

that clearing members are unlikely to change their systems just to be able to use the HEDGE system. As a result, OCC does not expect to be able to achieve broad-based participation in the HEDGE system with its current account segregation requirements.

OCC has determined that there is no legal reason for OCC's by-laws to treat stock loans under the HEDGE system as hypothecations. Therefore, OCC has concluded that it may eliminate the HEDGE system's account segregation requirements for stock loans without violating or causing clearing members to violate the Commission's hypothecation rules.

OCC believes that the proposed rule change is consistent with the requirements of Section 17A(b)(3)(A) of the Act⁸ and the rules and regulations thereunder because it promotes efficiencies in the clearance and settlement of securities transactions.

(B) Self-Regulatory Organization's Statement on Burden on Competition

OCC does not believe that the proposed rule change will have any material impact on competition.

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

Written comments were not and are not intended to be solicited by OCC with respect to the proposed rule change, and none have been received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within thirty-five days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to ninety days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which OCC consents, the Commission will:

(A) by order approve such proposed rule change or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. 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 also will be available for inspection and copying at the principal office of OCC. All submissions should refer to File No. SR-OCC-97-11 and should be submitted by December 30, 1997.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁹

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97-32171 Filed 12-8-97; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39382; File No. SR-Phlx-97-50]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Philadelphia Stock Exchange, Inc. Relating To Adopting a Definition of "Foreign Broker-Dealer" Into Its Options Rules

December 2, 1997.

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 November 3, 1997,³ the Philadelphia Stock Exchange, Inc. ("Phlx") or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Exchange has designated the proposed rule change as constituting a "non-controversial" rule change under

paragraph (e)(6) of Rule 19b-4 under the Act which renders the proposal effective upon receipt of this filing by the Commission.⁴ 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 Phlx is proposing to adopt a definition of "foreign broker-dealer," which will treat such broker-dealers like their U.S. broker-dealer counterparts, thus precluding foreign broker-dealers from receiving treatment as customers under the various option rules.

In accordance with the foregoing, the Phlx is proposing to adopt Rule 1000(b)(41) to define the term "foreign broker-dealer" as follows:

The term "foreign broker-dealer" means any person or entity that is registered, authorized or licensed, or required to be, by a foreign governmental agency or foreign regulatory organization to perform the function of a broker or a dealer in securities, or both. The terms "broker" or "dealer" mean the same as set out in Sections 3(a)(4) and 3(a)(5) of the Securities Exchange Act of 1934, as amended, provided that a broker or dealer may be a bank.⁵ For purposes of Rules 1014, 1015, 1033 and 1080, the term broker-dealer includes foreign broker-dealers, which are not public customers.

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

⁴ The Exchange has represented that this proposed rule change: (i) Will not significantly affect the protection of investors or the public interest; (ii) will not impose any significant burden on competition, and (iii) will not become operative for 30 days after the date of this filing. The Exchange did not provide the required five business day advance notice to the Commission of its intent to file this proposed rule change, as required by Rule 19b-4(e)(6) under the Act. However, the Commission has determined to waive the pre-filing requirement. See *supra* note 3.

⁵ Sections 3(a)(4) and 3(a)(5) of the Securities Exchange Act of 1934 provide:

"(4) The term 'broker' means any person engaged in the business of effecting transactions in securities for the account of others, but does not include a bank."

"(5) The term 'dealer' means any person engaged in the business of buying and selling securities for his own account, through a broker or otherwise, but does not include a bank, or any person insofar as he buys or sells securities for his own account, either individually or in some fiduciary capacity, but not as a part of a regular business."

⁹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ On November 28, 1997, the Philadelphia Stock Exchange, Inc. amended the filing to clarify its intent that the rule filing be deemed effective upon filing pursuant to Rule 19b-4(e)(6)(iii). See letter from J. Keith Kessel, Counsel, Philadelphia Stock Exchange, Inc., to Mignon McLemore, Esquire, Division of Market Regulation, SEC, dated November 24, 1997.

⁸ 15 U.S.C. 78q-1(b)(3)(A).

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

The Phlx is proposing to amend its option rules by adopting a definition of "foreign broker-dealer" to ensure that foreign broker-dealer orders shall receive the same treatment as U.S. broker-dealer orders for option orders on the Exchange, as opposed to customer treatment. The definition has been designed to provide an objective standard for the enforcement of applicable option rules and to substantially resemble the Pacific Exchange's definition.⁶

By ensuring that foreign broker-dealers receive the same treatment as U.S. broker-dealers, this proposed rule change shall consequently ensure that forging broker-dealers are not afforded a competitive advantage solely because they are registered outside of the U.S.⁷ For instance, both foreign and U.S. broker-dealers would not receive customer treatment as specified in Rule 1015⁸ regarding Quotation Guarantees, in Rule 1014⁹ and the concept of priority/parity contemplated therein regarding Obligations and Restrictions Applicable to Specialists and Registered Options Traders, in Rule 1033(a)¹⁰ regarding Size of Bid/Offer and 10-up Guarantee, and in Rule 1080¹¹ regarding

the Phlx Automated Options Market (AUTOM) and Automatic Executive System (AUTO-X).

In consideration of the globalization of these securities markets, the customer trading and protection rules should be consistently applied so that foreign broker-dealers trading options on the Phlx do not have an unfair competitive advantage over U.S. broker-dealers. Based upon the objective nature of the proposed definition, the Phlx will be able to verify whether a person or entity is registered, authorized or licensed by a foreign governmental agency or a foreign regulatory organization to operate as a broker-dealer. Furthermore, as a member of Intermarket Surveillance Group ("ISG"), the Phlx may obtain information from other ISG members regarding the accounts of persons or entities entering orders for execution on the Phlx, including whether the order is that of a broker-dealer or a customer. The Phlx may also obtain information from foreign exchanges and foreign regulatory authorities with whom the Phlx either has an effective surveillance sharing agreement or from a foreign exchange or regulatory authority that is subject to a memorandum of understanding with the Commission that would require, upon appropriate request, that those entities provide such information to the Exchange.

By restricting foreign broker-dealers from receiving volume guarantees and gaining access to the automatic execution system, the Phlx seeks to ensure that such broker-dealers do not exhaust such procedures or facilities, which were intended for customers. Likewise, allowing Registered Options Traders ("ROTs") to retain priority over or have parity with both foreign and U.S. broker-dealers will enhance ROTs' ability to fulfill their market making responsibilities.

The proposed rule change is consistent with Section 6 of the Act in general, and in particular, with Section 6(b)(5), in that it is designed to promote just and equitable principles of trade, prevent fraudulent and manipulative acts and practices, remove impediments to and perfect the mechanism of a free and open market and a national market system, protect investors and the public interest, as well as, prevent the unfair discrimination among customers, issuers, brokers or dealers. Furthermore, the proposed rule change is designed to be consistent with Section

11A(a)(1)(C)(ii) of the Act in that it will promote fair competition among brokers and dealers and markets other than exchange markets.

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

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

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

Written comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

This proposed rule change has been filed by the Exchange as a "noncontroversial" rule change pursuant to paragraph (e)(6) of Rule 19b-4.¹² Consequently, the rule change shall become operative 30 days after the date of filing, or such shorter time as the Commission may designate, if the change (1) does not significantly affect the projection of investors of the public interest and (2) does not impose any significant burden on competition, pursuant to Section 19(b)(3)(A)(iii) of the Act¹³ and subparagraph (e)(6) of Rule 19b-4 thereunder.

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

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; and (3) does not become operative for 30 days from November 28, 1997, the date on which it was filed,¹⁴ it has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(e)(6) thereunder.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors,

⁶ See Securities Exchange Act Release No. 38420, (March 19, 1997); 62 FR 14488, (March 26, 1997) (order approving SR-PSE-96-46).

⁷ A non-broker-dealer customer executing a trade through a foreign broker-dealer shall receive treatment as a customer.

⁸ Rule 1015(a)(viii) provides in relevant part that "floor brokers must make reasonable efforts to ascertain whether each order entrusted to them is for the account of a customer or a broker-dealer. If it is ascertained that the order is for the account of a broker-dealer, the responsible floor broker must advise the crowd of that fact prior to bidding/offering."

⁹ Rule 1014(g)(i) provides in relevant part that "for purposes of this rule, an account type is either a controlled account or a customer account. A controlled account includes any account controlled by or under common control with a member broker-dealer. Orders of controlled accounts must yield priority to customer orders, but not to other controlled account orders."

¹⁰ Rule 1033(a) provides in relevant part that "the Exchange may require that specialists and ROTs be responsible for ensuring that public orders are filled to a minimum depth of ten contracts at the best quoted bid or offer."

¹¹ Rule 1080(b)(i) provides in relevant part that "for purposes of AUTOM, an agency order is an order entered on behalf of a public customer, and does not include any order entered for the account of a broker-dealer or any account in which a broker-dealer has any direct or indirect interest." Rule

1080(c) provides in relevant part that "AUTO-X is a feature of AUTOM that automatically executes public customer market orders up to the number of contracts permitted by the Exchange. AUTOM orders not eligible for AUTO-X are executed manually."

¹² 17 CFR 240.19b-4(e)(6).

¹³ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁴ The thirty day delayed implementation date is triggered from the most recent amendment to the filing. See Securities Exchange Act Release No. 35123 (Dec. 20, 1994); 59 FR 66602 (Dec. 28, 1994).

or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 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 Room, 450 Fifth Street, NW, Washington, DC 20549. Copies of such filing will also be available for inspection and copying at the principal office of the Phlx. All submissions should refer to File No. SR-Phlx-97-50 and should be submitted by December 30, 1997.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 97-32103 Filed 12-8-97; 8:45 am]

BILLING CODE 8010-01-M

SMALL BUSINESS ADMINISTRATION

Data Collection Available for Public Comments and Recommendations

ACTION: Notice and request for comments.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, this notice announces the Small Business Administration's intentions to request approval on a new, and/or currently approved information collection.

DATES: Comments should be submitted on or before February 9, 1998.

FOR FURTHER INFORMATION CONTACT: Curtis B. Rich, Management Analyst, Small Business Administration, 409 3rd Street, S.W., Suite 5000, Washington, D.C. 20416. Phone Number: 202-205-6629.

SUPPLEMENTARY INFORMATION:

Title: "SBIC Financial Reports."

Type of Request: Extension of a currently approved collection.

Form No: 468.

Description of Respondents: Small Business Investment Companies.

Annual Responses: 305.

Annual Burden: 5,185.

Title: "Portfolio Financing Report."

Type of Request: Extension of a currently approved collection.

Form No: 1031.

Description of Respondents: Small Business Investment Companies.

Annual Responses: 2,100.

Annual Burden: 420.

Comments: Send all comments regarding these information collections to Cathy Fields, Program Analyst, Office of Investment Division, Small Business Administration, 409 3rd Street, S.W., Suite 6300, Washington, D.C. 20416. Phone No: 202-205-6512.

Send comments regarding whether these information collections are necessary for the proper performance of the function of the agency, accuracy of burden estimate, in addition to ways to minimize these estimate, and ways to enhance the quality.

Title: "Application Forms for the 8(A) Program."

Type of Request: Extension of a currently approved collection.

Form No: 1010B-Prop., 1010B-Part., 1010B-Corp.

Description of Respondents:

Economically and Socially Disadvantaged Individuals.

Annual Responses: 1.

Annual Burden: 55,000.

Title: "Program Evaluation SBA 7 (A) Loan Program."

Type of Request: Extension of a currently approved collection.

Form No: N/A.

Description of Respondents: 7(A) Loan Applications.

Annual Responses: 1,700.

Annual Burden: 312.

Comments: Send all comments regarding these information collections to Arthur Collins, Assistant Administrator, Office of Program Development, Small Business Administration, 409 3rd Street, S.W., Suite 8000, Washington, D.C. 20416. Phone No: 202-205-6416.

Send comments regarding whether these information collections are necessary for the proper performance of the function of the agency, accuracy of burden estimate, in addition to ways to minimize these estimate, and ways to enhance the quality.

Dated: December 3, 1997.

Jacqueline White,

Chief, Administrative Information Branch.
[FR Doc. 97-32202 Filed 12-8-97; 8:45 am]

BILLING CODE 8025-01-P

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #2991]

State of Florida

Osceola County and the contiguous Counties of Brevard, Highlands, Indian River, Lake, Okeechobee, Orange, and Polk in the State of Florida constitute a disaster area as a result of damages caused by a fire which occurred on November 14, 1997 in the Highway 192 Flea Market in the City of Kissimmee. Applications for loans for physical damage as a result of this disaster may be filed until the close of business on January 26, 1998 and for economic injury until the close of business on August 26, 1998 at the address listed below or other locally announced locations: U.S. Small Business Administration, Disaster Area 2 Office, One Baltimore Place, Suite 300, Atlanta, GA 30308.

The interest rates are:

For Physical Damage

Homeowners with credit available elsewhere: 7.625%.

Homeowners without credit available elsewhere 3.812%.

Businesses with credit available elsewhere 8.000%.

Businesses and non-profit organizations without credit available elsewhere 4.000%.

Others (including non-profit organizations) with credit available elsewhere 7.125%.

For Economic Injury

Businesses and small agricultural cooperatives without credit available elsewhere 4.000%.

The number assigned to this disaster for physical damage is 299105 and for economic injury the number is 967100.

(Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008)

Dated: November 26, 1997.

Aida Alvarez,

Administrator.

[FR Doc. 97-32200 Filed 12-8-97; 8:45 am]

BILLING CODE 8025-01-P

¹⁵ 17 CFR 200.30-3(a)(12).