

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 Exchange is proposing to add a new section to its MRVP which would set forth procedures for a member against whom formal disciplinary action is taken by the Exchange to consent to the charges being levied and waive formal disciplinary hearing. These procedures would be similar to those set forth in NASD Rule 9216, "Acceptance, Waiver, and Consent; Plan Pursuant to SEC Rule 19d-1(c)(2)," and provide that a BSE member may, upon being notified of disciplinary charges by the Exchange's Enforcement Department, execute a written letter which (1) accepts the charges, (2) consents to the imposition of a sanction, and (3) agrees to waive the right to a hearing of appeal to challenge the validity of the letter. In proposing such procedures, the Exchange is seeking to provide its members with an intermediary disciplinary step, short of a formal hearing, which would permit its members to avoid formal proceedings in instances where they accept liability from the outset.

2. Statutory Basis

The statutory basis for the proposed rule change is Section 6(b)(5) of the Act,⁵ in that it is designed to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating securities transactions, to remove impediments to perfect the mechanism of a free and open market and a national market system and, in general, 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 burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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

The Exchange has neither solicited nor received any comments on this proposed rule change.

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

BSE asserts that the foregoing rule has become effective pursuant to Section 19(b)(3)(A) of the Act⁶ and Rule 19b-4(f)(6) thereunder⁷ because it does not significantly affect the protection of investors or the public interest or impose any significant burden on competition. BSE has requested that the Commission waive the requirement that the rule change not become operative for 30 days after the date of the filing, as set forth in Rule 19b-4(f)(6)(iii).⁸ The Commission finds good cause for the proposed rule change to become operative prior to the 30th day after the date of publication of notice of filing in the *Federal Register*. The Commission notes that the proposed rule is substantially similar to NASD Rule 9216,⁹ which was previously approved by the Commission after notice and comment and, therefore, does not raise any new regulatory issues.¹⁰

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule 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 purposes 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. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-BSE-2005-06 on the subject line.

Paper Comments

- Send paper comments in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission,

450 Fifth Street, NW., Washington, DC 20549-0609.

All submissions should refer to File Number SR-BSE-2005-06. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). 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 also will be available for inspection and copying at the principal office of BSE. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-BSE-2005-06 and should be submitted on or before March 4, 2005.

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

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-51145; File No. SR-PCX-2005-02]

Self-Regulatory Organizations; Pacific Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Market Maker Cleanup Order Administrative Change

February 7, 2005.

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 January 21, 2005, the Pacific Exchange, Inc.

¹¹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

⁶ 5 U.S.C. 78s(b)(3)(A).

⁷ 17 CFR 240.19b-4(f)(6).

⁸ 17 CFR 240.19b-4(f)(6)(iii).

⁹ See Securities Exchange Release No. 32383 (May 28, 1993), 58 FR 31768 (June 4, 1993) (SR-NASD-93-6).

¹⁰ Rule 19b-4(f)(6) also requires a self-regulatory organization to give written notice of a proposed rule change filed pursuant to this subsection at least five business days prior to filing. BSE complied with this requirement.

⁵ 15 U.S.C. 78f(b)(5).

("PCX" 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 PCX. The Exchange filed this proposal pursuant to Section 19(b)(3)(A) of the Act,³ and Rule 19b-4(f)(6) thereunder,⁴ which renders the proposal effective upon filing with the Commission. 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 PCX, through its wholly-owned subsidiary PCX Equities, Inc. ("PCXE" or "Corporation"), proposes to amend its rules governing the Archipelago Exchange ("ArcaEx"), the equities trading facility of PCXE. With this filing, PCX proposes to delete PCXE Rule 7.23(a)(6) in order to conform to a previous rule change. The text of the proposed rule change is available on the PCX's Web site (www.pacificex.com), at the PCX's Office of the Secretary, and at the Commission's Public Reference Room.

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 PCX 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 of these statements may be examined at the places specified in Item IV below. The PCX 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

On October 23, 2003, the Exchange filed a rule proposal with the Commission to amend its rules governing Market Maker obligations on ArcaEx.⁵ Specifically, the Exchange proposed to modify PCXE Rule 7.25(b) to eliminate the stipulation that Market Makers must become Odd Lot Dealers in the securities in which they are registered. In addition, the Exchange proposed to modify PCXE Rule 7.34(b)

to eliminate the requirement that Market Makers must maintain one Cleanup Order for all of the securities in which they are registered. The amendment was intended to facilitate additional Market Maker participation on ArcaEx and to further enhance order interaction, provide greater depth in liquidity, and foster price competition. The Commission approved the proposed rule change on February 3, 2004.⁶

At this time, the Exchange proposes to delete PCXE Rule 7.23(a)(6) to conform to the previous rule change, which the Exchange inadvertently failed to delete as part of the filing in October 2003.⁷ PCXE Rule 7.23(a) details the obligations of Market Makers and subsection (6) requires Market Makers to maintain one Cleanup order in each security in which the Market Maker is registered as such for each Market Order Auction. The Exchange proposes to delete this provision as obsolete given the aforementioned rule change that was approved by the Commission.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with section 6(b) of the Act,⁸ in general, and furthers the objectives of section 6(b)(5),⁹ in particular, because it is designed to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, and to remove impediments and perfect the mechanisms of a free and open market and 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 burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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

Written comments on the proposed rule change were neither solicited nor received.

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

Because the foregoing rule change does not: (1) Significantly affect the

protection of investors or the public interest; (2) impose any significant burden on competition; and (3) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act¹⁰ and Rule 19b-4(f)(6) thereunder.¹¹ At any time within 60 days of the filing of such proposed rule change, the Commission may summarily abrogate such rule 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 purposes 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. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-PCX-2005-02 on the subject line.

Paper Comments

- Send paper comments in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609.

All submissions should refer to File Number SR-PCX-2005-02. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). 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

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(6).

⁵ See SR-PCX-2003-59.

⁶ See Securities Exchange Act Release No. 49176 (February 3, 2004), 69 FR 6356 (February 10, 2004) (Order approving SR-PCX-2003-59).

⁷ See *supra* note 5.

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(5).

¹⁰ 15 U.S.C. 78s(b)(3)(A).

¹¹ 17 CFR 240.19b-4(f)(6).

available for inspection and copying in the Commission's Public Reference Section, 450 Fifth Street, NW., Washington, DC 20549. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-PCX-2005-02 and should be submitted on or before March 4, 2005.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹²

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. E5-582 Filed 2-10-05; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-51144; File No. SR-Phlx-2004-84]

Self-Regulatory Organizations; Philadelphia Stock Exchange, Inc.; Order Granting Approval to Proposed Rule Change To Eliminate the Public Order Exposure System Functionality From Phlx Rule 229

February 7, 2005.

On November 26, 2004, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to eliminate the Public Order Exposure System ("POES") functionality from Phlx Rule 229. The proposed rule change was published for comment in the **Federal Register** on December 29, 2004.³ The Commission received no comments on the proposal.

Currently, Phlx Rule 229, Supplementary Material .05, provides that if the PACE⁴ Quote⁵ at the time of

the entry of an order into the system reflects a point spread of more than \$.05, round-lot market orders up to 500 shares and PRL⁶ market orders up to 599 shares will be stopped at the PACE Quote at the time of entry into the system ("Stop Price") and be subject to a delay of up to 30 seconds from being executed in order to receive an opportunity for price improvement. During that time, specialists may, but are not required to, improve the execution price of the order to a price better than the Stop Price. Phlx proposes to amend Phlx Rule 229 to eliminate the POES functionality. As a result, orders that would have been subject to POES will be automatically executed at the PACE quote without a 30-second delay.

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.⁷ In particular, the Commission believes that the proposal is consistent with Section 6(b)(5) of the Act,⁸ which requires that the rules of an exchange be designed, among other things, to promote just and equitable principles of trade, to perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Under the proposed rule change, orders that would have been subject to a 30-second delay will now be automatically executed at the PACE quote, thereby improving order turnaround time and reducing the number of manual orders. The Commission notes that specialists will still be able to offer price improvement through the Exchange's Automatic Price Improvement feature, where applicable, and through manual price improvement when certain conditions are met.⁹

It is therefore ordered, pursuant to section 19(b)(2) of the Act,¹⁰ that the proposed rule change (File No. SR-Phlx-2004-84) be, and it hereby is, approved.

("ITS/CAES") quote, as appropriate. See Phlx Rule 229.

⁶ PRL means a combined round-lot and odd-lot order. See Phlx Rule 229.

⁷ In approving this proposed rule change, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

⁸ 15 U.S.C. 78f(b)(5).

⁹ See Notice.

¹⁰ 15 U.S.C. 78s(b)(2).

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

Margaret H. McFarland,
Deputy Secretary.

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SMALL BUSINESS ADMINISTRATION

[License No. 09/79-0456]

HorizonVentures Fund II, L.P.; Notice Seeking Exemption Under Section 312 of the Small Business Investment Act, Conflicts of Interest

Notice is hereby given that Horizon Ventures Fund II, L.P., 4 Main Street, Suite 50, Los Altos, CA 94022, a Federal Licensee under the Small Business Investment Act of 1958, as amended ("the Act"), in connection with the financing of a small concern, has sought an exemption under Section 312 of the Act and Section 107.730, Financials which Constitute Conflicts of Interest of the Small Business Administration ("SBA") Rules and Regulations (13 CFR 107.730). Horizon Ventures Fund II, L.P. proposes to provide equity/debt security financing to iWatt, Inc.. The financing is contemplated for operating expenses and for general corporate purposes.

The financing is brought within the purview of § 107.730(a)(1) of the Regulations because Horizon Ventures Fund I, L.P. and Horizon Ventures Advisors Fund I, L.P., both Associates of Horizon Ventures Fund II, L.P., own more than ten percent of iWatt, Inc.

Notice is hereby given that any interested person may submit written comments on the transaction to the Associate Administrator for Investment, U.S. Small Business Administration, 409 Third Street, SW., Washington, DC 20416.

Dated: January 11, 2005.

Jaime Guzman-Fournier,
Acting Associate Administrator for Investment.

[FR Doc. 05-2666 Filed 2-10-05; 8:45 am]

BILLING CODE 8025-01-P

SMALL BUSINESS ADMINISTRATION

Region 1—Maine District Advisory Council; Public Meeting

The U.S. Small Business Administration, Maine District Advisory Council, located in the geographical area of Augusta, Maine, will be hosting a public meeting to discuss such matters as may be presented by members, staff

¹¹ 17 CFR 200.30-3(a)(12).

¹² 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 50901 (December 21, 2004), 69 FR 78089 ("Notice").

⁴ PACE is the Exchange's automated order routing, delivery, execution and reporting system for equities. See Phlx Rule 229.

⁵ The PACE Quote means the best bid/ask quote among the American, Boston, National, Chicago, New York, or Philadelphia Stock Exchanges; the Pacific Exchange; or the Intermarket Trading System/Computer Assisted Execution System