

Internet surveillance system. Additional resources will be committed to additional listing qualifications staff to insure compliance with the recently approved increase in Nasdaq's listing requirements.⁷ These initiatives, in concert with the additional services provided to companies and investors, will enhance the overall quality of companies listed on Nasdaq, foster the protection of investors and promote the integrity of The Nasdaq Stock Market.

The Nasdaq Stock Market expects to witness the continuing rapid growth and integration of the world's equity capital markets in the next few years. Nasdaq plans to be in the position to meet the growing demand of global investors for ownership of U.S. securities. This will require refinements to the market and further development of the global positioning of U.S. companies. The proposed fee increase will be used to cover costs that Nasdaq is incurring by providing these extra services to Nasdaq issuers, their shareholders and potential investors.

The proposed rule change also deletes references to filings received by Nasdaq because the receipt by Nasdaq is not the determinative test for which periodic report is most recent. Furthermore, it makes other conforming changes to clarify the text of the applicable rules.

The NASD believes that the proposed rule change is consistent with the provisions of Section 15A(b)(5) and (6) of the Act. The proposed rule change is consistent with Section 15A(b)(5) as it provides for the equitable allocation of reasonable dues, fees, and other charges among members and issuers using the Nasdaq system. The proposed rule change is consistent with section 15A(b)(6) as it is designed to promote just and equitable principles of trade and does not permit unfair discrimination between customers, issuers, brokers or dealers. As noted above, the fee increase reflects additional costs that Nasdaq incurs for services provided to issuers.

(B) Self-Regulatory Organization's Statement on Burden on Competition

The NASD does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.

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

Written comments were neither solicited nor received.

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 self-regulatory organization 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 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 such filing will also be available for inspection and copying at the principal office of the NASD. All submissions should refer to File No. SR-NASD-97-83 and should be submitted by January 9, 1998.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁸

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 97-33193 Filed 12-18-97; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

Release No. 34-39445; File No. SR-PHLX-97-59

Self-Regulatory Organizations; Philadelphia Stock Exchange, Incorporated, Notice of Filing and Order Granting Accelerated Approval of a Proposed Rule Change Relating to the Decision to Limit its Clearance and Settlement Business and to Withdraw From the Securities Depository Business

December 11, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on November 14, 1997, the Philadelphia Stock Exchange, Incorporated, ("PHLX") filed with the Securities and Exchange Commission ("Commission") the proposed rule change (File No. SR-PHLX-97-59) as described in Items I and II below, which items have been primarily prepared by PHLX. The Commission is publishing this notice and order to solicit comments from interested parties and to grant accelerated approval of the proposal.

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

The proposed rule change will allow PHLX to limit its clearing services and to stop providing depository services that it currently operates through its wholly owned subsidiaries, Stock Clearing Corporation of Philadelphia ("SCCP") and Philadelphia Depository Trust Company ("Philadep"), respectively, in order to focus its resources on the operation of the exchange. PHLX has entered into an agreement with SCCP, Philadep, The Depository Trust Company ("DTC"), and the National Securities Clearing Corporation ("NSCC"), dated June 18, 1997, that set forth the arrangements relating to PHLX's decision ("Agreement").²

¹ 15 U.S.C. 78s(b)(1).

² SCCP, Philadep, DTC, and NSCC have submitted rule filings relating to the Agreement which are being addressed in a separate order. Securities Exchange Act Release Nos. 39220 (October 8, 1997, 62 FR 53848 (October 16, 1997)) [File No. SR-NSCC-97-08]; 39221 (October 8, 1997), 62 FR 53680 (October 15, 1997), [File No. SR-Philadep-97-04]; 39222 (October 8, 1997), 62 FR 53847 (October 16, 1997) [File No. SR-DTC-97-16]; and 39223 (October 8, 1997), 62 FR 53681 (October 15, 1997) [File No. SR-SCCP-97-04].

⁷ See Securities Exchange Act Release No. 38961 (Aug. 22, 1997), 62 FR 45895 (Aug. 29, 1997).

⁸ 17 CFR 200.30-3(a)(12).

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

In its filing with the Commission, PHLX included statements concerning the purpose of, and the basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements have been examined at the places specified in Item IV below. PHLX has prepared summaries, as set forth in sections A, B, and C below, of the most significant aspects of these statements.³

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

PHLX seeks to limit its clearance and settlement business and to close its securities depository business offered through its wholly owned subsidiaries, SCCP and Philadep, respectively, in order to focus its resources on the operations of the Exchange itself and to settle an administrative proceeding initiated against SCCP and Philadep by the Commission.⁴ The purpose of the Agreement is to enable PHLX, SCCP, and Philadep to achieve this objective while affording participants of SCCP and Philadep the opportunity to become participants of NSCC or DTC, respectively, or to utilize the services of other clearing and depository service providers.

Under the Agreement, for a period of five years PHLX, Philadep, and SCCP may not engage in the clearance and settlement and securities depository businesses. However under the Agreement, SCCP will be permitted to offer certain clearing services to PHLX members. In this regard, SCCP has proposed in a separate filing to amend its rules to restrict participation in SCCP to PHLX members.⁵ SCCP will provide margin accounts to certain PHLX floor members and will settle their transactions through a SCCP sponsored

omnibus account at NSCC. The PHLX will guarantee to NSCC all liabilities and obligations arising in connection with the SCCP omnibus account, including any such liabilities which may arise as a result of NSCC sponsoring a SCCP account at DTC. Such guarantee shall be signed in a form satisfactory to NSCC.

PHLX, SCCP, and Philadep will cooperate with NSCC and DTC in assuring an orderly transition regarding PHLX's limiting its clearance and settlement services and withdrawal from the securities depository business. In this regard, NSCC will offer sole SCCP participants an opportunity to become NSCC participants if they meet NSCC's qualifications and desire to become NSCC members. Moreover, PHLX and Philadep will assist DTC and sole Philadep participants in having the latter become DTC participants if they meet DTC qualifications and desire to become a DTC participant. The parties will cooperate to effect the orderly transfer of securities positions and securities from SCCP to NSCC and from the custody of Philadep to the custody of DTC.

PHLX believes that the proposed rule change is consistent with Section 6(b)(5) of the Act⁶ insofar as it will enable PHLX to concentrate its efforts on its core business, the exchange. Thus, PHLX believes that this proposal promotes just and equitable principles of trade, remove impediments to, and perfects the mechanism of a free and open market and a national market system, and, in general, protects the investors and public interest. In addition, PHLX believes that the proposal will foster cooperation and coordination with persons engaged in clearing and settlement of securities transactions.

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

PHLX believes that the proposed rule change will not impose an impermissible burden on competition as contemplated by the Act.

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

Written comments were neither solicited nor received with respect to the proposed rule change.⁷

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

Section 6(b)(5) of the Act⁸ requires, among other things, that the rules of an exchange be designed to prevent further fraudulent and manipulative acts and practices, to promote just and equitable principals of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, setting, 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, and, in general to protect investors and the public interest. The Commission believes that PHLX's proposed rule change is consistent with Section 6(b)(5) of the Act in that it will enable PHLX to focus its resources and efforts on implementing a more viable and profitable long-term strategy for its core business, the exchange, and to settle the administrative proceeding initiated against SCCP and Philadep by the Commission.⁹ The Commission anticipates that the proceeds of the proposed transaction also will help provide liquidity for the operations of the exchange and that the transaction will allow PHLX to avoid significant future capital expenditures for the businesses of SCCP and Philadep. Consequently, the Commission believes that the proposal should help promote just and equitable principles of trade, remove impediments and perfect the mechanism of a free and open market and a national market system, and in general, protect investors and the public interest.¹⁰ In addition, the Commission believes the proposal provides for an orderly closing of services by SCCP and Philadep and an orderly transition for participants to other clearing and depository service providers. Thus, the proposal fosters cooperation and coordination with persons engaged in the clearance and settlement of securities transactions.

PHLX has requested that the Commission find good cause for approving the proposed rule change prior to the thirtieth day after

Settlement Group, Thomson Financial Services, Inc. (November 4, 1997). DTC responded to the Comment letter in a letter from Richard S. Nesson, Executive Vice President and General Counsel (November 14, 1997).

⁸ 15 U.S.C. 78f(b)(5).

⁹ Securities Exchange Act Release No. 38918 (August 11, 1997) (Administrative Proceeding File No. 3-9360).

¹⁰ In approving this rule, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

³ The Commission has modified the text of the summaries prepared by PHLX.

⁴ Securities Exchange Act Release No. 38918 (August 11, 1997) (Administrative Proceeding File No. 3-9360).

⁵ Securities Exchange Act Release No. 39223 (October 8, 1997), 62 FR 53681. Pursuant to the Agreement, SCCP shall no longer open or maintain Continuous Net Settlement ("CNS") account for its participants. SCCP may only continue to offer clearing and margin services to: (i) PHLX equity specialists for their specialist and alternate specialist transactions, and for their proprietary transactions in securities for which they are not appointed as specialists or alternate specialists and (ii) those PHLX members listed on schedule who are not PHLX equity specialists for their proprietary transactions. SCCP may add other PHLX members to such schedule subject to NSCC's approval.

⁶ 15 U.S.C. 78f(b)(5).

⁷ The Commission received one comment letter, which pertained to DTC and NSCC, expressing concern that PHLX's decision to withdraw from the clearance and settlement business reduced competition in the market. The comment letter was from P. Howard Edelstein, President, Electronic

publication of the notice of filing. The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after publication of the notice of the filing because by so approving PHLX will be able to close on the Agreement and move forward on its plans to limit its clearance and settlement services and withdraw from the securities depository business.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. Persons making such 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 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 PHLX. All submissions should refer to the File No. SR-PHLX-97-59 and should be submitted by January 9, 1998.

It is therefore Ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR-PHLX-97-59) be and hereby is approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.¹¹

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 97-33195 Filed 12-18-97; 8:45 am]
BILLING CODE 8010-01-M

SMALL BUSINESS ADMINISTRATION

[License No. 01/01-0337]

Pioneer Ventures Limited Partnership; Notice of Request for Exemption

On November 25, 1997, Pioneer Ventures Limited Partnership (the "Licensee"), a Massachusetts limited partnership and SBIC Licensee number

01/01-0337 filed a request to the SBA pursuant to Section 107.730(d) of the Regulations governing small business investment companies (13 CFR 107.730(d)(1997)) for an exemption allowing the Licensee to invest in Vibrint Corporation (Vibrint), of Bedford, Massachusetts. Vibrint received prior financial assistance from an Associate (as defined by Section 107.50 of the SBA Regulations) of the Licensee, and has itself become an Associate of the Licensee.

Vibrint is currently in need of additional capital, however, the Licensee can only offer this assistance to Vibrint upon receipt of a prior written exemption from SBA. The exemption requested is the basis for this notice, and is required pursuant to § 107.730(g) of the Regulations.

Notice is hereby given that any person may, not later than 15 days from the date of publication of this Notice, submit written comments on this exemption request to the Associate Administrator for Investment, Small Business Administration, 409 3rd Street, SW, Washington, DC 20416. A copy of this Notice will be published in a newspaper of general circulation in Bedford, Massachusetts.

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

Dated: December 12, 1997.

Don A. Christensen,
Associate Administrator for Investment.

[FR Doc. 97-33123 Filed 12-18-97; 8:45 am]
BILLING CODE 8025-01-P

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #2996]

Commonwealth of the Northern Mariana Islands

As a result of the President's major disaster declaration on December 8, 1997, I find that the Islands of Saipan, Tinian, and Rota in the Commonwealth of the Northern Mariana Islands constitute a disaster area as a result of damages caused by Super Typhoon Keith which occurred November 2-3, 1997. Applications for loans for physical damages as a result of this disaster may be filed until the close of business on February 6, 1998 and for economic injury until the close of business on September 8, 1998 at the address listed below or other locally announced locations: U.S. Small Business Administration, Disaster Area 4 Office, P.O. Box 13795, Sacramento, CA 95853-4795.

The interest rates are:

	Per- cent
For Physical Damage:	
Homeowners with credit available elsewhere	7.625
Homeowners without credit available elsewhere	3.812
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 299606 and for economic injury the number is 967600.

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

Dated: December 9, 1997.

Herbert L. Mitchell,
Acting Associate Administrator for Disaster Assistance.

[FR Doc. 97-33163 Filed 12-18-97; 8:45 am]

BILLING CODE 8025-01-P

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #2997]

Commonwealth of Virginia (and Contiguous Counties in North Carolina)

Pittsylvania County and the contiguous Counties of Bedford, Campbell, Franklin, Halifax, and Henry in the Commonwealth of Virginia, and Caswell and Rockingham Counties in the State of North Carolina constitute a disaster area as a result of damages caused by a fire which occurred on November 27, 1997 in the Cabin Lake Condominium Complex in Danville, Virginia. Applications for loans for physical damage may be filed until the close of business on February 9, 1998 and for economic injury until the close of business on September 10, 1998 at the address listed below or other locally announced locations: U.S. Small Business Administration, Disaster Area 1 Office, 360 Rainbow Blvd., South 3rd Floor, Niagara Falls, NY 14303.

The interest rates are:

	Percent
For Physical Damage:	
Homeowners with credit available elsewhere	7.625
Homeowners without credit available elsewhere	3.812

¹¹ 17 CFR 200.30-3 (a)(12).