

available for inspection and copying in the Commission's Public Reference Section, 450 Fifth Street, NW., Washington, DC 20549. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-PCX-2005-02 and should be submitted on or before March 4, 2005.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>12</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. E5-582 Filed 2-10-05; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-51144; File No. SR-Phlx-2004-84]

### Self-Regulatory Organizations; Philadelphia Stock Exchange, Inc.; Order Granting Approval to Proposed Rule Change To Eliminate the Public Order Exposure System Functionality From Phlx Rule 229

February 7, 2005.

On November 26, 2004, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to eliminate the Public Order Exposure System ("POES") functionality from Phlx Rule 229. The proposed rule change was published for comment in the **Federal Register** on December 29, 2004.<sup>3</sup> The Commission received no comments on the proposal.

Currently, Phlx Rule 229, Supplementary Material .05, provides that if the PACE<sup>4</sup> Quote<sup>5</sup> at the time of

the entry of an order into the system reflects a point spread of more than \$.05, round-lot market orders up to 500 shares and PRL<sup>6</sup> market orders up to 599 shares will be stopped at the PACE Quote at the time of entry into the system ("Stop Price") and be subject to a delay of up to 30 seconds from being executed in order to receive an opportunity for price improvement. During that time, specialists may, but are not required to, improve the execution price of the order to a price better than the Stop Price. Phlx proposes to amend Phlx Rule 229 to eliminate the POES functionality. As a result, orders that would have been subject to POES will be automatically executed at the PACE quote without a 30-second delay.

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.<sup>7</sup> In particular, the Commission believes that the proposal is consistent with Section 6(b)(5) of the Act,<sup>8</sup> which requires that the rules of an exchange be designed, among other things, to promote just and equitable principles of trade, to perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Under the proposed rule change, orders that would have been subject to a 30-second delay will now be automatically executed at the PACE quote, thereby improving order turnaround time and reducing the number of manual orders. The Commission notes that specialists will still be able to offer price improvement through the Exchange's Automatic Price Improvement feature, where applicable, and through manual price improvement when certain conditions are met.<sup>9</sup>

*It is therefore ordered*, pursuant to section 19(b)(2) of the Act,<sup>10</sup> that the proposed rule change (File No. SR-Phlx-2004-84) be, and it hereby 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. E5-583 Filed 2-10-05; 8:45 am]

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## SMALL BUSINESS ADMINISTRATION

[License No. 09/79-0456]

### HorizonVentures Fund II, L.P.; Notice Seeking Exemption Under Section 312 of the Small Business Investment Act, Conflicts of Interest

Notice is hereby given that Horizon Ventures Fund II, L.P., 4 Main Street, Suite 50, Los Altos, CA 94022, a Federal Licensee under the Small Business Investment Act of 1958, as amended ("the Act"), in connection with the financing of a small concern, has sought an exemption under Section 312 of the Act and Section 107.730, Financials which Constitute Conflicts of Interest of the Small Business Administration ("SBA") Rules and Regulations (13 CFR 107.730). Horizon Ventures Fund II, L.P. proposes to provide equity/debt security financing to iWatt, Inc.. The financing is contemplated for operating expenses and for general corporate purposes.

The financing is brought within the purview of § 107.730(a)(1) of the Regulations because Horizon Ventures Fund I, L.P. and Horizon Ventures Advisors Fund I, L.P., both Associates of Horizon Ventures Fund II, L.P., own more than ten percent of iWatt, Inc.

Notice is hereby given that any interested person may submit written comments on the transaction to the Associate Administrator for Investment, U.S. Small Business Administration, 409 Third Street, SW., Washington, DC 20416.

Dated: January 11, 2005.

**Jaime Guzman-Fournier,**

*Acting Associate Administrator for Investment.*

[FR Doc. 05-2666 Filed 2-10-05; 8:45 am]

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## SMALL BUSINESS ADMINISTRATION

### Region 1—Maine District Advisory Council; Public Meeting

The U.S. Small Business Administration, Maine District Advisory Council, located in the geographical area of Augusta, Maine, will be hosting a public meeting to discuss such matters as may be presented by members, staff

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

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

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

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Securities Exchange Act Release No. 50901 (December 21, 2004), 69 FR 78089 ("Notice").

<sup>4</sup> PACE is the Exchange's automated order routing, delivery, execution and reporting system for equities. See Phlx Rule 229.

<sup>5</sup> The PACE Quote means the best bid/ask quote among the American, Boston, National, Chicago, New York, or Philadelphia Stock Exchanges; the Pacific Exchange; or the Intermarket Trading System/Computer Assisted Execution System

("ITS/CAES") quote, as appropriate. See Phlx Rule 229.

<sup>6</sup> PRL means a combined round-lot and odd-lot order. See Phlx Rule 229.

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

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

<sup>9</sup> See Notice.

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