

thirtieth day after the date of publication of notice thereof in the Federal Register. Specifically, Amendment No. 1 proposes a minimum guaranteed right of participation of at least 25% of the trade to Exchange members who initiate Request for Quotes in respect of FLEX Equity Options, as described above. The Commission believes that the amendment is similar to existing provisions in the Exchange rules regarding FLEX Index Options and raises no new regulatory issues.

Furthermore, Amendment No. 1 proposes to conform the PSE's rules concerning the selection of underlying securities for FLEX Equity Option trading, as described above, to the proposed rules of other exchanges on the same subject, and raises no new regulatory issues. Additionally, the Amex and Phlx proposals were subject to a full notice and comment period, and no comments were received. Accordingly, the Commission believes, consistent with Section 6(b)(5) of the Act, that good cause exists, to approve Amendment No. 1 to the proposed rule change, on an accelerated basis.

The Commission finds good cause for approving Amendment No. 2 to the proposed rule change prior to the thirtieth day after the date of publication of notice thereof in the Federal Register. Specifically, Amendment No. 2 proposes certain non-substantive amendments to PSE Rule 8.103(e)(3) to clearly distinguish which particular guaranteed minimum right of participation is available to a FLEX Equity Option and which is available to FLEX Index Option. The Commission believes that Amendment No. 2 is a non-substantive amendment and raises no new regulatory issues. Moreover, the Commission believes that the amendment clarifies and strengthens the proposed rule change and the Exchange's FLEX Option rules, generally.

Accordingly, the Commission believes, consistent with Section 6(b)(5) of the Act, that good cause exists, to approve Amendment No. 2 to the proposed rule change, on an accelerated basis.

The Commission finds good cause for approving Amendment No. 3 to the proposed rule change prior to the thirtieth day after the date of publication of notice thereof in the Federal Register. Specifically, the Exchange proposes to amend PSE Rule 8.101(a) to allow FLEX transactions during normal Exchange options trading hours on any business day; provided however, that the Board of Governors, in its discretion at any time, may, with

normal trading hours, determine to narrow or otherwise restrict the time set for FLEX options trading. The Commission believes that the Exchange's proposal to allow FLEX transactions during normal Exchange options trading hours on any business day, as described above, is similar to that provided under other options exchanges' rules regarding FLEX trading hours and raises no new regulatory issues.

Accordingly, the Commission believes, consistent with Section 6(b)(5) of the Act, that good cause exists, to approve Amendment No. 3 to the proposed rule change, on an accelerated basis.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning Amendment Nos. 1, 2, and 3 to the proposed rule change. 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 submission, 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 person, 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 PSE. All submissions should refer to File No. SR-PSE-96-11 and should be submitted by July 18, 1996.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,²¹ that the proposed rule change (File No. SR-PSE-96-11), as amended, is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.²²

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96-16366 Filed 6-26-96; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-37335; File No. SR-PSE-96-09]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Pacific Stock Exchange Incorporated Relating to the Options Book Pilot Program

June 19, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on April 1, 1996, the Pacific Stock Exchange Incorporated ("PSE" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The Exchange filed Amendment No. 1 to the proposed rule change on June 4, 1996.² The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The PSE proposes to establish a pilot program under which its Lead Market Makers ("LMMs") would be able to assume operational responsibility for the options public limit order book ("Book") in certain issues.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in Sections (A), (B), and (C) below, of the most significant aspects of such statements.

¹ 15 U.S.C. 78s(b)(1) (1988).

² Amendment No. 1 adds a provision to proposed PSE Rule 6.82, Commentary .05 stating that no Market Maker Cooperatives may participate as LMMs in the pilot program. Amendment No. 1 also replaces a PSE Rule 6.82, Commentary .05 reference to "April __, 1997" as the proposed expiration date for the pilot program, with a reference to "[Date]". Letter from Michael D. Pierson, Senior Attorney, Market Regulation, PSE, to Michael Walinskas, Special Counsel, Office of Market Supervision ("OMS"), Division of Market Regulation ("Division"), Commission, dated June 4, 1996 ("Amendment No. 1").

²¹ 15 U.S.C. 78s(b)(2).

²² 17 CFR 200.30-3(a)(12).

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

The Exchange proposes to amend its rules governing LMMs to allow some LMMs to manage the Book function in certain designated issues. The program would be implemented on a limited basis, involving no more than three LMMs and no more than forty option symbols in total,³ during a one-year pilot phase. No Market Maker Cooperatives would be permitted to participate in the pilot.⁴ The Exchange would evaluate the program, and, six months prior to its expiration, would determine whether to modify it and whether to seek permanent approval from the Commission. Under the pilot, the designated LMMs would manage the Book function, take responsibility for trading disputes and errors, set rates for Book execution, and pay the Exchange a fee for systems and services.

The LMMs who participate during the pilot phase would be selected by the Options Floor Trading Committee based on some or all of the following factors: experience with trading an option issue as a Market Maker or LMM and willingness to assume LMM responsibilities; trading volume of the issue(s); adequacy of capital; willingness to promote the Exchange as a marketplace; history of adherence to Exchange rules and securities laws; trading crowd/LMM evaluations conducted pursuant to Options Floor Procedure Advice B-13; and ability to manage the Book operation. Only dually or multiply traded option issues would be eligible during the pilot phase.

The Exchange proposes to amend its Rule 6.82 to provide that, subject to the approval of the Exchange, LMMs would be eligible to perform all functions of the Order Book Official ("OBO") in designated option issues pursuant to Rules 6.51 through 6.59. In that regard, the Exchange would allow the LMM to use Exchange personnel to assist the LMM in performing the OBO function, and the Exchange would charge the LMM a reasonable fee for such use of Exchange personnel. If the program is made permanent, LMMs would be

responsible for hiring and maintaining their own employees, but the Exchange would provide employees to assist LMMs when necessary due to market conditions. In all cases, however, employees working in the Book operation would be subject to all policies and procedures established by the Exchange. In addition, the LMM would resolve trading disputes, subject to the review of two Floor Officials upon the request of any party to such dispute. The LMM also would be required to disclose Book information to Members upon request, pursuant to PSE Rule 6.57.

With regard to their duties as market makers, LMMs would be required to perform all obligations provided in Rules 6.35 through 6.40 and 6.82. In addition, in executing transactions for their own "Market Maker" accounts, LMMs would have a right to participate pro rata with the trading crowd in trades that take place at the LMM's principal bid or offer.

The proposal further provides that if the Options Allocation Committee decides to reallocate an issue to the market maker system pursuant to PSE Rule 6.82(f)(2), the terminated LMM may receive a proportionate share of the net Book revenues, not to exceed one-half, for any period specified by the Options Appointment Committee up to a maximum of five years. Such award would take into account various factors, including: the length of the time of LMM service; the LMM's capital commitment; efforts expended as LMM; activity level of the issue when the LMM assumed responsibility for the Book function; and other relevant factors. The Exchange intends to develop a procedure for determining "net Book revenues" and specific guidelines for the Options Appointment Committee to follow in determining the amount of net Book revenues, if any, to be awarded.

Finally, the proposal specifies that LMMs who perform the function of an Order Book Official pursuant to PSE Rule 6.82(h) shall maintain "minimum net capital," as provided in Rule 15c3-1 under the Act,⁵ and also shall maintain a cash or liquid asset position of at least \$500,000, plus \$25,000 for each issue over five issues for which they perform the function of an OBO.

The Exchange believes that the proposal is consistent with Section 6(b) of the Act, in general, and Section 6(b)(5), in particular, in that it is designed to facilitate transactions in securities, to promote just and equitable

principles of trade, and to protect investors and the public interest.

(B) Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

(C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

Written comments on the proposed rule change were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 35 days of the date of publication of this notice in the Federal 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 self-regulatory organization consents, the Commission will:

(a) By order approve such 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. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Copies of the submission, 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 person, 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, NW., Washington, DC. Copies of such filing will also be available for inspection and copying at the principal office of the above-mentioned self-regulatory organization. All submissions should refer to File No. SR-PSE-96-09 and should be submitted by July 8, 1996.

³ Telephone conversation between Michael D. Pierson, Senior Attorney, PSE, and Michael Walinskas, Special Counsel, OMS, Division, Commission, on June 4, 1996.

Each option issue typically has only one symbol associated with it, unless LEAPs are traded on that issue, in which case there usually would be two additional symbols related to the issue, or unless a contract adjustment is necessary due, for example, to a merger or stock split, in which case one additional symbol usually would be added.

⁴ Amendment No. 1, *supra* note 2.

⁵ 17 CFR 240.15c3-1.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁶

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 96-16370 Filed 6-26-96; 8:45 am]

BILLING CODE 8010-01-M

SOCIAL SECURITY ADMINISTRATION

Supplementary Agreement on Social Security Between the United States and Germany; Entry Into Force

The Commissioner of Social Security gives notice that a supplementary agreement entered into force on May 1, 1996, which amends the Social Security agreement between the United States (U.S.) and Germany that has been in effect since December 1, 1979. The supplementary agreement, which was signed on March 6, 1995, was concluded pursuant to section 233 of the Social Security Act.

The supplementary agreement updates and clarifies several provisions in the original U.S.-German Social Security agreement. Its primary purpose, however, is to permit the payment of German benefits to certain ethnic German Jews who migrated to the U.S. from parts of Eastern Europe that were overrun by the Nazis. People who qualify will receive monthly Social Security benefits from Germany based on the time they spent working in their former homelands, even though they may never have worked in Germany.

Individuals who wish to obtain copies of the supplementary agreement or want general information about its provisions may write to the Social Security Administration, Office of International Policy, Post Office Box 17741, Baltimore, Maryland 21235. Individuals who wish to obtain information about the provisions affecting ethnic German Jews from Eastern Europe should contact the nearest German consulate.

Dated: June 10, 1996.

Shirley S. Chater,

Commissioner of Social Security.

[FR Doc. 96-16403 Filed 6-26-96; 8:45 am]

BILLING CODE 4190-29-P

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster Loan Area #2852]

Illinois; Declaration of Disaster Loan Area (Amendment #4)

In accordance with a notice from the Federal Emergency Management Agency

dated June 14, 1996, the above-numbered Declaration is hereby amended to include Champaign County in the State of Illinois as a disaster area due to damages caused by severe storms and flooding beginning on April 28, 1996 and continuing through May 17, 1996.

In addition, applications for economic injury loans from small businesses located in the contiguous counties of Ford and McLean in the State of Illinois may be filed until the specified date at the previously designated location.

All other information remains the same, i.e., the termination date for filing applications for physical damage is July 5, 1996, and for loans for economic injury the deadline is February 6, 1997.

(Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008.)

Dated: June 19, 1996.

Bernard Kulik,

Associate Administrator for Disaster Assistance.

[FR Doc. 96-16428 Filed 6-26-96; 8:45 am]

BILLING CODE 8025-01-P

Declaration of Disaster Loan Area #2859, (Amendment #1); West Virginia

In accordance with a notice from the Federal Emergency Management Agency, effective June 5, 1996, the above-numbered Declaration is hereby amended to expand the type of incident for this disaster to include damages resulting from wind driven rain and mudslides, and to expand the incident period to May 15, 1996 and continuing.

All other information remains the same, i.e., the termination date for filing applications for physical damage is July 22, 1996, and for loans for economic injury the deadline is February 24, 1997.

(Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008)

Dated: June 19, 1996.

Bernard Kulik,

Associate Administrator for Disaster Assistance.

[FR Doc. 96-16422 Filed 6-26-96; 8:45 am]

BILLING CODE 8025-01-P

Revocation of License; Small Business Investment Company

Pursuant to the authority granted to the United States Small Business Administration by the Order of the United States District Court for the Northern District of Oklahoma, dated June 12, 1986, the United States Small Business Administration hereby revokes the license of Bartlesville Investment Corporation, a Oklahoma Corporation, to function as a small business

investment company under the Small Business Investment Company License No. 06/10-0139 issued to Bartlesville Investment Corporation on February 28, 1964 and said license is hereby declared null and void as of February 26, 1996.

United States Small Business Administration.

Dated: June 20, 1996.

Don A. Christensen,

Associate Administrator for Investment.

[FR Doc. 96-16426 Filed 6-26-96; 8:45 am]

BILLING CODE 8025-01-P

Revocation of License of Small Business Investment Company

Pursuant to the authority granted to the United States Small Business Administration by the Order of the United States District Court of New Mexico, dated March 21, 1988, the United States Small Business Administration hereby revokes the license of Fluid Capital Corporation, a New Mexico Corporation, to function as a small business investment company under the Small Business Investment Company License No. 06/06-0224 issued to Fluid Capital Corporation on November 2, 1979 and said license is hereby declared null and void as of January 16, 1996.

United States Small Business Administration.

Dated: June 20, 1996.

Don A. Christensen,

Associate Administrator for Investment.

[FR Doc. 96-16427 Filed 6-26-96; 8:45 am]

BILLING CODE 8025-01-P

Revocation of License of Specialized Small Business Investment Company

Pursuant to the authority granted to the United States Small Business Administration by the Order of the United States District Court of New Mexico, dated March 21, 1988, the United States Small Business Administration hereby revokes the license of Fluid Financial Corporation, a New Mexico Corporation, to function as a specialized small business investment company under the Small Business Investment Company License No. 06/06-5249 issued to Fluid Financial Corporation on December 10, 1982 and said license is hereby declared null and void as of January 16, 1996.

United States Small Business Administration.

⁶ 17 CFR 200.30-3(a)(12).