

2. Section 17(b) of the Act authorizes the Commission to exempt any person from one or more of the provisions of Section 17(a) if evidence establishes that (1) the terms of the transaction, including the consideration to be paid or received, are reasonable and fair and do not involve overreaching on the part of any person concerned; (2) the proposed transaction is consistent with the policy of each registered investment company concerned; and (3) the proposed transaction is consistent with the general purposes of the Act.

3. Applicants contend that the Exchange will permit partners to pursue, as shareholders of the Fund, substantially the same investment objective and policies they were expecting from the partnership without sacrificing the pass-through tax features of the Partnership. In addition, shareholders of the Fund will be able to purchase and redeem shares on each business day, as opposed to only once per month as is currently provided under the Partnership Agreement.

4. Applicants assert that the terms of the Exchange should be considered reasonable and fair to the Partnership, to the Company, and to the limited partners who, with TAMCO, will be the initial shareholders of the Fund, and should not be considered to involve overreaching on the part of any applicant, for the following reasons:

(a) The investment objectives and policies of the Fund are substantially similar to that of the partnership.

(b) No brokerage commission, fee or other remuneration will be paid in connection with the Exchange.

(c) If effected in the manner described in the application, the Exchange will result in no gain or loss being recognized by partners of the Partnership. The partners of the Partnership will become investors in an entity that offers greater liquidity and other advantages, without immediate tax consequences and without having incurred transaction and brokerage charges in order to do so.

(d) A majority of the members of the Board, including a majority of the Independent Directors, and the general partner of the Partnership have approved the Exchange.

(e) Fund shares will be issued at their net asset value.

5. Applicants believe that the terms of the proposed Exchange are consistent with the provisions, policies and purposes of the Act in that they are reasonable and fair to all parties, do not involve overreaching, and are consistent with the investment policies of each of the applicants.

For the SEC, by the Division of Investment Management, under delegated authority.

Margaret H. McFarland,

*Deputy Secretary.*

[FR Doc. 96-29516 Filed 11-18-96; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-37941; File No. SR-NYSE-96-26]

**Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change and Amendment No. 1 to the Proposed Rule Change by the New York Stock Exchange, Inc., Relating to NYSE Rules 342, "Offices—Approval, Supervision and Control," 440, "Books and Records," and 472, "Communications With the Public"**

November 13, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. 78s(b)(1), notice is hereby given that on September 12, 1996, the New York Stock Exchange, Inc. ("NYSE" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II and III below, which Items have been prepared by the self-regulatory organization.<sup>1</sup> 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**

Currently, Supplementary Material .16, "Supervision of registered representatives," to NYSE Rule 342, "Offices—Approval, Supervision, and Control," requires supervisors to review the correspondence of registered representatives. The NYSE proposes to amend Exchange Rule 342.16 to provide

<sup>1</sup> On November 7, 1996, the NYSE amended NYSE Rule 440, "Books and Records," to indicate that members must preserve books and records as required under SEC Rule 17a-3 and comply with the recordkeeping format, medium and retention period specified in SEC Rule 17a-4. In addition, the NYSE amended paragraph (c) of NYSE Rule 472, "Communications with the Public," to clarify that records retained must be readily available to the Exchange, upon request. See Letter from James E. Buck, Senior Vice President and Secretary, NYSE, to Katherine A. England, Assistant Director, Division of Market Regulation ("Division"), Commission, dated November 6, 1996 ("Amendment No. 1"). In addition, the NYSE submitted a draft of an information memo to members which explains the proposed changes to the Exchange's rules governing supervision and review of communications with the public. See Letter from Donald Van Weezel, Managing Director, Regulatory Affairs, NYSE, to Katherine A. England, Assistant Director, Division, Commission, dated November 5, 1996 ("NYSE Information Memo").

that the supervision of registered representatives will ordinarily include, among other things, reasonable procedures for review of registered representatives' communications with the public relating to their business. Under NYSE Rule 342.16, as amended, such policies and procedures should be in writing and be designed to reasonably supervise each registered representative. The NYSE also proposes to adopt NYSE Rule 342.17, "Review of communications with the public," which will require members to develop written policies and procedures for review of public communications relating to their business that are appropriate for the member's business, size, structure and customers. The Exchange proposes to amend NYSE Rule 472, "Communications with the Public," to require prior approval of each advertisement, market letter, sales literature, or other similar communication which is generally distributed or made available to customers or the public, rather than require prior approval of any communication which is generally distributed or made available to customers or the public. In addition, NYSE Rule 472, as amended, provides that research reports must be approved in advance by a supervisory analyst. Finally, the NYSE proposes to amend Exchange Rule 440, "Books and Records," to indicate that members must preserve books and records as required under SEC Rule 17a-3 and comply with the recordkeeping format, medium and retention period specified in SEC Rule 17a-4.

The text of the proposed rule change is available at the office of the Secretary, NYSE, and at the Commission.

**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.

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

(a) Purpose

According to the NYSE, new technology and new means of communication (e.g., e-mail and the Internet) have and will continue to impact and change the way member organizations and their associated persons conduct business and communicate with customers and other members of the public. The NYSE states that the Exchange has been working with a committee composed of member organization representatives to study questions that have arisen as a result of those communications means with emphasis on supervision and review. As a result, the Exchange has developed and is proposing amendments to NYSE Rules, 342, 440, and 472.

NYSE Rule 342.16, as amended, will provide that supervision of registered representatives will ordinarily include, among other things, reasonable procedures for review of registered representatives' communications with the public relating to a member or member organization's business. The proposal states that such policies and procedures should be in writing and designed to provide reasonable supervision of each registered representative. Evidence that the supervisory policies and procedures have been implemented and carried out must be maintained and made available to the NYSE upon request. In developing supervisory systems, the NYSE notes that members should specify, among other things, what is to be pre- or post-reviewed, the level and qualifications of persons who will conduct the reviews, the frequency of review, and how the review will be evidenced.<sup>2</sup>

New NYSE Rule 342.17 will require each member and member organization to develop written policies and procedures for review of incoming and outgoing communications with the public relating to its business, tailored to its structure and the nature and size of its business and customer base.<sup>3</sup>

<sup>2</sup> See NYSE Information memo, *supra* note 1.

<sup>3</sup> In developing supervisory procedures for the review of communications with the public, the NYSE notes that members should consider the appropriateness of implementing uniform firm-wide procedures or procedures tailored to specifics (e.g., functions, offices/locations, individuals, groups of persons or specific registration categories). In this regard, the NYSE states that members may consider such factors as "the number, size and location of offices, the volume of communications overall and in specific areas of the organization, the activities conducted by registered

Under the proposal, prior review of outgoing correspondence (other than research reports and advertisements; market letters, sales literature, and similar types of communication) and review of all incoming correspondence will no longer be required.<sup>4</sup> However, any organization that does not conduct pre-use review (whether electronic or manual) will be required to:

- Regularly educate and train employees as to the organization's current policies and procedures governing review of communications;
- Document how and when employees are educated and trained; and
- Monitor and test to ensure implementation and compliance with such policies and procedures.

The NYSE proposes to amend NYSE Rule 472(a) to clarify the types of communications that will continue to require pre-use approval (e.g., advertisements, market letters, sales literature, and other similar types of communications).<sup>5</sup> In addition, the NYSE proposes to amend Exchange Rule 472(b) to clarify that research reports must continue to be prepared or approved *in advance* by a supervisory analyst. The Exchange notes that pre-approval of "any" communication which is distributed or made available to customers or the public will no longer be required.<sup>6</sup> The NYSE proposes to amend Exchange Rule 472(c) to provide that the names of persons who prepared and who reviewed and approved communications with the

representatives and other applicable persons, the nature and extent of training provided, the complaint and overall disciplinary record, if any, of registered representatives and other applicable persons (with particular emphasis on complaints regarding written or oral communications with clients) and the overall experience levels of applicable persons using communications media." See NYSE Information Memo, *supra* note 1.

<sup>4</sup> The NYSE plans to delete from the *NYSE Interpretation Handbook* interpretation /04 to NYSE Rule 342 (a) and (b) regarding review and retention of incoming mail. See Letter from Don Van Weezel, Managing Director, Regulatory Affairs, NYSE, to Katherine A. England, Assistant Director, Division, Commission, dated November 5, 1996. The NYSE states that members' supervisory systems should provide specific processes for the receipt and handling of incoming checks and customer complaints as well as standards for communications to include permitted and prohibited activities and any restrictions imposed by the member upon such communications. See NYSE Information Memo, *supra* note 1.

<sup>5</sup> Specifically, under NYSE Rule 472, as amended, each advertisement, market letter, sales literature or other similar type of communication which is generally distributed or made available by a member to customers or the public must be approved in advance. In addition, research reports must be prepared or approved in advance by a supervisory analyst.

<sup>6</sup> See proposed NYSE Rule 342.17 requirements for organizations not conducting pre-use reviews.

public must be readily ascertainable from the retained records.

The standards for communications set forth in NYSE rule 472 will continue to apply to *all* communications regardless of the transmission medium used or the policies and procedures for review and supervision adopted by members and member organizations pursuant to NYSE Rule 342.

Finally, the NYSE proposes to amend Exchange Rule 440 to recognize that members must preserve books and records as required under SEC Rule 17a-3 and comply with the recordkeeping format, medium and retention period specified in SEC Rule 17a-4.

(b) Basis

The NYSE believes that the proposed rule change is consistent with the requirements of the Act and, in particular, furthers the objectives of Section 6(b)(5), in that it is designed to prevent fraudulent acts and practices, to promote just and equitable principles of trade and, in general, to protect investors and the public interest. In addition, the NYSE believes that the proposed amendment to NYSE Rule 440 ensures compliance with Rules 17a-3 and 17a-4 under the Act.

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

The Exchange believes that the proposed rule change will not 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*

No written comments were either solicited or 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 reason 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, 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 at the Commission's Public Reference Section, 450 Fifth Street, N.W., Washington, D.C. 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 the file number SR-NYSE-96-26 and should be submitted by December 10, 1996.

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

Margaret H. McFarland,  
*Deputy Secretary.*

[FR Doc. 96-29550 Filed 11-18-96; 8:45 am]

BILLING CODE 8010-01-M

#### SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster Loan Area #2895]  
[Amendment #6]

#### Declaration of Disaster Loan Area; Virginia

In accordance with a notice from the Federal Emergency Management Agency, dated October 24, 1996, the above-numbered Declaration is hereby amended to extend the deadline for filing applications for physical damage as a result of this disaster to November 15, 1996. This deadline extension applies only to the following jurisdictions in the Commonwealth of Virginia: the Counties of Albemarle, Alleghany, Amherst, Appomattox, Augusta, Botetourt, Brunswick, Campbell, Charlotte, Clarke, Culpeper, Cumberland, Fauquier, Franklin, Frederick, Greene, Greensville, Halifax, Henry, Highland, Louisa, Lunenburg, Madison, Mecklenburg, Montgomery, Nelson, Orange, Page, Pittsylvania,

Prince Edward, Rappahannock, Roanoke, Rockbridge, Rockingham, Shenandoah, Stafford, Warren, and Westmoreland; and the Independent Cities of Bedford, Buena Vista, Charlottesville, Danville, Emporia, Harrisonburg, Lexington, Lynchburg, Martinsville, Staunton, and Waynesboro.

All other information remains the same, i.e., the deadline for filing applications for loans for economic injury is June 9, 1997.

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

Dated: November 12, 1996.

James Rivera,

*Acting Associate Administrator for Disaster Assistance.*

[FR Doc. 96-29515 Filed 11-18-96; 8:45 am]

BILLING CODE 8025-01-P

#### Senior Executive Service Performance Review Board; List of Members

**AGENCY:** U.S. Small Business Administration.

**ACTION:** Listing of Personnel Serving as Members of this Agency's Senior Executive Service Performance Review Boards.

**SUMMARY:** Section 4314(c)(4) of Title 5, U.S.C. requires that Federal agencies publish notification of the appointment of individuals who serve as members of that Agency's Performance Review Boards (PRB). The following is a listing of those individuals currently serving as members of this Agency's PRB:

1. John T. Spotila, General Counsel
2. Antonella Pianalto, Associate Deputy Administrator for Management and Administration
3. Mary K. Swedin, Assistant Administrator for Congressional and Legislative Affairs
4. Carolyn J. Smith, Assistant Administrator for Human Resources
5. Bernard Kulik, Associate Administrator for Disaster Assistance
6. Francisco A. Marrero, District Director, Newark
7. Erlene M. Patrick, Assistant Administrator for Equal Employment Opportunity and Civil Rights Compliance
8. Calvin Jenkins, Associate Administrator for Minority Small Business and Capital Ownership Development
9. Aubrey Rogers, District Director, New York
10. Patricia Forbes, Acting Associate Deputy Administrator for Economic Development

11. Jeanne E. Saddler, Counselor to the Administrator
12. Mona K. Mitnick, Assistant Administrator for Hearings & Appeals
13. Lawrence E. Barrett, Assistant Administrator for Information Resources Management
14. John M. Quinn, District Director, San Francisco

Dated: November 4, 1996.

Philip Lader,

*Administrator.*

[FR Doc. 96-29514 Filed 11-18-96; 8:45 am]

BILLING CODE 8025-01-M

#### DEPARTMENT OF STATE

[Public Notice No. 2470]

#### United States International Telecommunications Advisory Committee (ITAC), Standardization Sector (ITAC-T), National Study Group; Meeting Notice

The Department of State announces that the United States International Telecommunications Advisory Committee (ITAC), Telecommunications Standardization Sector (ITAC-T) National Study Group will meet on December 11, 1996, from 9:30 a.m. to 4:00 p.m. in Room 1205 at the Department of State, Washington, D.C.

The U.S. National group, ITAC-T, will meet to discuss the future activities of the ITU-T Study Groups, the alignment of U.S. National Study Groups A, B, C, & D with the new study structure of the ITU-T, initial preparations for the upcoming March 3-7, 1997 TSAG meeting, and other issues relating to the recent decisions taken by the World Telecommunications Standardization Conference (WTSC), Geneva, October 9-18, 1996.

Members of the General Public may attend the meetings and join in the discussions, subject to the instructions of the chair. Admittance of public members will be limited to the seating available. In this regard, entrance to the Department of State is controlled. Questions regarding the meeting may be addressed to Mr. Earl Barbely at 202-647-0197. If you wish to attend please send a fax to 202-647-7407 not later than 5 days before the scheduled meetings. Please include your name, Social Security number and date of birth. One of the following valid photo ID's will be required for admittance: U.S. driver's license with picture, U.S. passport, U.S. government ID (company ID's are no longer accepted by Diplomatic Security). Enter from the "C" Street Main Lobby.

<sup>7</sup> 17 CFR 200.30-3(a)(12) (1995).