriate and consistent with the Act. In particular the Commission believes that the position and exercise limits are reasonable in light of the fact that the size of the contract on the Index will be halved. Doubling the position and exercise limits, therefore will permit market participants to maintain, after the split of the Index, their current level of investment in XII options.

Furthermore, the Commission believes that doubling the Index's divisor will not have an adverse market impact or make trading in Index options susceptible to manipulation. After the split, the Index will continue to be comprised of the same stocks with the Same weightings and will be calculated in the same manner, except for the proposed change in the divisor. The commission notes that the Amex's surveillance procedures will also remain the same.

The Commission also notes that the Exchange will provide notice of the proposed changes to the Index and the XII contracts to its membership through an information circular.[10]

The Commission believes that the Amex information circular will provide adequate notice to market participants regarding this change to Index value and the XII contract prior to its implementation.

The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of notice of filing thereof in the **Federal Register.** Accelerating approval of this proposal will extend the noted benefits of the proposal as quickly as possible to market participants. The Commission further believes that the proposed change of the Index's divisor does not substantially change the character of the Index options as approved by the Commission on August 28, 1986,[11] and otherwise does not raise any new or unique regulatory issues. Accordingly, the Commission believes it is consistent with Sections 19(b)(2)[12] and 6(b)(5)[13] of the Act to approve the proposed rule change on an accelerated basis.

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. Copies of the submission, 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 person, 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 Amex. All submissions should refer to the file number in the caption above and should be submitted by May 28, 1998.

V. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,[14] that the proposed rule change (SR-Amex-98-15) is hereby approved on an accelerated basis.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.[15]

Jonathan G. Katz,

Secretary.

[FR Doc. 98–12144 Filed 5–6–98; 8:45]

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[6] Exchange Act Release No. 39338 (November 19, 1997), 62 FR 63209 (November 26, 1997).

[7] U.S.C. 78f(b).

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

[9] U.S.C. 78s(b)(2).

[10] *See supra* note 5.

[11] *See supra* note 4.

[12] 15 U.S.C. 78s(b)(2).

[13] 15 U.S.C. 78f(b)(5).

[14] 15 U.S.C. 78s(b)(2).

[15] 17 CFR 200.30–3(a)(12).