

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40420, File No. SR-PHLX-98-23]

September 9, 1998.

### Self-Regulatory Organizations: Notice of Filing of Proposed Rule Change by the Philadelphia Stock Exchange, Inc. to Amend By-Law Article XI, § 11-1—Appeals; Article XII, § 12-4—Application; and Article XV, § 15-3—Disposition of Proceeds of Sale of Membership

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on August 18, 1998, the Philadelphia Stock Exchange, Inc. ("PHLX" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") a proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange.<sup>3</sup> 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 Exchange seeks to amend By-Law Article XI, § 11-1—Appeals; Article XII, § 12-4—Application; and Article XV, § 15-3—Disposition of Proceeds of Sale of Membership. The Exchange has proposed a By-Law amendment to Article XV to permit the Board of Governors to determine the validity and amount of claims asserted against a membership. Additionally, the Exchange proposes to amend Article XI and Article XII to provide that an adverse Admissions Committee decision may be appealed to the Board. The text of the proposed rule change is available

<sup>1</sup> 15 U.S.C. 78s(b)(1) (1994).

<sup>2</sup> 17 CFR 240.19b-4 (1997).

<sup>3</sup> The proposal was originally submitted on June 24, 1998, however, the PHLX failed to include the circulars as required by Form 19b-4. See Form 19b-4, 3 Fed. Sec. L (CCH) ¶ 33,351. The Exchange subsequently submitted Amendment No. 1 that included the circulars and made technical changes to the proposed rule language. See Letter from Murray L. Ross, Vice President and Secretary, PHLX, to Michael Walinskas, Deputy Associate Director, Division of Market Regulation ("Division"), Commission, dated August 17, 1998 ("Amendment No. 1"). In addition, the PHLX agreed to additional technical changes to its proposed rule language to accurately reflect the differences between the proposed rule language and the PHLX's current rule language. Telephone conversation between Murray L. Ross, Vice President and Secretary, PHLX and Karl Varner, Attorney, Division, Commission, on September 1, 1998.

at the Office of the Secretary, the PHLX and 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 PHLX included statements concerning the purpose of, and basis for, the proposed rule change. The text of these statements may be examined at the 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

###### 1. Purpose

The PHLX has proposed a By-Law amendment to Article XV, § 15-3, Disposition of Proceeds of Sale of Membership, to permit the Board of Governors, rather than the Arbitration Committee or a panel thereof, to determine the validity and amount of claims asserted against a membership pursuant to the specified order of claims enumerated in the By-Laws. This proposed By-Law amendment, as recommended by the Arbitration and Executive Committees of the Board, seeks to conform the By-Law with procedures adopted by other registered national securities exchanges<sup>4</sup> and provides for Board oversight of seat proceeds disposition.

Additionally, the Exchange proposes to amend Article XI, § 11-1, Appeals, and Article XII, § 12-4, Application, to provide that an adverse Admissions Committee decision be appealed to the Board. These proposed amendments seek to conform the By-Laws with procedures adopted by other exchanges wherein appeals are taken to the Board or heard by a panel of the Board subject to ratification, such as CBOE Rule 19.5 and American Stock Exchange, Inc., Constitution, Article IV, § 1(g). Thus, the proposal creates a right of appeal from Admissions Committee decisions.

###### 2. Statutory Basis

The proposed rule change is consistent with Section 6 of the Act<sup>5</sup> in general, and in particular, with Section 6(b)(5)<sup>6</sup> in that it is designed to promote just and equitable principles of trade,

<sup>4</sup> See Chicago Board Options Exchange ("CBOE") Rule 3.15 and New York Stock Exchange, Inc. Constitution, Article II, Sec. 11.

<sup>5</sup> 15 U.S.C. 78f.

<sup>6</sup> 15 U.S.C. 78f(b)(5).

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 by providing Board oversight of the disposition of seat proceeds and Admissions Committee appeals.

##### 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

No written comments were received in response to Circulars 98-56 and 98-67, which were distributed to all members and participants of the PHLX.

#### 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, 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, 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. Copies of the filing will also be available for inspection and copying at the PHLX's principal offices. All submissions should refer to File No. SR-PHLX-98-23 and should be submitted by October 7, 1998.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>7</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 98-24820 Filed 9-15-98; 8:45 am]

BILLING CODE 8010-01-M

**SMALL BUSINESS ADMINISTRATION**

**Reporting and Recordkeeping Requirements Under OMB Review**

**AGENCY:** Small Business Administration.

**ACTION:** Notice of reporting requirements submitted for OMB review.

**SUMMARY:** Under the provisions of the Paperwork Reduction Act (44 U.S.C. Chapter 35), agencies are required to submit proposed reporting and recordkeeping requirements to OMB for review and approval, and to publish a notice in the **Federal Register** notifying the public that the agency has made such a submission.

**DATES:** Submit comments on or before October 16, 1998. If you intend to comment but cannot prepare comments promptly, please advise the OMB Reviewer and the Agency Clearance Officer before the deadline.

**COPIES:** Request for clearance (OMB 83-1), supporting statement, and other documents submitted to OMB for review may be obtained from the Agency Clearance Officer.

**ADDRESSES:** Address all comments concerning this notice to: Agency Clearance Officer, Jacqueline White, Small Business Administration, 409 3rd Street, SW., 5th Floor, Washington, DC 20416; and OMB Reviewer, Victoria Wassmer, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Washington, DC 20503.

**FOR FURTHER INFORMATION CONTACT:** Jacqueline White, Agency Clearance Officer, (202) 205-6629.

**SUPPLEMENTARY INFORMATION:**

*Title:* Application forms for 8(a) Program.

*Form No.:* 1010A, 1010B, 1010C.

*Frequency:* On Occasion.

*Description of Respondents:* 8(a) Companies.

*Annual Responses:* 33,000.

*Annual Burden:* 177,000.

Dated: September 10, 1998.

**Jacqueline White,**

*Chief, Administrative Information Branch.*

[FR Doc. 98-24788 Filed 9-15-98; 8:45 am]

BILLING CODE 8025-01-P

**SMALL BUSINESS ADMINISTRATION**

**[Declaration of Disaster #3103; Amendment #5]**

**State of Iowa**

In accordance with information received from the Federal Emergency Management Agency dated August 31, 1998, the above-numbered Declaration is hereby amended to include Decatur and Union Counties in the State of Iowa as a disaster area due to damages caused by severe storms, tornadoes, and flooding beginning on June 13, 1998 and continuing through July 15, 1998. This declaration is further amended to extend the deadline for filing applications for physical damages as a result of this disaster to September 14, 1998.

In addition, applications for economic injury loans from small businesses located in the contiguous county of Mercer in the State of Missouri may be filed until the specified date at the previously designated location. All other counties contiguous to the above-named primary counties have been previously declared.

All other information remains the same, i.e., the deadline for filing applications for economic injury is April 2, 1999.

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

Dated: September 3, 1998.

**Bernard Kulik,**

*Associate Administrator for Disaster Assistance.*

[FR Doc. 98-24792 Filed 9-15-98; 8:45 am]

BILLING CODE 8025-01-P

**SMALL BUSINESS ADMINISTRATION**

**[Declaration of Disaster #3126]**

**State of North Carolina**

As a result of the President's major disaster declaration on August 27, 1998, and amendments thereto on September 1 and 2, I find that the following counties in the State of North Carolina constitute a disaster area due to damages caused by Hurricane Bonnie beginning on August 25, 1998 and

continuing through September 1, 1998: Beaufort, Bertie, Bladen, Brunswick, Camden, Carteret, Chowan, Columbus, Craven, Cumberland, Currituck, Dare, Duplin, Greene, Hyde, Jones, Lenoir, Martin, New Hanover, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Pitt, Robeson, Sampson, Tyrrell, Washington, and Wayne. Applications for loans for physical damages as a result of this disaster may be filed until the close of business on October 26, 1998, and for loans for economic injury until the close of business on May 27, 1999 at the address listed below or other locally announced locations:

Small Business Administration, Disaster Area 2 Office, One Baltimore Place, Suite 300, Atlanta, GA 30308

In addition, applications for economic injury loans from small businesses located in the following contiguous counties and independent cities may be filed until the specified date at the above location: Edgecombe, Gates, Halifax, Harnett, Hertford, Hoke, Johnston, Moore, Northampton, Scotland, and Wilson Counties in North Carolina; Dillon, Horry, and Marlboro Counties in South Carolina; and the Independent Cities of Chesapeake, Suffolk, and Virginia Beach in Virginia. The interest rates are:

	Percent
Physical Damage:	
HOMEOWNERS WITH CREDIT AVAILABLE ELSEWHERE ....	6.875
HOMEOWNERS WITHOUT CREDIT AVAILABLE ELSEWHERE .....	3.437
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 312608. For economic injury the numbers are 998400 for North Carolina, 998500 for South Carolina, and 998600 for Virginia. (Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008)

<sup>7</sup> 17 CFR 200.30-3(a)(12).