

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-42263; File No. SR-Phlx-99-47]

### Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change by the Philadelphia Stock Exchange, Inc., Relating to the Exemption of Certain Foreign Currency Options Participants From the Foreign Currency Options Participation Fee

December 21, 1999.

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 November 16, 1999, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described as described in Items I, II, and III below, which Items have been prepared by Exchange.

#### I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to exempt the foreign currency option ("FCO") participants who had contracted to sell their FCO participations as of July 30, 1999 from payment of the FCO participation fee.

#### 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. 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 Summary Basis for the Proposed Rule Change

###### 1. Purpose

On June 23, 1999, the Exchange submitted a proposed rule change to the Commission, to adopt an annual FCO participation fee for all FCO participants.<sup>3</sup> The proposed rule change

became immediately effective when it was fully filed.<sup>4</sup> The Exchange stated that it would bill this fee semi-annually, effective July 1, 1999, and that it would be payable beginning with FCO participants who held legal title as of July 30, 1999.

The Exchange notified all FCO participants about the fee on June 25, 1999. In its notification, the Exchange stated that the FCO participation fee would not apply to FCO participants who were not legal title holders as of July 30, 1999.

The Exchange, pursuant to its By-laws,<sup>5</sup> must provide notice to the membership at least fourteen days prior to the effective transfer of legal title to an FCO participation. Within two weeks prior to July 30, 1999, 46 FCO participants contracted to sell their FCO participations. The fourteen-day notice period of these 4 sales extended beyond July 30, 1999, and subjected those 46 FCO participants to the new FCO participation fee.

On October 20, 1999, the Exchange's Finance Committee discussed this situation, clarifying that the intent of the FCO participation fee was to capture only FCO participants who had contracted to sell their participation as of July 30, 1999.<sup>6</sup> Accordingly, the Exchange will exempt FCO participants who had contracted to sell their participations by that date from payment of the participation fee.

###### 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6 of the Act<sup>7</sup> in general, and further the objectives of Section 6(b)(4)<sup>8</sup> in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among its members and other persons using its facilities. The Exchange believes that the exemption distributes the burden of the fee equitably because those who

<sup>4</sup> The Commission deemed the proposed rule change to be filed on July 21, 1999, the date of the last amendment, due to the substantive nature of the amendments.

<sup>5</sup> See Phlx By-law Article I, Section 1-1(i); Phlx By-Law Article XV, Section 15-1.

<sup>6</sup> The Exchange purchased 41 out of the 46 FCO participants. The Exchange represents that the purchaser of the remaining FCO participations will pay a pro rata portion of the participation fee, calculated from the date the purchaser assumes legal title to the FCO participations, as provided by Phlx By-law Article XIV, Section 14-7. Telephone conversation between John Dayton, Counsel, Phlx, and Murray Ross, Vice President and Secretary, Phlx, and Hong-anh Tran, Attorney, and Joshua Kans, Special Counsel, Division of Market Regulation ("Division"), Commission, on November 24, 1999.

<sup>7</sup> 15 U.S.C. 78f(b).

<sup>8</sup> 15 U.S.C. 78f(b)(4).

would qualify for the exemption have sold their FCO participation and will not benefit from any improvements implemented with funds from the fee.

##### 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 either solicited or received.

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

The foregoing rule change establishes or changes a due, fee or charged imposed by the Exchange and, therefore, has become effective upon filing pursuant to Rule (19(b)(3)(A) of the Act<sup>9</sup> and Rule 19b-4(f)(2) thereunder.<sup>10</sup> At any time within 60 days of the filing of such proposed rule change, the Commission may summarily abrogate such rate 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 purpose of the Act.

### 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.<sup>11</sup> Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. 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 such filing will also be available for inspection and copying at

<sup>9</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>10</sup> 17 CFR 240.19b-4(f)(2).

<sup>11</sup> In reviewing this proposal, the Commission has considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

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

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

<sup>3</sup> See Securities Exchange Act Release No. 41780 (August 23, 1999), 64 FR 47887 (September 1, 1999) (SR-Phlx-99-20).

the principal office of the Phlx. All submissions should refer to File No. SR-Phlx-99-47 and should be submitted by January 19, 2000.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>12</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 99-33851 Filed 12-28-99; 8:45 am]

BILLING CODE 8010-01-M

## SMALL BUSINESS ADMINISTRATION

[License No. 01/71-0372]

### Zero Stage Capital VI, L.P.; Notice Seeking Exemption Under Section 312 of the Small Business Investment Act, Conflicts of Interest

Notice is hereby given that Zero Stage Capital VI, L.P., 101 Main Street, Cambridge, MA 02142, a Federal Licensee under the Small Business Investment Act of 1958, as amended ("the Act"), in connection with the proposed financing of a small concern is seeking an exemption under section 312 of the Act and section 107.730, Financings which Constitute Conflicts of Interest of the Small Business Administration ("SBA") Rules and Regulations (13 CFR 107.730 (1998)). An exemption may not be granted by SBA until Notices of this transaction have been published. Zero Stage Capital VI, L.P., proposes to provide equity financing Mosaic Technology, Inc., 1106 Commonwealth Ave., Boston, MA 02215. The financing is contemplated for funding growth.

The financing is brought within the purview of section 107.730(a)(1) of the Regulations because Zero Stage Capital V, L.P., an Associate of Zero Stage Capital VI, L.P., owns greater than 10 percent of Mosaic Technology, Inc. and therefore Mosaic Technology, Inc. is considered an Associate of Zero Stage Capital VI, L.P. as defined in section 107.50 of the Regulations.

Notice is hereby given that any interested person may, not later than fifteen (15) days from the date of publication of this Notice, submit written comments on the proposed transaction to the Associate Administrator for Investment, U.S. Small Business Administration, 409 Third Street, SW., Washington, DC 20416.

A copy of this Notice shall be published, in accordance with section 107.730(g), in the Boston Herald, Boston, Massachusetts.

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

(Catalog of Federal Domestic Assistance Programs No. 59.011, Small Business Investment Companies)

Dated: December 22, 1999.

**Don A. Christensen,**

*Associate Administrator for Investment.*

[FR Doc. 99-33846 Filed 12-28-99; 8:45 am]

BILLING CODE 8025-01-P

## SMALL BUSINESS ADMINISTRATION

### Transpac Capital Corporation

[License No. 02/02-5502]

#### Notice of Surrender of License

Notice is hereby given that Transpac Capital Corporation, 1037 Route 46 East, Clifton, New Jersey 07013 has surrendered its License to operate as a small business investment company under the Small Business Investment Act of 1958, as amended (Act). TLC Funding Corporation was licensed by the Small Business Administration on May 28, 1987.

Under the authority vested by the Act and pursuant to the Regulations promulgated thereunder, the surrender of the License was accepted on November 29, 1999.

Accordingly, all rights, privileges and franchises derived therefrom have been terminated.

(Catalog of Federal Domestic Assistance Program No. 59.011, Small Business Investment Companies)

Dated: December 22, 1999.

**Don A. Christensen,**

*Associate Administrator for Investment.*

[FR Doc. 99-33845 Filed 12-28-99; 8:45 am]

BILLING CODE 8025-01-P

## DEPARTMENT OF STATE

[Public Notice #3186]

### Secretary of State's Arms Control and Nonproliferation Advisory Board; Notice of Closed Meetings

In accordance with section 10(a)(2) of the Federal Advisory Committee Act, 5 U.S.C. app 2 § 10(a)(2)(1996), the Secretary of State announces the following Arms Control and Nonproliferation Advisory Board (ACNAB) meetings:

#### Date and Location

*January 6-7, 2000*, Department of State, Washington, DC.

*February 18, 2000*, Patrick Air Force Base, FL, Cocoa Beach, FL.

*March 24-25, 2000*, Department of State, Washington, DC.

*April 8-9, 2000*, Livermore National Laboratory, Livermore, CA.

Pursuant to section 10(d) of the Federal Advisory Committee Act, 5 U.S.C. app 2 § 10(d)(1996), and in accordance with Executive Order 12958, in the interest of national defense and foreign policy, it has been determined that these Board meetings will be closed to the public, since the ACNAB members will be reviewing and discussing classified matters.

The purpose of this Advisory Board is to advise the President and the Secretary of State on scientific, technical, and policy matters affecting arms control. The board will review specific arms control and nonproliferation issues. Members will be briefed on current U.S. policy and issues regarding negotiations such as the Convention on Conventional Weapons and the Chemical and Biological Weapons Convention.

For more information, please contact Robert Sherman, Executive Director, Arms Control and Nonproliferation Advisory Board, at (202) 647-1192.

Dated: December 21, 1999.

**Robert Sherman,**

*Executive Director, Secretary of State's Arms Control and Nonproliferation Advisory Board, Department of State.*

[FR Doc. 99-33847 Filed 12-28-99; 8:45 am]

BILLING CODE 4710-27-P

## DEPARTMENT OF STATE

[Public Notice 3191]

### Universal Postal Union Reform Initiatives; Notice of Briefing

**AGENCY:** Department of State.

**ACTION:** Notice of briefing.

The Department of State will host a briefing on Tuesday, February 1, 2000, to provide an update on reform initiatives at the Universal Postal Union (UPU).

The briefing will be held from 2 p.m. until approximately 4 p.m., on February 1, 2000, in Room 1105 of the Department of State, 2201 C Street, NW, Washington, DC. The briefing will be open to the public up to the capacity of the meeting room.

The briefing will provide information on the results of the recent meetings of the High-Level Group on the Future of the UPU, and of the UPU Postal Operations Council, as well as on other significant UPU-related issues. The briefing will be chaired by Ambassador E. Michael Southwick of the Department of State.

Entry to the Department of State building is controlled and will be facilitated by advance arrangements. In