

**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 Exchange consents, the Commission will:

(A) By order approve the proposed rule change, or

(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. 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 submissions, 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 persons, 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 Section, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filing will also be available for inspection and copying at the principal office of the Exchange. All submission should refer to File No. SR-CBOE-97-67 and should be submitted May 26, 1998.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>13</sup>

**Jonathan G. Katz,**  
Secretary.

[FR Doc. 98-11747 Filed 5-1-98; 8:45 am]

BILLING CODE 8010-01-M

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39924; File No. SR-DTC-98-01]

### Self-Regulatory Organizations; The Depository Trust Company; Order Granting Accelerated Approval of Proposed Rule Change to Conform DTC's Rules to Revised Article 8 of the Uniform Commercial Code of the State of New York

April 27, 1998.

On January 14, 1998, The Depository Trust Company ("DTC") filed with the Securities and Exchange Commission ("Commission") a proposed rule change (File No. SR-DTC-97-14) pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act").<sup>1</sup> Notice of the proposal was published in the **Federal Register** on April 14, 1998.<sup>2</sup> The Commission received no comment letters in response to the filing. For the reasons discussed below, the Commission is granting accelerated approval of the proposed rule change.

#### I. Description

The rule change amends DTC's rules to make them consistent with revised Article 8 of the Uniform Commercial Code ("UCC") as adopted by the State of New York. Generally, the revisions to Article 8, which governs the transfer of securities, reflect that the transfer of ownership of securities and other investment vehicles are no longer effected by the delivery and holding of certificates. Instead, securities are transferred by debits and credits to securities accounts maintained by securities intermediaries. The rule change adds new terminology to DTC's rules,<sup>3</sup> revises certain definitions,<sup>4</sup> and deletes section references based on the prior version of Article 8. The amendments do not change the

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

<sup>2</sup> Securities Exchange Act Release No. 39836 (April 7, 1998), 63 FR 18239.

<sup>3</sup> The proposed rule change will add the following terms to DTC's rules: (1) Certificated security; (2) control; (3) deposit; (4) entitlement holder; (5) entitlement order; (6) free pledge; (7) free release; (8) NYUCC; (9) person; (10) pledge; (11) pledge versus payment; (12) release; (13) release versus payment; (14) security entitlement; (15) security certificate; (16) uncertificated security; and (17) withdrawal.

<sup>4</sup> The proposed rule change will make technical revisions to the following terms: (1) Clearing agency agreement; (2) deliverer; (3) delivery; (4) deposited security; (5) incomplete transaction; (6) instructor; (7) minimum amount securities; (8) net addition securities; (9) participant; (10) payee; (11) payor; (12) pledge security; (13) pledgee; (14) pledgor; (15) receiver; (16) securities account; (17) security; (18) segregated account; and (19) settlement amount.

substance or meaning of DTC's current rules.

The rule change also amends DTC Rule 20 to specifically state that DTC's board of directors may be resolution delegate to the chairman of the board the power to approve fees and charges.

#### II. Discussion

Section 17A(b)(3)(F)<sup>5</sup> of the Act requires that the rules of a clearing agency be designed to assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible. The Commission believes that the proposed rule changes are consistent with this requirement because by conforming its rules to the revised Article 8 of the UCC, DTC should help maintain certainty with respect to the substantive rights and obligations under New York State's version of the UCC that are applicable to DTC and its participants.

The Commission also believes that providing DTC's board of directors with the authority to delegate to the chairman of the board the power to approve fees and charges is consistent with this requirement because it allows DTC's board to act more expeditiously.

DTC has requested that the Commission find good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of notice of the filing. The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after publication in order to enable DTC to revise its rules to be consistent with New York State's version of Article 8 of the UCC as soon as possible.<sup>6</sup>

#### III. Conclusion

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of the Act and in particular with the requirements of Section 17A of the Act and the rules and regulations thereunder.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR-DTC-98-01) be, and hereby is, approved on an accelerated basis.

<sup>5</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>6</sup> The staff of the Board of Governors of the Federal Reserve System has concurred with the Commission's granting of accelerated approval. Telephone conversation between Kristen Wells, Senior Analyst, Division of Reserve Bank Operations, Board of Governors of the Federal Reserve System, and Jeffrey Mooney, Special Counsel, Division of Market Regulation, Commission (April 24, 1998).

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>7</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 98-11745 Filed 5-1-98; 8:45 am]

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## SMALL BUSINESS ADMINISTRATION

**Capstone Ventures SBIC, L.P. (License No. 09/79-0413)**

### Notice of Issuance of a Small Business Investment Company License

On September 19, 1997, an application was filed by Capstone Ventures SBIC, L.P., at 3000 Sand Hill Road, Bldg. 1, Suite 290, Menlo Park, California 94025, with the Small Business Administration (SBA) pursuant to Section 107.300 of the Regulations governing small business investment companies (13 CFR 107.300 (1997)) for a license to operate as a small business investment company.

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. 09/79-0413 on April 7, 1998, to Capstone Ventures SBIC, L.P. to operate as a small business investment company.

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

Dated: April 22, 1998.

**Don A. Christensen,**

*Associate Administrator for Investment.*

[FR Doc. 98-11794 Filed 5-1-98; 8:45 am]

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## DEPARTMENT OF STATE

[Public Notice 2798]

### Bureau of Political-Military Affairs; Imposition of Missile Proliferation Sanctions Against Entities in North Korea and Pakistan

**AGENCY:** Department of State.

**ACTION:** Notice.

**SUMMARY:** The United States Government has determined that entities in North Korea and Pakistan have engaged in missile technology proliferation activities that require imposition of sanctions pursuant to the Arms Export Control Act, as amended, and the Export Administration Act of

1979, as amended (as carried out under Executive Order 12424 of August 19, 1994).

**EFFECTIVE DATE:** April 17, 1998.

**FOR FURTHER INFORMATION CONTACT:** Vann H. Van Diepen, Office of Chemical, Biological and Missile Nonproliferation, Bureau of Political-Military Affairs, Department of State, (202-647-1142).

**SUPPLEMENTARY INFORMATION:** Pursuant to Section 73(a)(1) of the Arms Export Control Act (22 U.S.C. 2797b(a)(1)), Section 11B(b)(1) of the Export Administration Act of 1979 (50 U.S.C. app. 2401b(b)(1)), as carried out under Executive Order 12924 of August 19, 1994 (hereinafter cited as the "Export Administration Act of 1979"), and Executive Order 12851 of June 11, 1993, the United States Government determined on April 17, 1998, that the following foreign persons have engaged in missile technology proliferation activities that require the imposition of the sanctions described in Sections 73(a)(2) (B) and (C) of the Arms Export Control Act (22 U.S.C. 2797b(a)(2) (B) and (C)) and Sections 11B(b)(1)(B) (ii) and (iii) of the Export Administration Act of 1979 (50 U.S.C. app. 2410b(b)(1)(B) (ii) and (iii)) on these entities:

1. Changgwang Sinyong Corporation (a.k.a. North Korea Mining Development Trading Corporation) (North Korea) and its sub-units, successors, and affiliated companies; and

2. Khan Research Laboratories (Pakistan) and its sub-units and successors.

Accordingly, the following sanctions are being imposed on these entities:

(A) New individual licenses for export to the entities described above of items controlled pursuant to the Export Administration Act of 1979 will be denied for two years;

(B) New licenses for export to the entities described above of items controlled pursuant to the Arms Export Control Act will be denied for two years;

(C) No United States Government contracts involving the entities described above will be entered into for two years; and

(D) No products produced by the entities described above will be imported into the United States for two years.

With respect to items controlled pursuant to the Export Administration Act of 1979, the export sanction only applies to exports made pursuant to individual export licenses.

Additionally, because of the definition of "person" in section

74(8)(B) of the Arms Export Control Act (22 U.S.C. 2797c(8)(B)) and North Korea's status as a country with a non-market economy that is not a former member of the Warsaw Pact, the following sanctions shall be applied to all activities of the North Korean government relating to the development or production of missile equipment or technology and all activities of the North Korean government affecting the development or production of electronics, space systems or equipment, and military aircraft:

(A) New licenses for export to the government activities described above of items controlled pursuant to the Arms Export Control Act will be denied for two years;

(B) No U.S. Government contracts involving the government activities described above will be entered into for two years; and

(C) No products produced by the government activities described above will be imported into the United States for two years.

These measures shall be implemented by the responsible agencies as provided in Executive Order 12851 of June 11, 1993.

Dated: April 24, 1998.

**Eric D. Newsom,**

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

[FR Doc. 98-11935 Filed 5-1-98; 8:45 am]

BILLING CODE 4710-25-M

## DEPARTMENT OF TRANSPORTATION

### National Highway Traffic Safety Administration

[Docket No. NHTSA-97-3052; Notice 2]

### Kolcraft Enterprises, Inc.; Grant of Application for Decision of Inconsequential Noncompliance

Kolcraft Enterprises of Chicago, Illinois, has determined that approximately 107,000 child restraint systems fail to comply with Federal Motor Vehicle Safety Standard (FMVSS) No. 213, "Child Restraint Systems," and has filed an appropriate report pursuant to 49 CFR part 573, "Defects and Noncompliance Reports." Kolcraft has also applied to be exempted from the notification and remedy requirements of 49 U.S.C. Chapter 301—"Motor Vehicle Safety" on the basis that the noncompliance is inconsequential to motor vehicle safety.

Notice of receipt of the application was published, with a 30-day comment period, on November 25, 1997, in the

<sup>7</sup> 17 CFR 200.30-3(a)(12).