

otherwise provided in this section 5 or to the extent that such approval is required by governing law, rule, or regulation. The consideration for the issuance of the shares shall be paid in full before their issuance and shall not be less than the par [or stated] value. Neither promissory notes nor future services shall constitute payment or part payment for the issuance of shares of the MHC subsidiary holding company. The consideration for the shares shall be cash, tangible or intangible property (to the extent direct investment in such property would be permitted to the MHC subsidiary holding company), labor, or services actually performed for the MHC subsidiary holding company, or any combination of the foregoing. In the absence of actual fraud in the transaction, the value of such property, labor, or services, as determined by the board of directors of the MHC subsidiary holding company, shall be conclusive. Upon payment of such consideration, such shares shall be deemed to be fully paid and nonassessable. In the case of a stock dividend, that part of the retained earnings of the MHC subsidiary holding company that is transferred to common stock or paid-in capital accounts upon the issuance of shares as a stock dividend shall be deemed to be the consideration for their issuance.

Except for shares issued in the initial organization of the MHC subsidiary holding company, no shares of capital stock (including shares issuable upon conversion, exchange, or exercise of other securities) shall be issued, directly or indirectly, to officers, directors, or controlling persons (except for shares issued to the parent mutual holding company) of the MHC subsidiary holding company other than as part of a general public offering or as qualifying shares to a director, unless the issuance or the plan under which they would be issued has been approved by a majority of the total votes eligible to be cast at a legal meeting.

The holders of the common stock shall exclusively possess all voting power. Each holder of shares of common stock shall be entitled to one vote for each share held by such holder, except as to the cumulation of votes for the election of directors, unless the charter provides that there shall be no such cumulative voting. Subject to any provision for a liquidation account, in the event of any liquidation, dissolution, or winding up of the MHC subsidiary holding company, the holders of the common stock shall be entitled, after payment or provision for payment of all debts and liabilities of the MHC subsidiary holding company, to receive the remaining assets of the MHC subsidiary holding company available for distribution, in cash or in kind. Each share of common stock shall have the same relative rights as and be identical in all respects with all the other shares of common stock.

Section 6. Preemptive rights. Holders of the capital stock of the MHC subsidiary holding company shall not be entitled to preemptive rights with respect to any shares of the MHC subsidiary holding company which may be issued.

Section 7. Directors. The MHC subsidiary holding company shall be under the direction of a board of directors. The

authorized number of directors, as stated in the MHC subsidiary holding company's bylaws, shall not be fewer than five nor more than fifteen except when a greater or lesser number is approved by the Director of the Office, or his or her delegate.

Section 8. Amendment of charter. Except as provided in Section 5, no amendment, addition, alteration, change or repeal of this charter shall be made, unless such is proposed by the board of directors of the MHC subsidiary holding company, approved by the shareholders by a majority of the votes eligible to be cast at a legal meeting, unless a higher vote is otherwise required, and approved or preapproved by the Office.

Attest:

Secretary of the Subsidiary Holding Company

By:

President or Chief Executive Officer of the Subsidiary Holding Company

Attest:

Secretary of the Office of Thrift Supervision

By:

Director of the Office of Thrift Supervision

Effective Date:

(2) *Charter amendments.* The rules and regulations set forth in § 552.4 of this chapter regarding charter amendments and reissuances of charters (including delegations and filing instructions) shall be applicable to subsidiary holding companies to the same extent as if the subsidiary holding companies were Federal stock savings associations, except that, with respect to the pre-approved charter amendments set forth in § 552.4 of this chapter, the reference to home office in § 552.4(b)(2) of this chapter shall be deemed to refer to the domicile of the subsidiary holding company and the requirements of § 545.95 of this chapter shall not apply to subsidiary holding companies.

(3) *Bylaws.* The rules and regulations set forth in § 552.5 of this chapter regarding bylaws (including their content, any amendments thereto, delegations, and filing instructions) shall be applicable to subsidiary holding companies to the same extent as if subsidiary holding companies were federal stock savings associations. The model bylaws for Federal stock savings associations set forth in the OTS Applications Processing Handbook shall also serve as the model bylaws for subsidiary holding companies, except that the term "association" each time it appears therein shall be replaced with the term "Subsidiary Holding Company."

(4) *Annual reports and books and records.* The rules and regulations set forth in §§ 552.10 and 552.11 of this chapter regarding annual reports to stockholders and maintaining books and records shall be applicable to subsidiary holding companies to the same extent as

if subsidiary holding companies were federal stock savings associations.

Dated: March 3, 1998.

By the Office of Thrift Supervision.

Ellen Seidman,

Director.

[FR Doc. 98-5896 Filed 3-6-98; 8:45 am]

BILLING CODE 6720-01-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 93-ANE-08; Amendment 39-10260; AD 97-26-17]

RIN 2120-AA64

Airworthiness Directives; Teledyne Continental Motors IO-360, TSIO-360, LTSIO-360, IO-520, LIO-520, TSIO-520, LTSIO-520 Series, and Rolls-Royce plc IO-360 and TSIO-360 Series Reciprocating Engines; Correction

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule; correction.

SUMMARY: This document makes a correction to airworthiness directive (AD) 97-26-17 applicable to certain Teledyne Continental Motors (TCM) IO-520 and TSIO-520 engines that was published in the **Federal Register** on December 19, 1997 (62 FR 66502). The address information for the contact engineer in the **FOR FURTHER INFORMATION CONTACT** section and the manufacturer's telephone number in the **ADDRESSES** section and paragraph (f) of the Compliance Section is incorrect. This document corrects that information. In all other respects, the original document remains the same.

EFFECTIVE DATE: March 9, 1998.

FOR FURTHER INFORMATION CONTACT: Jerry Robinette, Aerospace Engineer, Atlanta Aircraft Certification Office, FAA, Small Airplane Directorate, 1895 Phoenix Blvd., One Crown Center, Suite 450, Atlanta, GA 30349, (770) 703-6096, fax (770) 703-6097.

SUPPLEMENTARY INFORMATION: A final rule airworthiness directive applicable to Teledyne Continental Motors (TCM) IO-360, TSIO-360, LTSIO-360, IO-520 and TSIO-520 series reciprocating engines, was published in the **Federal Register** on December 19, 1997 (62 FR 66502). The following correction is needed:

On page 66502, in the second column, in the **ADDRESSES** section, "telephone (334) 438-3411" is corrected to read "telephone (888) 826-5874".

On page 66502, in the third column, in the **FOR FURTHER INFORMATION CONTACT** Section, "Jerry Robinette, Aerospace Engineer, Atlanta Aircraft Certification Office, FAA, Small Airplane Directorate, Campus Building, 1701 Columbia Ave., Suite 2-160, College Park, GA 30337-2748; telephone (404) 305-7371, fax (404) 305-7348." is corrected to read "Jerry Robinette, Aerospace Engineer, Atlanta Aircraft Certification Office, FAA, Small Airplane Directorate, 1895 Phoenix Blvd., One Crown Center, Suite 450, Atlanta, GA 30349, (770) 703-6096, fax (770) 703-6097."

§ 39.13 [Corrected]

On page 66506, in the second column, in the Compliance section of AD 97-26-17, in paragraph (f), "telephone (334) 438-3411" is corrected to read "telephone (888) 826-5874".

Issued in Burlington, MA, on February 26, 1998.

Ronald L. Vavruska,

Acting Manager, Engine and Propeller Directorate, Aircraft Certification Service.

[FR Doc. 98-5798 Filed 3-6-98; 8:45 am]

BILLING CODE 4910-13-U

COMMODITY FUTURES TRADING COMMISSION

17 CFR Parts 1, 5, and 31

Fees for Applications for Contract Market Designation, Leverage Commodity Registration and Registered Futures Association and Exchange Rule Enforcement and Financial Reviews

AGENCY: Commodity Futures Trading Commission.

ACTION: Final schedule of fees.

SUMMARY: The Commission periodically adjusts fees charged for certain program services to assure that they accurately reflect current Commission costs. In this regard, the staff recently reviewed the Commission's actual costs of processing applications for contract market designation (17 CFR part 5, appendix B), audits of leverage transaction merchants (17 CFR part 31, appendix B) and registered futures association and exchange rule enforcement and financial reviews (17 CFR part 1, appendix B). The following fee schedule for fiscal year 1998 reflects the average annual actual costs to the Commission of providing those services during fiscal years 1995, 1996, and 1997. Accordingly, the Commission will charge the following fees: applications for contract market designation for a

futures contract will be reduced from \$8,300 to \$7,900; contract market designation for an option contract will be reduced from \$1,700 to \$1,600; and contract markets that simultaneously submit designation applications for a futures contract and an option on that futures contract will be reduced from a combined fee of \$9,000 to a combined fee of \$8,500. In addition, the Commission is publishing the schedule of fees for registered futures association and exchange rule enforcement and financial reviews.

EFFECTIVE DATES: The Fee Schedule for Contract Market Designation is effective on March 9, 1998. Registered Futures Association and Exchange Rule Enforcement and Financial Review fees are due May 8, 1998.

FOR FURTHER INFORMATION CONTACT: Gerald P. Smith, Special Assistant to the Executive Director, Office of the Executive Director, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, N.W., Washington, D.C. 20581, 202-418-5160.

SUPPLEMENTARY INFORMATION: The Commission periodically reviews the actual costs of providing services for which fees are charged and adjusts these fees accordingly. In connection with its most recent review, the Commission has determined that fees for contract market designations should be adjusted. Also, this release announces the fiscal year 1998 schedule of fees for registered futures association and exchange rule enforcement and financial reviews and leverage commodity registration fees.

Background Information

I. Computation of Fees

The Commission has established fees for certain activities and functions it performs.¹ In calculating the actual cost of processing applications for contract market designation, registering leverage commodities, and performing registered futures association and exchange rule enforcement and financial reviews, the Commission takes into account personnel costs (direct costs) and benefits and administrative costs (overhead costs).

The Commission first determines personnel costs by extracting data from the agency's Management Accounting Structure Codes (MASC) system. Employees of the Commission record the time spent on each project under the MASC system. The Commission then adds an overhead factor that is made up

of two components—benefits and general and administrative costs. Benefits, which include retirement, insurance and leave, are based on a government-wide standard established by the Office of Management and Budget. General and administrative costs include the Commission's costs for space, equipment, utilities, etc. These general and administrative costs are derived by computing the percentage of Commission appropriations spent on these non-personnel items. The overhead calculations fluctuate slightly due to changes in government-wide benefits and the percentage of Commission appropriations applied to non-personnel costs from year to year. The actual overhead factor for prior fiscal years were 92% in 1995, 98% in 1996 and 91% in 1997.

Once the total personnel costs for each fee item (contract market designation, rule enforcement review, etc.) have been determined for each year, the overhead factor is applied and the costs for fiscal years 1995, 1996 and 1997 are averaged. This results in a calculation of the average annual cost over the three-year period.

II. Applications for Contract Market Designation

On August 23, 1983, the Commission established a fee for Contract Market Designation (48 FR 38214). The fee was based upon a three-year moving average of the actual costs expended and the number of contracts reviewed during that period of time. The formula for determining the fee was revised in 1985. At that time the overwhelming majority of designation applications was for futures contracts as opposed to option contracts. Therefore, the fee covered both futures and option designation applications. In fiscal year 1992, the Commission reviewed its data on the actual costs for reviewing designation applications for both futures and option contracts and determined that the costs for reviewing a futures contract designation application was much higher than the cost of reviewing an application for an option contract. It also determined that, when designation applications for both a futures contract and an option on that futures contract are submitted simultaneously, the cost for reviewing both together was lower than reviewing them individually. Based on that review, separate fees were established for futures, option and combined futures and option contracts.

The Commission staff reviewed the actual costs of processing applications for contract market designation for a futures contract for fiscal years 1995, 1996, and 1997 and found that the

¹ See Section 237 of the Futures Trading Act of 1982, 7 U.S.C. 16a and 31 U.S.C. 9701. For a broader discussion of the history of Commission fees, see 52 FR 46070 (Dec. 4, 1987).