installation of microwave transmission systems, and training and simulator instruction for nuclear power plants. Approximately 10% of Scientech's utility services business is involved with the design and installation of enhanced physical security systems, and another 10% involves support services related to environmental compliance and cleanup. Information management and other network services account for 15% of Scientech's utility services business, and the other 5% involves software sales, including software used to support power plant operations.

Under contracts with the Department of Energy relating to the nuclear industry, Scientech provides government agency services to the Department of Defense and the Nuclear Regulatory Commission. Scientech's government agency services business principally involves the design and installation of enhanced physical security systems and work requiring skills in safety analysis and assessment, knowledge of secure handling of nuclear materials, technical review, technical policymaking, and technical policy implementation.

A majority of Scientech's $53 million in actual revenues for its fiscal year ended January 31, 1997 came from its government agency services business. However, Scientech has adopted a strategy of reducing its reliance on government contracts an applying its expertise to capture a greater share of the utility services market. In September 1996, Scientech purchased the business and a portion of the assets (primarily customer accounts receivable and other current assets relating to utility services customers) of Halliburton NUS, a nuclear utility services provider. On a *pro forma* basis, including the Halliburton NUS acquisition, Scientech's utility services and government contracts businesses would have each accounted for approximately 48% of total of total revenues of approximately $70 million.

Scientech also applies some of its expertise to applications outside of government agencies and the utility industry. It has sold environmental services to mining operations, internet services to non-utilities and risk and reliability services to the industrial sector. These services totalled approximately $2 million for the fiscal year ended January 31, 1997, which was approximately 3% of Scientech's total revenue. Based on Scientech's present business strategy and its view of optimum growth opportunities, it is anticipated that Scientech will continue to provide the same or similar types of products and services to non-utility and non-government customers and the percentage of Scientech's total revenue from sales of products and services to such customers will not materially increase.

Scientech's through its subsidiary, NUS Information Services, Inc., has performed a small amount of work at the South Texas Project (''STP''), a nuclear generating facility partially owned by a CSW electric utility subsidiary, Central Power and Light Company. Currently, STP is subscribing to four informational database services provided by NUS Information Services, Inc. It also has an open work order for database maintenance. No other services are presently being provided by Scientech or its subsidiaries to the CSW system.[9] After consummation of PSOK's proposed investment in Scientech, Scientech and/or its subsidiaries may provide additional services or products to the CSW system, although no such services or products have been identified at this time.[10]

PSOK has entered into a Stock Purchase Agreement, dated June 2, 1997, between Dr. Lawrence J. Ybarrondo, Chairman of the Board of Directors and founder of Scientech (and certain related trusts and family members) (collectively, the ''Sellers'') and PSOK.[11] Pursuant to the Stock Purchase Agreement, and subject to certain conditions including receipt of an order from the Commission approving this application, PSOK shall purchase from the Sellers, at a purchase price of $6.00 per share, or an aggregate purchase price of $3,036,000, an aggregate of 506,000 shares of Scientech common stock (representing approximately 25% of the total outstanding capital stock of Scientech), consisting of 70,000 shares of Class A Voting Common Stock (''Class A Stock'') and 436,000 shares of Class B Nonvoting Common Stock (''Class B Stock'').[12] The 70,000 shares of Class A Stock represent 4.5% of the Class A Stock to be outstanding immediately following consummation of PSOK's proposed investment in Scientech and the 436,000 shares of Class B Stock represent 100% of the Class B Stock to be outstanding immediately following consummation of PSOK's proposed investment.

The Stock Purchase Agreement also grants, subject to receipt of the Commission approval sought in this application, an option for PSOK to purchase from Sellers an additional 206,000 shares of Class B Stock, not later than September 2, 1998, at a purchase price per share of $9.00 (''Option Shares''). Purchase of these additional shares would give PSOK ownership of approximately 34% of the total outstanding capital stock of Scientech. The acquisition of all shares, including any Option Shares, will be funded by PSOK out of internally generated funds.

Each holder of Class B Stock has the right, at any time, at the option of the holder and without payment of any further consideration, to exchange each share of Class B Nonvoting Stock into one share of fully paid Class A Voting Stock.[13] However, Applicant states that PSOK will not take any action that would cause PSOK to own or control, and PSOK will not own or control, more tan 4.9% of the voting stock of Scientech at any one time.

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

Margaret H. McFarland,

Deputy Secretary.

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[9] The CSW system is comprised of CSW and its utility and non-utility subsidiaries. The four utility subsidiaries of the CSW system are Central Power & Light Company, PSOK, Southwestern Electric Power Company and West Texas Utilities Company.

[10] Applicant contends that Commission authorization under section 13(b) of the Act is not required for Scientech and/or its subsidiaries to provide services to the CSW system because, as discussed below, PSOK will never own more than 4.9% of the voting stock of Scientech and, consequently, Scientech will be neither an affiliate nor a subsidiary company as defined in the Act.

[11] Sellers and PSOK have also entered into an Escrow Agreement, Shareholders Agreement and Registration Rights Agreement, all dated June 2, 1997.

[12] Each share of Class A Stock entitles its holder to one vote on any matter coming before the Scientech shareholders for a vote. The holders of Class B Stock are not entitled to vote on any matter coming before the shareholders, except that no amendment to Scientech's Articles of Incorporation may be effected without the affirmative vote of holders of a majority of the outstanding shares of Class B Stock.

[13] Holders of Class A Stock have a corresponding right to convert their Class A shares into Class B shares.

SECURITIES AND EXCHANGE COMMISSION

[File No. 1–11342]

Issuer Delisting; Notice of Application To Withdraw From Listing and Registration (Servico, Inc., Common Stock, $.01 Par Value)

June 30, 1997.

Servico, Inc. (''Company'') has filed an application with the Securities and Exchange Commission (''Commission''), pursuant to Section 12(d) of the

Securities Exchange Act of 1934 (''Act'') and Rule 12d2–2(d) promulgated thereunder, to withdraw the above specified security (''Security'') from listing and registration on the American Stock Exchange, Inc. (''Amex'' or ''Exchange'').

The reasons cited in the application for withdrawing the Security from listing and registration include the following:

The Company's Security is listed in the New York Stock Exchange (''NYSE'') effective June 18, 1997.

In making the decision to withdraw its Security from listing on the Amex, the Company considered the direct and indirect cost expense attended to maintaining the dual listing of its Security on the NYSE and on the Amex. The Company does not see any particular advantage in the dual trading of its security and believes that dual listing would fragment the market for its security.

The Company has complied with Rule 18 of the Amex by filing with that Exchange a certified copy of preambles and resolutions adopted by the Company's Board of Directors authorizing the withdrawal of its Security from the listing on the Amex and by setting forth in detail to the Exchange the reasons for such proposed withdrawal, and the facts in support thereof. The Amex notified the Company, by letter dated June 13, 1997 that it would not object to the Company's application to delist its Security.

Any interested person may, on or before July 22, 1997, submit to the Secretary of the Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, facts bearing upon whether the application has been made in accordance with the rules of the exchange and what terms, if any, should be imposed by the Commission for the protection of investors. The commission, based on the information submitted to it, will issue an order granting the application after the date mentioned above, unless the Commission determines to order a hearing on the matter.

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

Jonathan G. Katz,

Secretary.

[FR Doc. 97–17537 Filed 7–3–97; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–38779; File No. SR–Phlx–97–27]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Philadelphia Stock Exchange, Inc. To Trade in Sixteenths

June 26, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] notice is hereby given that on June 11, 1997 the Philadelphia Stock Exchange, Inc. (''Phlx'' 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 self-regulatory organization (''SRO''). 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 proposes to permit Phlx equity securities to be traded in sixteenths. The text of the proposed rule change is as follows (deleted text is bracketed):

Rule 125 Variations in Bids and Offers

Bids or offers shall [not] be made at a [less] variation [than 1/8 of one dollar in stocks, and 1/8 of 1 percent of the principal amount of bonds, except as specifically] authorized by the Committee.

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 self-regulatory organization 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 self-regulatory organization has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

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

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

1. Purpose

Currently, Rule 125 states that bids or offers shall not be made at a less variation than 1/8 of one dollar in stocks, and 1/8 of 1 percent of the principal amount of bonds, except as specifically authorized by the Committee. In 1995, the Floor Procedure Committee authorized that Phlx equity securities up to $10 that are listed on the American Stock Exchange, Inc. (''Amex'') be permitted to trade in sixteenths. Recently, the Amex received Commission approval to implement a minimum fractional change of 1/16 for equity securities trading at or above $0.25.[2] As a result, Amex-listed securities became eligible to trade in sixteenths through the Intermarket Trading System (''ITS''). Last month, following Floor Procedure Committee approval on May 6, 1997, the Exchange began trading Amex-listed issues trading at or above $0.25 in sixteenths.

In response to recent industry events, the Exchange has determined that the trading increment applicable to equity securities be changed from 1/8 to 1/16, upon implementation of certain system changes by the Intermarket Trading System (''ITS'') to accommodate trading in sixteenths.[3] Currently, Rule 125 provides that bids or offers shall not be made at a less variation than 1/8 of one dollar in stocks, and 1/8 of 1 percent of the principal amount of bonds, except as specifically authorized by the Committee. Thus, the Exchange proposes to delete the reference to 1/8 and, rather than replacing it with a particular increment, emphasize the discretion of the Committee to modify trading increments.[4]

The purpose of this proposal is to extend the benefits of trading in a narrower increment to Phlx securities. This should promote more accurate

[2] Securities Exchange Act Release No. 38571 (May 5, 1997), 62 FR 25682 (May 9, 1997) (approving File No. SR–Amex–97–14).

[3] The Commission notes that these changes to ITS were implemented on June 24, 1997.

[4] Nevertheless, the Commission notes that any further change in the minimum increments constitutes (1) a change in a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule of the Phlx, or (2) a change in an existing order-entry or trading system of an SRO, or (3) both. Therefore, the Exchange is still obligated to file such proposed changes with the Commission. These changes, however, may become effective upon filing if they meet certain statutory requirements. *See* 15 U.S.C. 78s(b)(3)(A)(i) and 17 CFR 240.19b–4(e).