

of these statements may be examined at the places specified in Item IV below. The self-regulatory organization 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

In January, 1995, the Exchange adopted an enhanced split for its specialist in 3D FCOs in order to encourage the specialist to make deeper markets to attract order flow.⁴ The rule provides that the Foreign Currency Option Committee ("the Committee") would conduct a review of the entitlement to the enhanced parity split at the end of the first year and then every 6 months thereafter. Pursuant to the most recent review, the Committee determined to eliminate the enhanced split which was only applicable to this one product traded on the Foreign Currency Option Floor of the Exchange. The specialist in the product has not objected to the elimination of the entitlement. In fact, the specialist firm trading this product has indicated that the enhanced split is not particularly useful to the firm and that the firm does not generally take advantage of it.⁵ In addition, the Exchange has represented that the order size in this product is generally not large enough to trigger the enhanced split.⁶ The Exchange is proposing to eliminate the enhancement at this time in order to study the issue of enhanced splits for the Foreign Currency Option Floor on a broader basis.⁷ By eliminating this enhanced split, parity and priority will be determined in accordance with Exchange Rule 119 and the remainder of section (h) to Rule 1014.

⁴ See Securities Exchange Act Release No. 35177 (Dec. 29, 1994), 60 FR 2419 (Jan. 9, 1995).

⁵ See letter from Michele R. Weisbaum, Vice President and Associate General Counsel, Phlx to David Sieradzki, Attorney, Commission (June 30, 1997).

⁶ Telephone conversation between Michele R. Weisbaum, Vice President and Associate General Counsel, Phlx, James T. McHale, Special Counsel, Commission and David Sieradzki, Attorney, Commission (June 19, 1997). Rule 1014(h) provides that "[t]his enhanced split will not apply where a customer bid/offer for under 100 contracts has time priority."

⁷ The Exchange represents that it is in the process of considering new and different types of parity splits that, if adopted, would be applicable to all products traded by specialists on the foreign currency option floor or at least to a broader range of specialist traded products. *Supra* note 5.

2. Statutory Basis

The Exchange represents that the proposed rule change is consistent with Section 6 of the Act⁸ in general, and in particular, with Section 6(b)(5),⁹ in that it is designed to promote just and equitable principles of trade, 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.

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

The Exchange 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

Within 35 days of the 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 the 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, N.W., Washington, D.C. 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 at the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the Exchange. All submissions should refer the File No. SR-Phlx-97-25 and should be submitted by August 1, 1997.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁰

Jonathan G. Katz,
Secretary.

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SMALL BUSINESS ADMINISTRATION

Revocation of License of Small Business Investment Company

Pursuant to the authority granted to the United States Small Business Administration by the Final Order of the United States District Court for the Eastern District of North Carolina, New Bern Division, dated April 21, 1997, the United States Small Business Administration hereby revokes the license of Falcon Capital Corporation, a South Carolina corporation, to function as a small business investment company under the Small Business Investment Company License No. 04/04-0091 issued to Falcon Capital Corporation on April 14, 1964 and said license is hereby declared null and void as of June 27, 1997.

Dated: July 1, 1997.

United States Small Business Administration.

Don A. Christensen,
Associate Administrator for Investment.
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BILLING CODE 8025-01-P

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Opportunity to Apply for Nominations to the World Trade Organization Dispute Settlement Roster of Panel Candidates

AGENCY: Office of the United States Trade Representative.

ACTION: Notice of opportunity to apply for nomination by the United States to the indicative list of non-governmental

¹⁰ 17 CFR 200.30-3(a)(12).

⁸ 15 U.S.C. § 78f.

⁹ 15 U.S.C. § 78f(b)(5).