

expungement, without judicial intervention, of information from the CRD system as directed by arbitrators in intra-industry arbitration awards that involve associated persons and firms based on the defamatory nature of the information ordered expunged. In allowing expungement relief without judicial intervention under such circumstances, FINRA believes that it is fairly balancing the interests of the brokerage community and others in expunging defamatory statements with FINRA's interests in investor protection and the integrity of the CRD system.

2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,¹¹ which requires, among other things, that FINRA rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest. The new procedures would enhance the integrity of the information in the CRD system and would ensure that investor protection is not compromised when arbitrators order expungement of information related to arbitration cases from an associated person's CRD record.

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

FINRA 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.

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

¹¹ 15 U.S.C. 78o-3(b)(6).

(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. 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-FINRA-2008-010 on the subject line.

Paper Comments

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-FINRA-2008-010. 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 on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of FINRA.

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-FINRA-2008-010 and should be submitted on or before April 24, 2008.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹²

Florence E. Harmon,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-57575; File No. SR-Phlx-2008-06]

Self-Regulatory Organizations; Philadelphia Stock Exchange, Inc.; Order Approving Proposed Rule Change, as Modified by Amendment No. 1 Thereto, Relating to U.S. Dollar-Settled FCO Spot Prices

March 28, 2008.

I. Introduction

On January 28, 2008, 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 amend the definition of Spot Price so that the Exchange may use certain bid and ask prices ("Thomson Quotes") provided by Tenfore Systems Limited ("Tenfore") through Thomson Financial LLC ("Thomson") as Spot Prices in determining applicable margin requirements and strike prices for the Exchange's U.S. dollar-settled foreign currency options ("FCOs"). On February 19, 2008, the Exchange filed Amendment No. 1 to the proposed rule change. The proposed rule change, as modified by Amendment No. 1, was published for comment in the **Federal Register** on February 27, 2008.³ The Commission received no comments on the proposal. This order approves the proposed rule change, as modified by Amendment No. 1.

II. Description of the Proposal

Phlx proposes to amend the definition of Spot Price to permit the Exchange to use the Thomson Quotes to calculate the Spot Prices in connection with the Exchange's determination of strike prices and margin requirements for its U.S. dollar-settled FCOs.⁴ Under Phlx

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. 57361 (February 20, 2008), 73 FR 10503.

⁴ The Exchange is also proposing to substitute the term "Spot Prices" for the defined term "Spot Sales Prices" in Rule 1000(b)(16), as a clarification that

Rule 1012, "Series of Options Open for Trading," the Exchange is required to refer to the spot prices of foreign currencies in determining strike prices for U.S. dollar-settled FCOs. Further, Phlx Rule 722, "Margin Accounts," requires the Exchange to establish margin requirements for FCO transactions based upon the spot price of the foreign currency underlying the option.

Currently, the Exchange receives Spot Prices that are contributor bank quotes from Reuters in real-time and takes the weighted average of the various quotes to determine the Phlx's foreign currency spot price.⁵ The Exchange now seeks to amend the definition of Spot Prices to include foreign currency quotes of entities other than commercial banks, so that the Exchange can use the Thomson Quotes to calculate Spot Prices for the setting of margin requirements and strike prices and for any other necessary purposes in connection with Phlx's FCO contracts. Thomson Quotes are not limited to quotes from banks but also include quotes from other foreign currency market participants.

Under the proposal, the Exchange will receive the latest Thomson Quotes from Thomson, which in turn obtains this data from Tenfore.⁶ With the exception of the Japanese yen, the Exchange will then calculate the average of the bid and ask received to determine the current spot market price that the Exchange will use for purposes of calculating margin requirements and strike prices with respect to U.S. dollar-settled FCOs. Because the Thomson Quote is expressed differently for the Japanese yen than for the other currencies (in foreign currency units per U.S. dollar rather than in U. S. dollars per unit of foreign currency), the spot price that Phlx will use for the Japanese yen will

this defined term includes both bids and offers made by participants in the foreign currency markets (as opposed to offers only). In addition, the Exchange is proposing to amend Rule 722 such that the current spot market price of an underlying foreign currency shall be determined using spot prices at 4 (the close of trading for U.S. dollar-settled FCOs) rather than 2:30 (the close of trading for physical delivery FCOs).

⁵ Until March 14, 2008, in connection with its physical delivery FCOs, when the Exchange received the bid and ask from the Reuters feed, the Exchange computed the average and distributed that value as the foreign currency spot value over the facilities of the Options Price Reporting Authority ("OPRA") to vendors and individual customers. The Exchange ceased disseminating this foreign currency spot value after March 14, 2008, in connection with the planned delisting of its physical delivery FCO contracts.

⁶ Tenfore has more than 21 contributors reporting, consisting of banks, spot currency portals, the European Central Bank, and brokers. Tenfore's bid and ask Spot Prices are at any given point in time the latest bid and ask supplied to Tenfore by the last in time of any Tenfore contributor to report.

be the inverse of the average of the Thomson Quote bid and ask (that is, one divided by the average of the Thomson Quote bid and ask).

The Exchange will not disseminate the current spot market value it calculates based upon the Thomson Quotes. However, the Exchange currently does, and will continue to, disseminate its modified spot value, which is also based upon the Thomson Quotes, real-time over Network B of the Consolidated Tape Association.⁷ The Exchange states that this modified spot value is more widely distributed, carried by more vendors, and more easily accessible than the Exchange's current foreign currency spot market price calculated on the basis of the bank quotes provided by Reuters.

III. Discussion

After careful review, the Commission finds that the proposed rule change, as amended, is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange and, in particular, with Section 6(b)(5) of the Act,⁸ which requires, among other things, that the rules of a national securities exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, 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.⁹

The Commission believes that Exchange's use of Thomson Quotes for determining Spot Prices for the setting of margin requirements and strike prices for Phlx's U.S.-dollar settled FCOs is reasonable and should result in Phlx Spot Prices that are representative of foreign currency spot market prices. Although the Exchange will not disseminate the current Spot Prices it calculates based upon the Thomson Quotes, the Commission believes that sufficient venues exist for obtaining reliable information on the foreign currencies so that investors in U.S.

⁷ The Exchange currently disseminates, over the facilities of the Consolidated Tape Association at least once every fifteen seconds while the Exchange is open for trading, a modified spot rate for currencies underlying U.S. dollar-settled FCOs. The Exchange does not propose to change the modified spot rate in this proposed rule change. See Securities Exchange Act Release Nos. 55513 (March 22, 2007), 72 FR 14636 (March 28, 2007) (SR-Phlx-2007-28) and 56034 (July 10, 2007), 72 FR 38853 (July 16, 2007) (SR-Phlx-2007-34).

⁸ 15 U.S.C. 78f(b)(5).

⁹ In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

dollar-settled FCOs can monitor the underlying spot market, including the Exchange's dissemination of a modified spot rate for foreign currencies at least once every fifteen seconds while the Exchange is open for trading. The Commission also notes that the Exchange has represented that it believes that the new method of calculating Phlx Spot Prices should, over time, produce only minor differences from the current method of determining Spot Prices. Accordingly, the Commission finds that the proposed rule change, as amended, is consistent with the Act.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹⁰ that the proposed rule change (SR-Phlx-2008-06), as modified by Amendment No. 1, be, and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹¹

Florence E. Harmon,
Deputy Secretary.

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BILLING CODE 8011-01-P

SMALL BUSINESS ADMINISTRATION

[Disaster Declaration #11202]

Arkansas Disaster #AR-00019

AGENCY: U.S. Small Business Administration.

ACTION: Notice.

SUMMARY: This is a Notice of the Presidential declaration of a major disaster for Public Assistance Only for the State of Arkansas (FEMA-1751-DR), dated 03/26/2008.

Incident: Severe Storms, Tornadoes, and Flooding.

Incident Period: 03/18/2008 and continuing.

DATES: Effective Date: 03/26/2008.
Physical Loan Application Deadline Date: 05/27/2008.

ADDRESSES: Submit completed loan applications to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

FOR FURTHER INFORMATION CONTACT: A. Escobar, Office of Disaster Assistance, U.S. Small Business Administration, 409 3rd Street, SW., Suite 6050, Washington, DC 20416.

SUPPLEMENTARY INFORMATION: Notice is hereby given that as a result of the

¹⁰ 15 U.S.C. 78s(b)(2).

¹¹ 17 CFR 200.30-3(a)(12).