

to permit any Series to invest up to approximately 10%, but in no event more than 10.5%, of the value of its total assets in securities of an issuer that derives more than 15% of its gross revenues from securities related activities. Each Series undertakes to comply with all of the conditions of rule 12d3-1, except that each Series seeks to invest up to approximately 10%, but in no event more than 10.5%, of that value of any Series' assets at its initial date of deposit in the securities of any company that is an issuer of any of the ten highest dividend yielding stocks in the FT Index or the Hang Seng Index.

4. Section 12(d)(3) was intended to prevent investment companies from exposing their assets to the entrepreneurial risks of securities related businesses to prevent potential conflicts of interests, and to eliminate certain reciprocal practices between investment companies and securities related businesses. One potential conflict could occur if an investment company purchased securities or other interests in a broker-dealer to reward that broker-dealer for selling fund shares, rather than solely on investment merit. Applicant believes that this concern does not arise in connection with its application because neither applicant nor the Sponsors have discretion in choosing the portfolio securities or percentage amount purchased. The security must first be included in the FT Index or the Hang Seng Index, which indexes are unaffiliated with the Sponsors and applicant, and must also qualify as one of the ten highest dividend yielding securities.

5. Applicant also believes that the effect of a Series's purchase on the stock of parents of broker-dealers would be *de minimis*. The common stocks of securities related issuers represented in the FT Index or the Hang Seng Index are widely held, have active markets, and applicant believes that the purchases by any Series would represent an insignificant amount of the outstanding common stock and the trading volume of any of these issues. Accordingly, applicant believes that it is highly unlikely that Series purchases of these securities would have any significant impact on the securities' market value.

6. Another potential conflict of interest could occur if an investment company directed brokerage to a broker-dealer in which the company has invested to enhance the broker-dealer's profitability or to assist it during financial difficulty, even though that broker-dealer may not offer the best price and execution. To preclude this type of conflict, applicant and each

Series agree, as a condition of this application, that no company held in a Series's portfolio nor any affiliate thereof will act as a broker for any Series in the purchase or sale of any security for its portfolio. In light of the above, applicant believes that its proposal meets the section 6(c) standards.

Applicant's Condition

Applicant and each Series agrees that any order granted under this application may be conditioned upon no company held in a Series's portfolio nor any affiliate thereof acting as broker for any Series in the purchase or sale of any security for a Series's portfolio.

For the SEC, by the Division of Investment Management, pursuant to delegated authority.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-15573 Filed 6-23-95; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-35864; File No. SR-PHLX-95-31]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Philadelphia Stock Exchange, Inc., Relating to Compliance With Position and Exercise Limits for Non-PHLX Listed Options

June 19, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. 78s(b)(1), notice is hereby given that on March 22, 1995, the Philadelphia Stock Exchange, Inc. ("PHLX" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. 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

Currently, PHLX Rule 1001, "Position Limits,"¹ applies only to transactions by PHLX members or member organizations in Exchange-listed options. The PHLX proposes to amend PHLX Rules 1001 and 1002, "Exercise

Limits,"² to require PHLX members who trade non-PHLX listed options and who are not members of the exchange where the options transactions are effected to comply with the applicable option position and exercise limits of the exchange where the options transactions are effected.

The text of the proposed rule change is available at the Office of the Secretary, PHLX, and at the Commission.

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 self-regulatory organization 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 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

The purpose of the proposal is to eliminate a loophole in position and exercise limit jurisdiction among the option exchanges. According to the Exchange, a PHLX member entering into an opening transaction on another exchange in an option not listed on the PHLX and who is not a member of the exchange where the transaction is effected escapes the jurisdiction of both the PHLX and the other exchange for purposes of position limit compliance. The PHLX notes that Exchange Rule 1001 does not apply because the rule is limited to options dealt in on the PHLX. Likewise, if the transaction is effected by a non-member of the other exchange, the other exchange cannot enforce its position limit rule.

The PHLX believes that the proposed amendments to PHLX Rule 1001 should enable the PHLX to exercise jurisdiction over a PHLX member violating the position limit in a non-PHLX listed option. The PHLX believes that the same is true for exercise limits. The proposal applies to both equity options and index options.

¹ Position limits impose a ceiling on the number of option contracts which an investor or group of investors acting in concert may hold or write in each class of options on the same side of the market (i.e., aggregating long calls and short puts or long puts and short calls).

² Exercise limits prohibit an investor or group of investors acting in concert from exercising more than a specified number of puts or calls in a particular class within five consecutive business days.

In pursuing such position limit violations, the PHLX will apply the applicable position limit of the other exchange, together with any applicable exemption, interpretation or policy, to transactions in non-PHLX options by a PHLX member. When a PHLX member enters into an opening transaction on another exchange in a PHLX-listed option, the PHLX will continue to apply the position limits and exemptions set forth in the PHLX's rules.

The PHLX anticipates that the other options exchanges will file substantially similar proposals with the Commission.

The Exchange believes that the proposal is consistent with Section 6 of the Act, in general, and, in particular, with Section 6(b)(5), in that it is designed to remove impediments to and perfect the mechanism of a free and open market as well as to protect investors and the public interest by expanding option exchange position and exercise limit jurisdiction to uniformly cover excessive transactions.

(B) Self-Regulatory Organization's Statement on Burden on Competition

The PHLX 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 received or requested.

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 reason 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
- (b) Institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested person 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 Section, 450 Fifth Street, N.W., Washington, D.C. Copies of such filing will also be available for inspection and copying at the principal office of the above-mentioned self-regulatory organization. All submissions should refer to the file number in the caption above and should be submitted by July 17, 1995.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.³

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 95-15569 Filed 6-23-95; 8:45 am]
BILLING CODE 8010-01-M

SMALL BUSINESS ADMINISTRATION

[License No. 04/04-0261]

**Pacific Capital, Limited Partnership;
Notice of Issuance of a Small Business
Investment Company License**

On December 8, 1994, a notice was published in the Federal Register (59 FR 63399) stating that an application had been filed by Pacific Capital, Limited Partnership, 109 Westpark Drive, Suite 260, Brentwood, Tennessee, 37027-5032, with the Small Business Administration (SBA) pursuant to Section 107.102 of the Regulations governing small business investment companies (13 C.F.R. 107.102 (1994)) for a license to operate as a small business investment company. Interested parties were given fifteen days from the date of Notice publication to submit their comments to SBA. No comments were received.

Notice is hereby given that, pursuant to Section 301(c) of the Small Business Investment Act of 1958, as amended, after having considered the application and all other pertinent information, SBA issued License No. 04/04-0261 on May 22, 1995 to Pacific Capital, Limited Partnership to operate as a small business investment company.

(Catalog of Federal Domestic Assistance Program No. 59.011, Small Business Investment Companies)

³ 17 CFR 200.30-3(a)(12) (1994).

Dated: June 20, 1995.

Robert D. Stillman,

Associate Administrator for Investment.

[FR Doc. 95-15490 Filed 6-23-95; 8:45 am]

BILLING CODE 8025-01-M

DEPARTMENT OF STATE

[Public Notice 2224]

**United States International
Telecommunications Advisory
Committee (ITAC); Notice of Meeting**

The Department of State announces that a meeting of the United States International Telecommunications Advisory Committee (ITAC) will be held July 13, 1995, 10:00 a.m.-1:00 p.m., in the East Auditorium of the Department of State, 2201 "C" Street NW., Washington, D.C.

The purpose of ITAC is to advise the Department on policy, technical and operational matters and to provide strategic planning recommendations, with respect to international telecommunications and information issues. The agenda of this meeting will include: (1) consideration of report from ITAC's task group to examine ITU's relationship with other forums and organizations (particularly the Internet Society); (2) report of ITU Council actions (June 21-30), including decisions on the Policy Forum; (3) report of ITU Review Committee on Rights and Obligations of Members (May 29-31), and follow-up work program; (4) establishment of task group to consider the international implications of auctions for managing the radio frequency spectrum and other telecommunications resources (e.g., numbers); and (5) general discussion of ITAC activities with a view to improving efficiency and effectiveness. Questions regarding the agenda or ITAC in general may be directed to Richard Shrum, Department of State (202-647-0050).

Members of the general public may attend the meetings and join in the discussions, subject to the instructions of the chair and seating availability. In this regard, entry to the building is controlled. If you wish to attend please call 202-647-0201 not later than 5 days before the scheduled meetings. One of the following valid photo ID's will be required for admittance: U.S. driver's license with picture, U.S. passport, U.S. government ID (company ID's are no longer accepted by Diplomatic Security). Enter from the "C" Street Main Lobby.