

The Commission also finds that the additional rules and policies added to the Minor Rule Violation Plan are objective in nature and easily verifiable. Thus, these rules and policies qualify for the less labor intensive and costly disciplinary procedure. The Commission notes that inclusion of these additional rules and policies under the Minor Rule Violation Plan should make the Exchange's disciplinary system more efficient in prosecuting violations of these rules.

For the above reasons, the Commission believes that the proposed rule change is consistent with the provisions of the Act, and in particular with Sections 6(b)(6) and 6(b)(7).

It is therefore ordered, pursuant to Section 19(b)(2) <sup>11</sup> of the Act, that the proposed rule change (SR-CHX-98-24), is hereby approved.

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

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 99-2606 Filed 2-3-99; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40991; File No. SR-Phlx-98-45]

### Self-Regulatory Organizations; Philadelphia Stock Exchange, Inc.; Order Approving Proposed Rule Change and Amendment No. 1 Thereto Proposing To Adopt New Rule 949 Respecting Purchase, Sale, Transfer, and Posting of Membership Transactions

January 28, 1999.

#### I. Introduction

On November 5, 1998, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission"), 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> a proposed rule change to adopt new Rule 949 respecting the purchase, sale, transfer, and posting of membership transactions. On December 14, 1998, the Phlx

issue several cautionary letters before instituting the fines under the Minor Rule Violation Plan or aggregate multiple violations of the rules before instituting abbreviated disciplinary procedures, or, if necessary, a formal disciplinary proceeding.

<sup>11</sup> 15 U.S.C. 78s(b)(2).

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

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

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

submitted an amendment to the proposed rule change.<sup>3</sup> The proposed rule change was published for comment in the **Federal Register** on December 23, 1998.<sup>4</sup> The Commission did not receive any comments on the proposal. This order approves the proposal, as amended.

#### II. Description of the Proposal

The Exchange proposed to adopt a new rule which codifies Exchange procedures concerning the purchase, sale, transfer and posting of membership transactions. The proposal also provides for privately negotiated sales and requests for transfer under certain specified circumstances.

If the transaction is between unrelated parties, the proposed rule provides that transactions must be posted, published, and be for monetary consideration between the posted bid and offer. The proposed rule also permits sales between related entities, but requires publication in the Secretary's bulletin. Thus, both members and non-members will have access to information regarding transfers of membership. Additionally, the proposal ensures that the Exchange will be protected by requiring that the proceeds of all sales be deposited with the Exchange to satisfy any outstanding charges owed by the member.

The proposed rule provides that bids and offers must be in writing and submitted to the Office of the Secretary of the Exchange by an approved applicant, member organization, or lessor. Bids and offers may only be made in \$500 increments. Additionally, the proposed rule codifies an existing Exchange practice of requiring payment for a membership by certified or cashier's check payable to the Exchange. Furthermore, the rule specifies that the sale of a membership shall be deemed negotiated and contracted when the filed bid and offer are matched in price and confirmed by the Office of the Secretary. The sale is consummated upon receipt of payment from the purchaser for the purchase price and other associated membership initiation, transfer, and prorated dues and other fees.

The procedures for privately negotiated sales and requests for transfer are found in Section D of the proposed rule. This section provides for the

posting of a deposit with the Exchange to cover potential claims that could be asserted pursuant to By-Law Article XV.<sup>5</sup> Only those transfers that conform with Section D will be processed for transfer and all other private sales will be void.

#### III. Discussion

The Commission believes that the proposed rule is consistent with the requirements of the Act and the rules and regulations thereunder<sup>6</sup> applicable to a national securities exchange. In particular, the Commission finds that the proposed rule is consistent with Section 6(b)(5) <sup>7</sup> of the Act. Section 6(b)(5) of the Act requires, among other things, that the rules of the Exchange be designed to promote just and equitable principles of trade and protect investors and the public interest.

The proposed rule codifies procedures for the transfer of membership interests. By codifying these procedures, the Exchange should ensure the prompt and orderly transfer of membership interests. All bids and offers must be filed in writing with the Office of the Secretary which shall then match the bids and offers according to price and confirm the sale. In addition, all money exchanged must be filed with the Office of the Secretary to ensure that all outstanding debts and fees are paid. By implementing these procedures, the Exchange should protect the financial interests of both buyers and sellers of memberships and provide equity and openness to all who seek to purchase or sell a membership. Buyers should be confident that all outstanding liens are paid and sellers should be confident that the potential buyers have the means to pay their offering price.

Moreover, the new procedures should ensure fairness by providing a public market in which to transfer memberships. All persons interested in purchasing membership interests will have to follow the same procedures. These procedures, in general, protect investors and the public interest by providing a fair and open market for membership transactions. Therefore, the

<sup>5</sup> By-Law Article XV sets forth procedures for transferring memberships. Section 15-3 provides that proceeds are to be distributed according to a provided seniority list.

<sup>6</sup> In reviewing this proposal, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. The proposed rule change should improve efficiency because it provides an orderly process by which memberships can be transferred. In addition, the proposed rule change should improve competition because the procedures provide notice to all interested parties about the current market for memberships which should improve bids and offers. 15 U.S.C. 78f(b)(7).

<sup>7</sup> 15 U.S.C. 78f(b)(5).

<sup>3</sup> Letter from Murray L. Ross, Vice President and Secretary, Phlx, to Michael Walinskas, Deputy Associate Director, Division of Market Regulation, SEC, dated December 14, 1998 ("Amendment No. 1"). Amendment No. 1 corrected grammatical errors in the proposed rule language.

<sup>4</sup> Securities Exchange Act Release No. 40798 (December 16, 1998), 63 FR 71181.

Commission believes the proposed rule change is consistent with the requirements of Section 6(b)(5) of the Act.

#### IV. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2)<sup>8</sup> of the Act, that the proposed rule change, as amended, (SR-Phlx-98-45) is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>9</sup>

**Margaret H. McFarland,**  
Deputy Secretary.

[FR Doc. 99-2604 Filed 2-3-99; 8:45 am]

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#### SMALL BUSINESS ADMINISTRATION

##### [Declaration of Disaster #3154]

##### State of Arkansas

As a result of the President's major disaster declaration on January 23, 1999, I find that Independence, Pulaski, St. Francis, Saline, and White Counties in the State of Arkansas constitute a disaster area due to damages caused by severe storms, tornadoes, and high winds beginning on January 21, 1999 and continuing. Applications for loans for physical damage as a result of this disaster may be filed until the close of business on March 23, 1999 and for economic injury until the close of business on October 25, 1999 at the address listed below or other locally announced locations: U.S. Small Business Administration, Disaster Area 3 Office, 4400 Amon Carter Blvd., Suite 102, Ft. Worth, TX 76155.

In addition, applications for economic injury loans from small businesses located in the following contiguous counties in the State of Arkansas may be filed until the specified date at the above location: Cleburne, Crittenden, Cross, Faulkner, Garland, Grant, Hot Spring, Izard, Jackson, Jefferson, Lawrence, Lee, Lonoke, Monroe, Perry, Prairie, Sharp, Stone, and Woodruff.

The interest rates are:

	Percent
For Physical Damage:	
Homeowners with credit available elsewhere .....	6.375
Homeowners without credit available elsewhere .....	3.188
Businesses with credit available elsewhere .....	8.000
Businesses and non-profit organizations without credit available elsewhere .....	4.000

	Percent
Others (including non-profit organizations) with credit available elsewhere .....	7.000
For Economic Injury:	
Businesses and small agricultural cooperatives without credit available elsewhere .....	4.000

The number assigned to this disaster for physical damage is 315412, and for economic injury the number is 9A9100.

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

Date: January 26, 1999.

**Bernard Kulik,**

Associate Administrator for Disaster Assistance.

[FR Doc. 99-2574 Filed 2-3-99; 8:45 am]

BILLING CODE 8025-01-P

#### DEPARTMENT OF STATE

##### [Public Notice 2963]

##### Notice of Meetings; International Telecommunications Advisory Committee

The Department of State announces meetings of the U.S. International Telecommunication Advisory Committee (ITAC) and its committees and Study Groups in the Telecommunication Standardization, Telecommunication Development Sectors, and CITEL ad hoc committee for February and March 1999. The purpose of the Committee and its Study Groups is to advise the Department on policy and technical issues with respect to the International Telecommunication Union and international telecommunication standardization and development. All meetings will be held at the Department of State, 2201 "C" Street, NW, Washington, DC.

The ITAC will meet from 9:30 to 1:00 on Wednesday, February 17 (Room 1105) and March 17 (Room 1207), 1999 to commence preparations for the ITU Council meeting in June 1999.

The ITAC-T National Committee will meet from 9:30 to 4:00 on February 11, 1999, March 10 and March 23, 1999 (all in Room 5951). The Telecommunication National Committee's agendas will cover continuing preparations for the ITU Telecommunication Sector Advisory Group (TSAG) meeting in April 1999.

ITAC-T Study Group A will meet from 9:30 to 4:00 on February 10, 1999 in Room 1207. The Study Group A agenda will cover debriefs from previous ITU Study Group 3 and Focus Group meetings and preparations for the next ITU Study Groups 2 & 3 meetings.

ITAC-T Study Group B will meet from 9:30 to 4:00 on February 24, 1999 in Room 5951. Study Group B will make preparations for ITU Study Group 4 meeting.

ITAC-T Study Group D will meet from 9:30 to 4:00 on March 9, 1999 to prepare for ITU Study Group 8 and 16 meetings.

The ITAC-D will meet from 2:00 to 4:00 in Room 4517 on February 25, 1999 to discuss post ITU Plenipotentiary activities for the ITU-D Sector, review progress of ITU-D Study Groups 1 and 2 activities, and prepare for the April 8-9, 1999 ITU-D Telecommunication Development Advisory Board meeting.

The ITAC ad hoc CITEL committee will meet March 24, 1999 in Room 4517 from 9:30 to 12:30 to prepare for the next Permanent Consultative Committee.I meeting.

Members of the general public may attend these meetings and join in the discussions, subject to the instructions of the Chair. Admission of public members will be limited to seating available. Entrance to the Department of State is controlled; people intending to attend ITAC, ITAC-T National Committee and Study Groups A & D meetings should send a fax to (202) 647-7403, (for Study Group B send a fax to (303) 497-5993), not later than 24 hours before the meeting. This fax should display the name of the meeting (ITAC, ITAC-T National Committee, Study Group and date of meeting), your name, social security number, date of birth, and organizational affiliation. One of the following valid photo identifications will be required for admission: U.S. driver's license, U.S. passport, U.S. Government identification card. Enter from the "C" Street Main Lobby; in view of escorting requirements, non-Government attendees should plan to arrive not less than 15 minutes before the meeting begins.

Dated: January 27, 1999.

**Marian R. Gordon,**

Information & Telecommunication Standardization, U.S. Department of State.

[FR Doc. 99-2577 Filed 2-3-99; 8:45 am]

BILLING CODE 4710-45-P

#### STATE DEPARTMENT

##### [Public Notice #2965]

##### Overseas Security Advisory Council (OSAC); Notice of Closed Meeting

The Department of State announces a meeting of the U.S. State Department—Overseas Security Advisory Council on February 23, 24, and 25, at the Harbor

<sup>8</sup> 15 U.S.C. 78s(b)(2).

<sup>9</sup> 17 CFR 200.30-3(a)(12).