

provision that provides broad and comprehensive indemnification coverage and rights to Governors, committee members and officers of the Exchange, and provides discretionary authority for the Board to indemnify agents and employees of the Exchange.

By-Law Article IV, Section 4-8, is proposed to be amended so that no person shall participate in the "determination" as opposed to "adjudication" of any matter in which he is personally interested. This change would expand the coverage of this provision, which pertains to disqualification of Governors from participation in Board actions. Additionally, Article XIV of the PHLX Certificate of Incorporation is proposed to be replaced in its entirety with a current provision of the Delaware General Corporation Law regarding contracts and transactions entered into by the PHLX in which a Governor, director, or officer has a financial interest.

A number of other revisions to the By-Laws are proposed for the sake of organization or accuracy. For instance, the term "Corporation" has been changed throughout the By-Laws to "Exchange," and By-Law Articles VI and VII regarding Vice Chairmen of the Board of Governors and Officers of the Corporation are being deleted in their entirety with the relevant sections being moved into Article V.

The proposed rule change is consistent with Section 6(b)(3) of the Act in that more Governors shall be representative of investors and not associated with a member of the Exchange, broker or dealer while promoting the opportunity to assure fair representation of PHLX members in the selection of nominees for Governors and the administration of the affairs of the Exchange. In addition, it is consistent with Section 6(b)(5) of the Act as it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade and in general to protect investors and the public interest.

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

The PHLX does not believe that the proposed rule change will result in any burden on competition.

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

In accordance with PHLX By-Law Article XXII, Section 22-2, the membership was notified of the proposed amendment by Memorandum

dated June 4, 1997 and no written request was filed within the 10 day period allowed by the By-Law. Thereafter, on June 18, 1997, a membership petition was received by the Board pursuant to PHLX By-Law Article XXII, Section 22-1, which offered, in writing, certain proposed amendments to the By-Laws. This petition currently is being held by the PHLX Secretary pending completion of certain revisions to the proposed amendments by the petitioners, after which such amendments will be submitted to the membership for vote thereon.

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

Within 35 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 90 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 the PHLX 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 will also be available for inspection and copying at the principal office of the above-mentioned self-regulatory organization. All submissions should refer to File Number SR-PHLX-97-31 and should be submitted by August 1, 1997.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.¹⁴

Jonathan G. Katz,

Secretary.

[FR Doc. 97-17984 Filed 7-9-97; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-38808; File No. SR-Phlx-97-25]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Philadelphia Stock Exchange, Inc. Relating to Elimination of the Enhanced Parity Split for the Specialist in the 3D German Mark Foreign Currency Options

July 1, 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 May 29, 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. 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 eliminate the enhanced split applicable to the specialist trading cash/spot German Mark ("3D") foreign currency options³ ("FCOs") in Exchange Rule 1014(h). The text of the proposed rule change is available at the Office of the Secretary, Phlx and at the Commission.

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

¹⁴ 17 C.F.R. 200.30-3(a)(12).

¹⁵ 15 U.S.C. § 78s(b)(1).

² 17 CFR 240.19b-4.

³ 3D FCOs are cash-settled, European-style, cash/spot FCO contracts on the German mark that trade in one-week and two-week expirations. See Securities Exchange Act Release No. 33732 (Mar. 8, 1994), 59 FR 12023 (Mar. 15, 1994).

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.

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

1. Purpose

In January, 1995, the Exchange adopted an enhanced split for its specialist in 3D FCOs in order to encourage the specialist to make deeper markets to attract order flow.⁴ The rule provides that the Foreign Currency Option Committee ("the Committee") would conduct a review of the entitlement to the enhanced parity split at the end of the first year and then every 6 months thereafter. Pursuant to the most recent review, the Committee determined to eliminate the enhanced split which was only applicable to this one product traded on the Foreign Currency Option Floor of the Exchange. The specialist in the product has not objected to the elimination of the entitlement. In fact, the specialist firm trading this product has indicated that the enhanced split is not particularly useful to the firm and that the firm does not generally take advantage of it.⁵ In addition, the Exchange has represented that the order size in this product is generally not large enough to trigger the enhanced split.⁶ The Exchange is proposing to eliminate the enhancement at this time in order to study the issue of enhanced splits for the Foreign Currency Option Floor on a broader basis.⁷ By eliminating this enhanced split, parity and priority will be determined in accordance with Exchange Rule 119 and the remainder of section (h) to Rule 1014.

⁴ See Securities Exchange Act Release No. 35177 (Dec. 29, 1994), 60 FR 2419 (Jan. 9, 1995).

⁵ See letter from Michele R. Weisbaum, Vice President and Associate General Counsel, Phlx to David Sieradzki, Attorney, Commission (June 30, 1997).

⁶ Telephone conversation between Michele R. Weisbaum, Vice President and Associate General Counsel, Phlx, James T. McHale, Special Counsel, Commission and David Sieradzki, Attorney, Commission (June 19, 1997). Rule 1014(h) provides that "[t]his enhanced split will not apply where a customer bid/offer for under 100 contracts has time priority."

⁷ The Exchange represents that it is in the process of considering new and different types of parity splits that, if adopted, would be applicable to all products traded by specialists on the foreign currency option floor or at least to a broader range of specialist traded products. *Supra* note 5.

2. Statutory Basis

The Exchange represents that the proposed rule change is consistent with Section 6 of the Act⁸ in general, and in particular, with Section 6(b)(5),⁹ in that it is designed to promote just and equitable principles of trade, prevent fraudulent and manipulative acts and practices, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, as well as to protect investors and the public interest.

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

The Exchange 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

No written comments were either solicited or received.

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

Within 35 days of the publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 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 the self-regulatory organization consents, the Commission will:

(A) By order approve the 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

⁸ 15 U.S.C. § 78f.

⁹ 15 U.S.C. § 78f(b)(5).

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 at the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the Exchange. All submissions should refer the File No. SR-Phlx-97-25 and should be submitted by August 1, 1997.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁰

Jonathan G. Katz,
Secretary.

[FR Doc. 97-17985 Filed 7-9-97; 8:45 am]

BILLING CODE 8010-01-M

SMALL BUSINESS ADMINISTRATION

Revocation of License of Small Business Investment Company

Pursuant to the authority granted to the United States Small Business Administration by the Final Order of the United States District Court for the Eastern District of North Carolina, New Bern Division, dated April 21, 1997, the United States Small Business Administration hereby revokes the license of Falcon Capital Corporation, a South Carolina corporation, to function as a small business investment company under the Small Business Investment Company License No. 04/04-0091 issued to Falcon Capital Corporation on April 14, 1964 and said license is hereby declared null and void as of June 27, 1997.

Dated: July 1, 1997.

United States Small Business Administration.

Don A. Christensen,

Associate Administrator for Investment.

[FR Doc. 97-18076 Filed 7-9-97; 8:45 am]

BILLING CODE 8025-01-P

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Opportunity to Apply for Nominations to the World Trade Organization Dispute Settlement Roster of Panel Candidates

AGENCY: Office of the United States Trade Representative.

ACTION: Notice of opportunity to apply for nomination by the United States to the indicative list of non-governmental

¹⁰ 17 CFR 200.30-3(a)(12).