

provision of the Delaware General Corporation Law requiring disclosure of certain information where a governor, director, or officer has a financial interest in a contract or transaction entered into by the Phlx. Pursuant to this provision, if appropriate disclosure is made, the contract entered into by the Phlx is not void or voidable solely by reason of the financial interest. The Exchange also has amended its by-laws to clarify when governors must be disqualified from participation in Board actions. Whereas previously governors were prohibited from participating in the "adjudication" of any matters in which they were personally interested, the applicable by-law now uses the term "determination." The use of this term is intended to broaden the universe of matters from which a governor could potentially be disqualified. While these amendments represent a first step in the clarification of the Exchange's conflict of interest rules, the Commission expects that the Exchange will further amend its by-laws to add more specific provisions that contain clear and detailed recusal, disclosure, and conflict of interest procedures for Board and committee members.

The Commission understands that the Phlx is formulating various orientation and educational materials, as well as a code of conduct, in order to brief persons who serve the Exchange in any official capacity, including governors, committee members, officers, employees, agents, members, member organizations, and persons affiliated with a member or member organization. The code of conduct reiterates the principles of business conduct which the Phlx expects to be maintained and followed, with the core principles being that the Exchange should conduct every aspect of its business in a fair and lawful manner, and that the Exchange should maintain a climate which encourages the fair and lawful conduct of business. These principles include the conduct of business in accordance with the federal securities laws and other applicable rules and regulations, the proper use of confidential information, disclosure of information and recusal from decision making, where appropriate, and provision of information to the Exchange where such information is reasonably requested.

The Commission supports the Phlx's strengthening of orientation and education materials in order that these persons better understand their mission, duties, and appropriate standards of conduct. The Commission understands that the Phlx is considering amending its by-laws to include compliance with the code of conduct, which at this time

is merely an Exchange policy. The Commission encourages the Phlx to submit such an amendment in order to formally reflect the important principles contained in the code of conduct, and looks forward to reviewing such an amendment.

Finally, The Commission approves the amendment of the by-laws and Certificate of Incorporation to include indemnification provisions, and supports the Exchange's goal of attracting qualified candidates for the Phlx Board of Governors through the inclusion of such provisions. The Commission also approves all non-substantive by-law changes made for the sake of organization and accuracy.

#### IV. Conclusion

*It Is Therefore Ordered*, pursuant to Section 19(b)(2) of the Act,<sup>22</sup> that the proposed rule change (SR-PHLX-97-31) is approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>23</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

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#### DEPARTMENT OF STATE

##### Bureau of Political-Military Affairs; Determination Under the Arms Export Control Act

###### [Public Notice 2596]

Pursuant to Section 654(c) of the Foreign Assistance Act of 1961, as amended, notice is hereby given that the Secretary of State has made a determination pursuant to Section 81 of the Arms Export Control Act and has concluded that publication of the determination would be harmful to the national security of the United States.

Dated: August 20, 1997.

**Thomas E. McNamara,**

*Assistant Secretary of State for Political-Military Affairs.*

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<sup>22</sup> 15 U.S.C. § 78s(b)(2).

<sup>23</sup> 17 CFR 200.30-3(a)(12).

#### DEPARTMENT OF TRANSPORTATION

##### Coast Guard

[CGD8-97-030]

##### Lower Mississippi River Waterway Safety Advisory Committee

AGENCY: Coast Guard, DOT.

ACTION: Notice of meeting.

**SUMMARY:** The Lower Mississippi River Waterway Safety Advisory Committee will meet to discuss various navigation safety matters affecting the Lower Mississippi River area. The meeting will be open to the public.

**DATES:** The meeting will be held from 10 a.m. to approximately 12 noon on Wednesday, September 10, 1997.

**ADDRESSES:** The meeting will be held in the basement GSA conference room of the Hale Boggs Federal Building, 501 Magazine Street, New Orleans, Louisiana.

##### FOR FURTHER INFORMATION CONTACT:

Mr. Monty Ledet, USCG, Administrator, Lower Mississippi River Waterway Safety Advisory Committee, c/o Commander, Eighth Coast Guard District (m), Room 1341, Hale Boggs Federal Building, 501 Magazine Street, New Orleans, LA 70130-3396, telephone (504) 589-4686.

**SUPPLEMENTARY INFORMATION:** Notice of this meeting is given pursuant to the Federal Advisory Committee Act, 5 U.S.C. App. 2 section 1 *et seq.* The meeting is open to the public. Members of the public may present written or oral statements at the meeting.

The agenda for the meeting consists of the following items:

- (1) Approval of the minutes from the June 25, 1997 full Committee meeting.
- (2) Subcommittee Reports.
- (3) Old Business.
- (4) New Business.
- (5) Adjournment.

##### INFORMATION ON SERVICES FOR

**INDIVIDUALS WITH DISABILITIES:** For information on facilities or services for individuals with disabilities, or to request special assistance at the meeting, contact the Administrator, Mr. Monty Ledet, Marine Safety Division, Eighth Coast Guard District as soon as possible.

Dated: August 8, 1997.

**T.W. Josiah, RADM, USCG,**

*Commander, Eighth Coast Guard District.*

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