

would apply. Furthermore, this limited modification would not alter or adjust any other obligation imposed on Market Makers, including those set forth in PCXE Rules 7.21 (Obligations of Market Maker Authorized Traders)<sup>6</sup> and 7.23 (General Obligations of Market Makers).

### III. Discussion

The Commission finds that the proposed rule change, as amended, is consistent with the Act and the rules and regulations promulgated thereunder applicable to a national securities exchange<sup>7</sup> and, in particular, with the requirements of Section 6(b)(5) of the Act.<sup>8</sup> Specifically, the Commission finds that approval of the proposed rule change, as amended, is consistent with the Act in that it is designed to promote just and equitable principles of trade; to remove impediments to and perfect the mechanism of a free and open market and a national market system; and in general, to protect investors and the public interest.

The proposed rule change would amend PCXE Rule 7.26 to carve an exception where, even though a firm is registered as a Market Maker, or is an affiliated broker-dealer, it has no customer accounts, and engages solely in proprietary trading. The Commission believes that it is not necessary for a Market Maker, or its affiliated broker-dealer, that fits this limited exception, to be required to maintain an information barrier between the market making and other business activities. The Commission believes it is reasonable to remove a requirement that could become unduly burdensome, since the Market Maker, or its affiliated broker-dealers, is not engaged in activities that would inappropriately benefit other business activities within the firm. Furthermore, the Commission believes that the modification of PCXE Rule 7.26 may remove impediments that could hinder competition between a Market Maker fitting the limited exception, or its affiliated broker-dealer, and those Market Makers engaged in broader businesses. However, the Commission notes that, if in the future these Market Makers, or their affiliated broker-dealers, engage in other business activities, such as investment banking or options market making, or maintain customer accounts, solicit or accept public customer orders, the Commission expects that the Exchange will require

compliance with the Information Barrier requirements of PCXE Rule 7.26.

### IV. Conclusion

For the foregoing reasons, the Commission finds that the proposed rule change, as amended, is consistent with the Act and the rules and regulations thereunder applicable to a national securities exchange, and, in particular, with Section 6(b)(5).<sup>9</sup>

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>10</sup> that the proposed rule change (SR-PCXE-2003-49), as amended, is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>11</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 04-3886 Filed 2-23-04; 8:45 am]

**BILLING CODE 8010-01-P**

## DEPARTMENT OF STATE

### [Public Notice 4628]

#### **Bureau of Political-Military Affairs; Administrative Debarments Involving Kam-Tech Systems, Ltd. and David Menashe**

**AGENCY:** Department of State.

**ACTION:** Notice.

**SUMMARY:** Notice is hereby given that the Department of State has imposed administrative debarment pursuant to section 127.7(a) and (b)(2) of the International Traffic in Arms Regulations ("ITAR") (22 CFR parts 120 to 130) on persons convicted of a violation of such as to provide a reasonable basis for the Directorate of Defense Trade Controls to believe that the violators cannot be relied upon to comply with the Arms Export Control Act ("AECA") (22 U.S.C. 2778) or the ITAR in the future and which violation was established in accordance with part 128 of the ITAR.

**EFFECTIVE DATE:** Date of Order as specified for each person.

**FOR FURTHER INFORMATION CONTACT:** David Trimble, Director, Directorate of Defense Trade Controls Compliance, Bureau of Political-Military Affairs, Department of State (202) 663-2700.

**SUPPLEMENTARY INFORMATION:** Section 127.7 of the ITAR authorizes the Assistant Secretary of State for Political-Military Affairs to issue an Order for Administrative Debarment against any person who has been found pursuant to

Part 128 of the ITAR to have committed a violation of the AECA or the ITAR of such character as to provide a reasonable basis for the Office of Defense Trade Controls Compliance to believe that the violator cannot be relied upon to comply with the AECA or ITAR in the future. Such an Order of Debarment prohibits the subject from participating directly or indirectly in the export of defense articles or defense services for which a license or approval is required by the ITAR.

The period for debarment will normally be three years from the date of Order. At the end of the debarment period, licensing privileges may be reinstated only at the request of the debarred person following the necessary Departmental review. Unless licensing privileges are reinstated, the person/entity will remain debarred.

Debarred persons are generally ineligible to participate in activity regulated under the ITAR (*See e.g.*, sections 120.1(c) and (d), 126.7, 127.1(c), and 127.11(a)). The Department of State will not consider applications for licenses or requests for approvals that involve any debarred person.

Pursuant to section 38 of the AECA and section 127.7(a) and (b)(2) of the ITAR, the following persons have been administratively debarred by the Assistant Secretary of State for Political-Military Affairs for a period of three years effective the date the Order is signed by Assistant Secretary of State for Political-Military Affairs:

(1) Kam-Tech Systems, Ltd. ("Kam-Tech"), an Israeli company located in Tel Aviv, Israel, and

(2) David Menashe ("Menashe"), owner and business manager of Kam-Tech.

Kam-Tech and Menashe pleaded guilty and, on June 18, 2003, were convicted of making false statements to the Bureau of Customs and Border Protection, U.S. Department of Homeland Security (formerly United States Customs Service (USCS)) in violation of 18 U.S.C. 1001. (U.S. District Court, Central District of California (Western Division), Docket # 03-CR-139-ALL.) Under the plea agreements entered in connection with the prosecution, Kam-Tech and Menashe agreed to a statement of facts that they caused a package to be shipped to the United States bearing an air waybill that falsely stated the contents consisted of "samples for evaluation" and were valued at \$245, when the defendants knew the package contained an AIM-9 Missile Seeker Section valued at \$19,600 and that this defense article was to be transshipped to

<sup>6</sup> See PCXE Rule 1.1(v) (definition of "Market Maker Authorized Trader").

<sup>7</sup> In approving this proposal, the Commission has considered the proposed rule's impact on efficiency, competition and capital formation. 15 U.S.C. 78c(f).

<sup>8</sup> 15 U.S.C. 78f(b)(5).

<sup>9</sup> 15 U.S.C. 78f(b)(5).

<sup>10</sup> 15 U.S.C. 78s(b)(2).

<sup>11</sup> 17 CFR 200.30-3(a)(12).

China. They further agreed to administrative debarment under section 127.7(a) and (b)(2) of the ITAR on the basis of the aforementioned statement of facts and to waive all rights under Part 128 of the ITAR, including the provision for issuance of a charging letter and all rights to seek administrative or judicial consideration or review or otherwise to contest the validity of the Order of Debarment. The Directorate of Defense Trade Controls believes that the actions of Kam-Tech and Menashe support a finding of a violation of section 127 of the ITAR of such character that neither could be relied upon to comply with the ITAR in the future. Furthermore, as set forth above, such violation was established in accordance with part 128 of the ITAR.

As noted above, at the end of the three-year period, the above named persons will remain debarred unless licensing privileges are reinstated.

This notice is provided in order to make the public aware that the persons listed above are prohibited from participating directly or indirectly in any brokering activities and in any export from or temporary import into the United States of defense articles, related technical data, or defense services in all situations covered by the ITAR. Specific case information may be obtained from the Office of the Clerk for each respective U.S. District Court citing the court docket number where provided.

Exceptions may be made to this denial policy on a case-by-case basis at the discretion of the Directorate of Defense Trade Controls. However, such an exception would be granted only after a full review of all circumstances, paying particular attention to the following factors: Whether an exception is warranted by overriding U.S. foreign policy or national security interest; whether an exception would further law enforcement concerns that are consistent with the foreign policy or national security interests of the United States; or whether other compelling circumstances exist that are consistent with the foreign policy or national security interests of the United States, and do not conflict with law enforcement concerns.

This notice involves a foreign affairs function of the United States encompassed within the meaning of the military and foreign affairs exclusion of the Administrative Procedure Act. Because the exercise of this foreign affairs function is discretionary, it is excluded from review under the Administrative Procedure Act.

Dated: February 1, 2004.

**Lincoln P. Bloomfield, Jr.,**

*Assistant Secretary, Bureau of Political-Military Affairs, Department of State.*

[FR Doc. 04-4003 Filed 2-23-04; 8:45 am]

**BILLING CODE 4710-25-P**

## DEPARTMENT OF STATE

### [Public Notice 4631]

#### **Culturally Significant Objects Imported for Exhibition; Determinations: "Coming of Age in Ancient Greece: Images of Childhood from the Classical Past"**

**AGENCY:** Department of State.

**ACTION:** Notice.

**SUMMARY:** Notice is hereby given of the following determinations: Pursuant to the authority vested in me by the Act of October 19, 1965 (79 Stat. 985; 22 U.S.C. 2459), Executive Order 12047 of March 27, 1978, the Foreign Affairs Reform and Restructuring Act of 1998 (112 Stat. 2681, *et seq.*; 22 U.S.C. 6501 note, *et seq.*), Delegation of Authority No. 234 of October 1, 1999 (64 FR 56014), Delegation of Authority No. 236 of October 19, 1999 (64 FR 57920), as amended, and Delegation of Authority No. 257 of April 15, 2003 (68 FR 19875), I hereby determine that the objects to be included in the exhibition, "Coming of Age in Ancient Greece: Images of Childhood from the Classical Past," imported from abroad for temporary exhibition within the United States, are of cultural significance. The objects are imported pursuant to loan agreements with foreign lenders. I also determine that the exhibition or display of the exhibit objects at the Cincinnati Museum of Art, Cincinnati, Ohio, from on or about May 21, 2004, to on or about August 1, 2004, the J. Paul Getty Museum, Los Angeles, California, from on or about September 14, 2004, to on or about December 5, 2004, and at possible additional venues yet to be determined, is in the national interest. Public notice of these determinations is ordered to be published in the **Federal Register**.

**FOR FURTHER INFORMATION CONTACT:** For further information, including a list of the exhibit objects, contact Paul W. Manning, Attorney-Adviser, Office of the Legal Adviser, 202/619-5997, and the address is United States Department of State, SA-44, Room 700, 301 4th Street, SW., Washington, DC 20547-0001.

Dated: February 11, 2004.

**C. Miller Crouch,**

*Principal Deputy Assistant Secretary for Educational and Cultural Exchanges, Department of State.*

[FR Doc. 04-4002 Filed 2-23-04; 8:45 am]

**BILLING CODE 4710-08-P**

## DEPARTMENT OF STATE

### [Public Notice 4630]

#### **Culturally Significant Objects Imported for Exhibition; Determinations: "Courtly Art of the Ancient Maya"**

**SUMMARY:** Notice is hereby given of the following determinations: Pursuant to the authority vested in me by the Act of October 19, 1965 (79 Stat. 985; 22 U.S.C. 2459), Executive Order 12047 of March 27, 1978, the Foreign Affairs Reform and Restructuring Act of 1998 (112 Stat. 2681, *et seq.*; 22 U.S.C. 6501 note, *et seq.*), Delegation of Authority No. 234 of October 1, 1999, and Delegation of Authority No. 236 of October 19, 1999, as amended, and Delegation of Authority No. 257 of April 15, 2003 [68 FR 19875], I hereby determine that the objects to be included in the exhibition "Courtly Art of the Ancient Maya," imported from abroad for temporary exhibition within the United States, are of cultural significance. The objects are imported pursuant to a loan agreement with the foreign owner. I also determine that the exhibition or display of the exhibit objects at the National Gallery of Art, Washington, DC from on or about April 4, 2004 to on or about July 25, 2004, the Fine Arts Museums of San Francisco, CA from on or about September 4, 2004 to on or about January 2, 2005, and at possible additional venues yet to be determined, is in the national interest. Public Notice of these Determinations is ordered to be published in the **Federal Register**.

**FOR FURTHER INFORMATION CONTACT:** For further information, including a list of the exhibit objects, contact Carol B. Epstein, Attorney-Adviser, Office of the Legal Adviser, Department of State, (telephone: 202/619-6981). The address is Department of State, SA-44, 301 4th Street, SW., Room 700, Washington, DC 20547-0001.

Dated: February 17, 2004.

**C. Miller Crouch,**

*Principal Deputy Assistant Secretary for Educational and Cultural Affairs, Department of State.*

[FR Doc. 04-4006 Filed 2-23-04; 8:45 am]

**BILLING CODE 4710-08-P**