

The proposed rule change also amends the language of sub-paragraphs (e)(iii) (A) and (B) of CBOE Rule 24A.5 to state that a submitting member "will have priority to execute" the specified share of a trade that is the subject of a RFQ, instead of the term "be permitted to execute." The Exchange initially adopted this rule language in Securities Exchange Act Release No. 37337 in order to clarify that a member may cross more than the designated share as to which he has priority if no one else is willing to trade at the same or a better price.⁸ The current filing inadvertently utilized the old rule language. Amendment No. 1 to the filing clarifies that the original rule language will remain unchanged.

The Exchange is also proposing to impose maximum bid-offer spreads on certain FLEX Index options. Currently, under CBOE Rule 24A.9 (d), market-makers are not required to quote a minimum bid-offer spread in FLEX options because of the unique nature of the product in which new series are established periodically by the submission of a RFQ. Based on experience over the last four years, however, the Exchange has determined that it is appropriate to establish maximum bid-offer spreads for Index FLEX AMMs when quoting European-exercise FLEX options overlying the S&P 100 Index ("OEX") or the S&P 500 Index ("SPX") with a time to expiration of more than two weeks and less than two years.⁹ The Exchange expects that the establishment of these spreads will increase customer confidence in the CBOE markets for these products. The CBOE also believes that the establishment of these maximum bid-offer spreads will ensure tight markets for the majority of the Index FLEX RFQs submitted to the CBOE floor; the proposed spreads would have applied to 77% of the RFQs submitted in 1996. The Exchange also believes that if, as expected, the reduction in the entitlement of a trade to a Submitting Member encourages more active participation by market-makers in the quoting process, then bid-offer spreads, through competition, should decrease in any event.

<i>Where Bid Is</i>	<i>Maximum Bid/Ask Spread Is</i>
Less than \$5	3/4 of \$1
At least \$5, but not more than \$10.	\$1
At least \$10, but not more than \$20.	\$1.50
At least \$20	\$2

⁸ See Securities Exchange Act Release No. 37337 (June 19, 1996), 61 FR 33561 (June 27, 1996).

⁹ Options with a time to expiration greater than two weeks and less than or equal to one year shall have the following bid/ask spreads:

<i>Where Bid Is</i>	<i>Maximum Bid/Ask Spread Is</i>
Options with a time to expiration greater than one year and less than two years shall have the following maximum bid/ask spreads:	
Less than \$10	\$1.50
At least \$10, but not more than \$20.	\$2
At least \$20, but not more than \$40.	\$3
At least \$40	\$4

Compare CBOE Rule 8.7 regarding maximum bid/ask spreads for non-Flex options.

Because the proposed rules should encourage more active participation of market-makers in the establishment of bid-ask spreads as well as require the quoting of spreads on FLEX Index options within a certain range, CBOE believes that the proposed rules are consistent with and further the objectives of Section 6(b)(5) of the Act in that they are designed to improve communications to and from the Exchange's trading floor in a manner that promotes just and equitable principles of trade, prevents fraudulent and manipulative acts and practices, and maintains fair and orderly markets.

II. Findings and Conclusions

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange, and, in particular, the requirements of Section 6(b)(5).¹⁰ The Commission finds that CBOE's proposal to reduce the Submitting Member's entitlement rate to the greater of 25% or a proportional share of the trade should serve to encourage more active participation by market-makers in FLEX Index options. Specifically, because participating market-makers will be entitled to a greater share of the FLEX trade, they should have more incentive to make markets in FLEX Index options. More active participation should, in turn, result in increased liquidity for the product, which would serve to enhance the market for FLEX Index options.¹¹ Accordingly, the Commission believes that this portion of the CBOE filing is consistent with the Act in that it should facilitate transactions in securities consistent with investor protection and in furtherance of the public interest.¹²

The Commission also believes that CBOE's proposal to impose maximum

¹⁰ 15 U.S.C. 78f(b)(5) (1988).

¹¹ The Commission notes that the current entitlement for Submitting Members in FLEX Equity options will remain unchanged at 25% of the trade regardless of the number of participants to the trade.

¹² The Commission also believes that the proposed rule change will not result in any injury to public customers as customer orders on parity will not receive a smaller participation than any other crowd participant.

bid-offer spreads for Index FLEX AMMs when quoting European-style FLEX options overlying the OEX or the SPX should serve to potentially tighten spreads as well as to ensure that the spreads are no larger than the predetermined range. The Commission believes that the potential for tighter markets in FLEX OEX and SPX contracts as a result of the adoption of maximum bid-ask spreads should serve to increase investors' confidence that the quoted market for these options represents fair and indicative prices. In this regard, the CBOE may wish to adopt maximum bid-ask spreads for other FLEX options. Accordingly, the Commission believes the Exchange's proposal to impose maximum bid-offer spreads for certain FLEX Index options is consistent with the Act in that it should facilitate trading in securities.

It therefore is ordered, pursuant to Section 19(b)(2) of the Act,¹³ that the proposed rule change (SR-CBOE-97-16), as amended, is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁴

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97-22293 Filed 8-21-97; 8:45 am]

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SMALL BUSINESS ADMINISTRATION

[License No. 07/07-0099]

**Civic Ventures Investment Fund, L.P.,
Notice of Issuance of a Small Business
Investment Company License**

On March 18, 1996, an application was filed by Civic Ventures Investment Fund, L.P., at One Metropolitan Square, 211 North Broadway, Suite 2380, St. Louis, Missouri 63102 with the Small Business Administration (SBA) pursuant to Section 107.300 of the Regulations governing small business investment companies (13 C.F.R. 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. 07/07-0099 on August 1, 1997, to Civic Ventures Investment Fund, L.P. to operate as a small business investment company. (Catalog of Federal Domestic Assistance Program No. 59.011, Small Business Investment Companies)

¹³ 15 U.S.C. 78s(b)(2) (1988).

¹⁴ 17 CFR 200.30-3(a)(12).

Dated: August 14, 1997.

Don A. Christensen,

Associate Administrator for Investment.

[FR Doc. 97-22327 Filed 8-21-97; 8:45 am]

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SMALL BUSINESS ADMINISTRATION

Adoption of FASTRAK Pilot Loan Program; Meeting

AGENCY: Small Business Administration.

ACTION: Public meeting on Adoption FASTRAK Pilot Loan Program for SBA Loans made under Section 7(a) of the Small Business Act.

SUMMARY: On March 6, 1995, the SBA published in the **Federal Register** a notice establishing the FASTRAK loan program as a pilot program to test the implications of allowing selected SBA lenders to use their own documentation and procedures to approve SBA guaranteed loans under \$100,000. In return, participating lenders received a maximum SBA guaranty of 50 percent. On September 9, 1997, the SBA will hold a public meeting as part of its evaluation of whether to adopt FASTRAK as a permanent SBA program and extend the program to additional qualified lenders.

DATES: September 9, 1997, 1:30 p.m. to 4:30 p.m.

LOCATION: Eisenhower Conference Room, U.S. Small Business Administration, 409 3rd Street, SW., Washington, DC 20416.

FOR FURTHER INFORMATION CONTACT: Charles Thomas, Chief Pilot Operations, Office of Financial Assistance, (202) 205-6656.

SUPPLEMENTARY INFORMATION: FASTRAK, which is part of the Preferred Lenders Program, was conceived to streamline the process by which a lender receives a guaranty from the SBA. The program was designed to utilize, to the maximum extent possible, the existing documentation and procedures of participating lenders. Under the program, lenders are permitted to use their own application forms, internal credit memoranda, notes, collateral documents, servicing documentation, and liquidation documentation. The SBA made every effort to minimize the use of government mandated forms under this program.

Lenders participating in the pilot were authorized to attach an SBA guaranty to an approved loan without having to submit the loan to an SBA field office for a credit analysis or review. Loans were instead forwarded to

a centralized SBA processing center (Sacramento) for the assignment of an SBA loan number and a determination of borrower eligibility.

In return for this authority and autonomy, lenders agreed to limit the maximum loan amount to \$100,000, accept a maximum guaranty of 50 percent, and waive payment on defaulted loans until after the lender has completed liquidation and SBA has reviewed the underlying documentation supporting the loan.

Approximately 18 banks or bank holding companies have participated in the pilot, although together with their affiliates they number about 60 lenders. From its inception through July 18, 1997, 5,824 FASTRAK loans for \$243 million were approved. A preliminary review of the FASTRAK portfolio has been completed and no significant problems or adverse trends have been revealed in either the pilot's operation or the loss rates associated with the program. In addition, onsite reviews of several of the leading FASTRAK lenders did not indicate any apparent or systemic problems.

In considering what action we should take regarding the FASTRAK pilot, the Agency will look at a variety of issues including, but not limited to, the following: Should—

(1) The program be adopted as a permanent SBA loan program? (2) the program be limited to SBA "Preferred Lenders"? (3) if not, what criteria should be used to qualify FASTRAK lenders? (4) participants be encouraged/required to adopt electronic processing of FASTRAK loan applications via the Internet? (5) lines of credit loans revolve, for example, for a maximum of five years and then be "termed out" for as much as an additional five years? (6) the maximum loan amount under the program be increased? (7) interest rates for loans made under the program be subject to different limitations? (8) collateral be required for FASTRAK loans? and, (9) other regular 7(a) policies be changed for FASTRAK.

Hearing

To ensure the widest possible public participation, the SBA will hold a public hearing on this proposal in Washington, DC at the Small Business Administration at 409 3rd Street, SW., Washington, DC 20416. The meeting will be held on September 9, 1997, from 1:30 p.m. to 4:30 p.m. in the Eisenhower Conference Room.

Interested parties will be given a reasonable time for an oral presentation and may submit written statements of their oral presentation in advance. If you wish to make a presentation, please

contact Ms. Lula M. Gardner at (202) 205-6485 at least five days before the hearing. If a large number of participants desires to make statements, a time limitation on each presentation will be imposed.

Members of the hearing panel may ask questions of the speaker, but speakers will not be allowed to question each other. Please submit written questions in advance to the Chair. If the Chair determines them to be relevant, the Chair will direct them to the appropriate panel member.

Jane Palsgrove Butler,

Acting Associate Administrator for Financial Assistance.

[FR Doc. 97-22331 Filed 8-21-97; 8:45 am]

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SMALL BUSINESS ADMINISTRATION

Region V Wisconsin State Advisory Council Meeting; Public Meeting

The U.S. Small Business Administration Wisconsin State Advisory Council, located in the geographical area of Milwaukee, Wisconsin, will hold a public meeting from 12:00 p.m. to 1:00 p.m., August 25, 1997, at Metro Milwaukee Area Chamber (MMAC), Association of Commerce Building, 756 North Milwaukee Street, Fourth Floor—The Milwaukee Room, Milwaukee, Wisconsin, to discuss such matters as may be presented by members, staff of the U.S. Small Business Administration, or others present.

For further information, write or call Kimberly R. West, U.S. Small Business Administration, 310 W. Wisconsin Ave., Room 400, Milwaukee, Wisconsin 53029, telephone (414) 297-1092.

Dated: August 15, 1997.

Eugene Carlson,

Associate Administrator, Office of Communications & Public Liaison.

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DEPARTMENT OF STATE

[Public Notice 2587]

Office of Foreign Missions (OFM); Information Collection Under Review

Office of Management and Budget (OMB) approval is being sought for the information collection listed below. The purpose of this notice is to allow 60 days for public comments from the date listed at the top of this page in the **Federal Register**. This process is conducted in accordance with 5 Code of Federal Regulation, part 1320.10.