

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) ²⁴ of the Act, that the proposed rule change, as amended, (SR-MSRB-97-12) is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.²⁵

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99-3511 Filed 2-11-99; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-41026; File No. SR-NASD-99-10]

Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change by the National Association of Securities Dealers, Inc. Relating to an Amendment to the Composition of Boards of NASD Regulation, Inc. and the Nasdaq Stock Market, Inc.

February 8, 1999.

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 February 3, 1999, the National Association of Securities Dealers, Inc. ("NASD" or "Association") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the NASD. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons and to grant accelerated approval to the proposed rule change.

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

The NASD is proposing to amend the By-Laws of the NASD Regulation, Inc. ("NASD Regulation") and The Nasdaq Stock Market, Inc. ("Nasdaq") to increase the possible size of the Board of Directors of those corporations. Below is the text of the proposed rule change. Proposed new language is italicized; proposed deletion are in brackets.

Proposed Revisions to the NASD Regulation, Inc. By-Laws

ARTICLE IV

Number of Directors

Sec. 4.2 The Board shall consist of no fewer than five and no more than [eight] *ten* Directors, the exact number to be determined by resolution adopted by the Stockholder of NASD Regulation from time to time. Notwithstanding the preceding sentence, the number of Directors shall equal the number of Directors on the Nasdaq Board. Any new Director position created as a result of an increase in the size of the Board shall be filled *pursuant to* [as part of the annual election conducted under] Section 4.4.

Qualifications

Sec. 4.3 (a) Directors need not be stockholders of NASD Regulation. Only Governors of the NASD Board shall be eligible for election to the Board. The number of Non-Industry Directors shall equal or exceed the number of Industry Directors plus the President. The Board shall include the President and the National Adjudicatory Council Chair, representatives of an issuer of investment company shares or an affiliate of such an issuer, and an insurance company or an affiliated NASD member. *If t[he] Board consist of five to seven Directors, it shall include at least one Public Director.*[, unless the Board consists of eight Directors. In such case] *If the Board consists of eight Directors, at least two Directors shall be Public Directors and if the Board consists of ten Directors at least three shall be Public Directors.* The Chief Executive Officer of the NASD shall be an ex-officio non-voting member of the Board.

(b) No change.

Proposed Revisions to The Nasdaq Stock Market, Inc. By-Laws

ARTICLE IV

Definitions

Number of Directors

Sec. 4.2 The Board shall consist of no fewer than five and no more than [eight] *ten* Directors, the exact number to be determined by resolution adopted by the stockholder of Nasdaq from time to time. Notwithstanding the preceding sentence, the number of Directors shall equal the number of Directors on the NASD Regulation Board. Any new Director position created as a result of an increase in the size of the Board shall be filled *pursuant to* [as part of the annual election conducted under] Section 4.4.

Qualifications

Sec. 4.3 Directors need not be stockholders of Nasdaq. Only Governors of the NASD Board shall be eligible for election to the Board. The President of Nasdaq shall be a Director. The number of Non-Industry Directors, including at least one Public Director and at least one issuer representative, shall equal or exceed the number of Industry Directors plus the President[.]. *unless the Board consists of ten Directors. In such case at least two Directors shall be issuer representatives.* The Chief Executive Officer of NASD shall be an ex-officio non-voting member of the Board.

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 NASD 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 III below. The NASD 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

The purpose of the proposed rule change is to provide the NASD with more flexibility in determining the size of the boards of directors of its subsidiaries, NASD Regulation and Nasdaq, while maintaining the balance between non-industry and industry members contained in the current By-Laws of those subsidiaries. The proposed rule change will allow the NASD and its subsidiaries to accommodate additional constituencies and the larger number of NASD Board members that resulted from the recent reconfiguration of the NASD Board to accommodate the structure resulting from the NASD's recent merger with the American Stock Exchange. In addition to increasing the permissible size of the subsidiary boards, the proposed rule change will provide for additional public representation on the NASD Regulation Board and additional issuer representation on the Nasdaq Board should the size of the boards be increased to ten.

2. Statutory Basis

The NASD believes that the proposed rule change is consistent with the

²⁴ 15 U.S.C. 78s(b)(2).

²⁵ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

provisions of Section 15A(b)(4)³ of the Act, which requires, among other things, that the Association's rules be designed to assure a fair representation of its members in the administration of its affairs. The NASD believes that the proposed rule change enhances the Association's ability to assure fair representation in that it provides the NASD with the discretion to increase the size of its subsidiary boards to allow representation of additional constituencies while preserving the fundamental compositional requirements of those boards.

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

The NASD represents that the proposed rule change will not 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 NASD has neither solicited nor received comments on the proposed rule change.

III. 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. 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 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 NASD. All submissions should refer to File No. SR-NASD-99-10 and should be submitted by March 5, 1999.

IV. Commission's Findings and Order Granting Accelerated Approval of the Proposed Rule Change

The Commission finds that the proposed rule change relating to amending the composition of the NASD Regulation and Nasdaq boards is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities association. Specifically, the Commission believes the proposal is consistent with the Section 15A(b)(4)⁴ requirements that the Association's rules be designed to assure a fair representation of its members in the administration of its affairs.⁵ In particular, the Commission notes that the NASD has not altered the balanced composition of each subsidiary board.

The Commission finds good cause for approving the rule change prior to the thirtieth day after the date of publication of notice thereof in the **Federal Register**. The Commission believes that accelerated approval will facilitate the formation of the NASD subsidiary boards in a manner that will better represent the constituencies' presence on the NASD parent board.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁶ that the proposed rule change (File No. SR-NASD-99-10) is hereby approved on an accelerated basis.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁷

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99-3512 Filed 2-11-99; 8:45 am]

BILLING CODE 8010-01-M

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3157]

State of Ohio (and Contiguous Counties in Indiana)

Preble County and the contiguous Counties of Butler, Darke, and Montgomery in the State of Ohio, and Union and Wayne Counties in the State of Indiana constitute a disaster area as a result of damages caused by flooding that occurred on January 19 and 20, 1999. Applications for loans for physical damages from this disaster may be filed until the close of business on April 5, 1999 and for economic injury

⁴ 15 U.S.C. 78o(b)(4).

⁵ In approving this rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁶ 15 U.S.C. 78s(b)(2).

⁷ 15 CFR 200.30-3(a)(12).

until the close of business on November 2, 1999 at the address listed below or other locally announced locations:

U.S. Small Business Administration,
Disaster Area 2 Office, One Baltimore
Place, Suite 300, Atlanta, GA 30308

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
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 numbers assigned to this disaster for physical damage are 315706 for Ohio and 315806 for Indiana.

For economic injury the numbers are 9B0200 for Ohio and 9B0300 for Indiana. (Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008.)

Dated: February 2, 1999.

Aida Alvarez,
Administrator.

[FR Doc. 99-3550 Filed 2-11-99; 8:45 am]

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DEPARTMENT OF STATE

[Public Notice: 2978]

Bureau of European Affairs; U.S. Bilateral Assistance to Bosnia and Serbia

The Secretary of State issued on November 30, 1998, a waiver of restrictions under Section 570 of the Foreign Operations, Export Financing and Related Programs Appropriations Act, 1999, for bilateral assistance to the Republika Srpska (RS) and Serbia (including Kosovo), as follows:

(1) *In the Republika Srpska:* support for civilian police restructuring; USIA programs promoting democratization, reconciliation, and free and independent media; the Municipal Infrastructure and Services Program of USAID, as well as its Bosnia Business Development, Economic Reform and Democratic Reform Programs; OSCE-supervised elections and human rights activities; and Trade and Development Agency (TDA) activities designed to assist U.S. businesses in Bosnia.

³ 15 U.S.C. 78o(b)(4).