

Company Guide. The Commission believes that Amendment No. 1 clarifies and strengthens the Exchange's proposal by providing additional information, similar to that provided for other MITTS products previously approved by the Commission, and by stating the specific continued listing guidelines that will apply to H/B MITTS which should help to ensure a minimal level of depth and liquidity for continued trading of the product on the Amex. The Commission believes that Amendment No. 2 also clarifies the Exchange's proposal by providing that no adjustments to the share multiplier for a component stock will be made in the event of merger, consolidation, dissolution or liquidation of an issuer. Accordingly, the Commission believes it is consistent with Section 6(b)(5) of the Act to approve Amendment Nos. 1 and 2 on an accelerated basis.

Interested persons are invited to submit written data, views and arguments concerning Amendment Nos. 1 and 2. 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 Amex. All submissions should refer to File No. SR-Amex-96-27 and should be submitted by October 28, 1996.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,³⁰ that the proposed rule change (File No. SR-Amex-96-27), as amended, is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.³¹

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 96-25623 Filed 10-4-96; 8:45 am]

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[Release No. 34-37752; File No. SR-MBSCC-96-04]

Self-Regulatory Organizations; MBS Clearing Corporation; Order Approving a Proposed Rule Change to Establish Term Limits for the Chairman of the Board of Directors

September 30, 1996.

On June 24, 1996, MBS Learning Corporation; Order Approving a Proposed Rule Change to Establish Term Limits for the Chairman of the Board of Directors

On June 24, 1996, MBS Clearing Corporation ("MBSCC") filed with the Securities and Exchange Commission ("Commission") a proposed rule change (File No. SR-MBSCC-96-06) pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act") to establish term limits for the chairman of MBSCC's Board of Directors.¹ Notice of the proposal was published in the Federal Register On August 14, 1996.² No comment letters were received. For the reasons discussed below, the Commission is approving the proposed rule change.

I. Description

The rule change amends Section 5.3 of MBSCC's by-laws, regarding the term of office, removal, and vacancies of officers, to limit the term of office for the Chairman of the Board to not more than four consecutive one-year terms.

II. Discussion

Section 17A(b)(3)(C)³ of the Act requires that the rules of a clearing agency be designed to assure a fair representation of its shareholders or members and participants in the selection of its directors and administration of its affairs. The Commission believes that MBSCC's rule change is consistent with MBSCC's obligations under the Act because it should create greater diversity in the individuals who will serve as MBSCC's Chairman of the Board and thereby should promote the fair representation of participants in the administration of MBSCC's affairs.

III. Conclusion

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of the Act and in particular with the requirements of Section 17A of the Act and the rules and regulations thereunder.

¹ U.S.C. § 78s(b)(1) (1988).

² Securities Exchange Act Release No. 37541 (August 8, 1996), 61 FR 42298.

³ 15 U.S.C. § 78q-1(b)(3)(C) (1988).

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR-MBSCC-96-04) be, and hereby is, approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁴

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 96-25620 Filed 10-4-96; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-37767; File No. SR-PSE-96-29]

Self-Regulatory Organizations; Pacific Stock Exchange, Inc.; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change and Amendment No. 1 Thereto Relating to a One-Year Extension of the Lead Market Maker System Pilot Program

September 30, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on August 22, 1996, the Pacific Stock Exchange, Inc. ("PSE" or "Exchange") submitted to the Securities and Exchange Commission ("Commission") the proposed rule change described in Items I and II below, which items have been prepared by the PSE. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons and to grant accelerated approval of the proposed rule change and an amendment thereto.

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

Commentary .01 to PSE Rule 6.82, "Lead Market Maker Pilot Program," states that the PSE's Lead Market Maker ("LMM") system pilot program will expire on September 30, 1996. The PSE proposes to amend Commentary .01 to extend the pilot program, so that it will be set to expire on September 30, 1997.³

⁴ 17 CFR 200.30-3(a)(12) (1996).

¹ 15 U.S.C. 78s(b)(1) (1988).

² 17 CFR 240.19b-4 (1994).

³ The PSE originally submitted a request for permanent approval of its Lead Market Maker ("LMM") System Pilot Program. On September 30, 1996, the PSE submitted Amendment No. 1 to the proposed rule change. See Letter from Michael Pierson, Senior Attorney, Regulatory Policy, Pacific Stock Exchange, to Janet Russell-Hunter, Special Counsel, Division of Market Regulation, SEC, dated September 30, 1996. In Amendment No. 1, the PSE withdrew the provision requesting permanent approval of the LMM pilot program and requested a one-year extension of the pilot program. The PSE

Continued

³⁰ 15 U.S.C. 78s(b)(2)

³¹ 17 CFR 200.30-3(a)(12).

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

On January 17, 1990, the Commission approved the Exchange's LMM System on a pilot program basis.⁴ Since that time, the Commission has approved extensions to the pilot program.⁵ The pilot program is currently set to expire on September 30, 1996.

In connection with its filing with the Commission, the Exchange included a pilot program report for the period August 18, 1995 to July 18, 1996.⁶ In its report, the Exchange indicated that it believes, based on the pilot's performance, that the LMM System is viable and effective and that continuation of the pilot program is warranted based on the importance of maintaining the quality, efficiency, and competitiveness of the Exchange's markets in a multiple trading environment.

The Exchange believes that its 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 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

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) of the Act⁷ that the rules of an exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts, and, in general, to protect investors and the public. The Commission concludes, as it did in approving the LMM pilot program, that the pilot program may enhance the market making mechanism on the PSE, thereby improving the markets for listed options on the Exchange. Specifically, the Commission believes that the LMM pilot may improve the PSE's market making capabilities by creating long-term commitments to options classes. Moreover, the pilot program will continue with adequate due process safeguards in the LMM selection and termination procedures and will retain procedures that prevent the misuse of material non-public LMM information by either an LMM or a broker-dealer affiliated with an LMM. The Commission notes, however, that before the pilot program can be approved on a permanent basis, or further extended, the PSE must provide the Commission with an updated report on the operation of the pilot program.

Specifically, before requesting permanent approval, or further extension, of the pilot program, the PSE must submit an updated pilot program report by June 1997 that addresses: (1) whether there have been any complaints regarding the operation of the pilot; (2) whether the PSE has taken any

disciplinary or performance action against any member due to the operation of the pilot; (3) the number of LMMs involved in the pilot; (4) the extent to which the pilot has been used on the PSE; (5) whether the PSE has terminated or replaced an LMM and the reasons thereof; (6) the impact of the pilot on the bid/ask spreads, depth and continuity in PSE options markets; and (7) whether the PSE has taken any actions or there have been any complaints against LMMs or associated broker-dealers relating to improper activity as a result of LMM affiliations with upstairs firms.

The Commission finds good cause for approving the Exchange's proposed rule change, including Amendment No. 1, prior to the thirtieth day after the date of publication of notice of filing thereof in the Federal Register because the PSE has not indicated that there have been any problems associated with the operation of the LMM system pilot program and because the Commission has not received any adverse comments concerning the pilot program. In addition, the Commission believes good cause exists to approve the extension of the LMM pilot program on an accelerated basis to allow the pilot program to continue uninterrupted.

Based on the above, the Commission believes that the proposal is consistent with Section 6(b)(5) of the Act and that good cause exists to approve the PSE's proposal on an accelerated basis.

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 in 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 PSE. All submissions should refer to File No. SR-PSE-96-29 and should be submitted by October 28, 1996.

also requested accelerated approval of the proposed rule change.

⁴ See Securities Exchange Act Release No. 27631 (January 17, 1990), 55 FR 2462.

⁵ See Securities Exchange Act Release Nos. 31063 (August 21, 1992), 57 FR 39255; 31635 (December 22, 1992), 57 FR 62414; 33854 (April 1, 1994), 59 FR 16873; 34710 (September 23, 1994), 59 FR 50306; and 36293 (September 28, 1995), 60 FR 52243. See also File No. SR-PSE-93-16 (requesting permanent approval of the pilot program) and Amendment Nos. 1-3 thereto (requesting pilot program extensions while the request for permanent approval was pending). On April 20, 1994, the Exchange withdrew File No. SR-PSE-93-16 pursuant to the Commission's request. See letter from David P. Semak, Vice President, Regulation, PSE, to Sharon M. Lawson, Assistant Director, Division of Market Regulation, Commission, dated April 20, 1994.

⁶ The Exchange has previously submitted pilot program reports to the Commission dated September 18, 1992, July 26, 1993, and August 23, 1995. See File Nos. SR-PSE-92-36, SR-PSE-93-16, and SR-PSE-95-20.

⁷ 15 U.S.C. 78f(b)(5) (1988).

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁸ that the proposed rule change (SR-PSE-96-29), as amended, is approved on an accelerated basis, and accordingly, that the LMM pilot program is extended until September 30, 1997.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁹

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 96-25622 Filed 10-4-96; 8:45 am]

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SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster Loan Area #2880; Amendment #2]

Illinois; Declaration of Disaster Loan Area

In accordance with a notice from the Federal Emergency Management Agency, dated September 24, 1996, the above-numbered Declaration is hereby amended to extend the deadline for filing applications for physical damages as a result of this disaster to September 30, 1996.

All other information remains the same, i.e., the termination date for filing applications for loans for economic injury is April 25, 1997.

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

Dated: September 27, 1996.

Bernard Kulik,
Associate Administrator for Disaster Assistance.

[FR Doc. 96-25633 Filed 10-4-96; 8:45 am]

BILLING CODE 8025-01-U

[Declaration of Disaster Loan Area #2900]

Maryland; Declaration of Disaster Loan Area

As a result of the President's major disaster declaration on September 17, 1996, I find that Allegany and Frederick Counties in the State of Maryland constitute a disaster area due to damages caused by severe storms and flooding associated with Tropical Storm Fran which occurred September 6-9, 1996. Applications for loans for physical damages may be filed until the close of business on November 15, 1996, and for loans for economic injury until the close of business on June 17, 1997 at the address listed below: U.S. Small Business Administration, Disaster Area

1 Office, 360 Rainbow Blvd. South, 3rd Fl., Niagara Falls, NY 14303; or other locally announced locations. In addition, applications for economic injury loans from small businesses located in the following contiguous counties may be filed until the specified date at the above location: Carroll, Garrett, Howard, Montgomery, and Washington Counties in Maryland, and Adams and Somerset Counties in Pennsylvania.

Any counties contiguous to the above-named counties and not listed herein have been previously declared under a separate declaration for the same occurrence.

Interest rates are:

	Percent
<i>For Physical Damage:</i>	
Homeowners with Credit Available Elsewhere	8.000
Homeowners without Credit Available Elsewhere	4.000
Businesses with Credit Available Elsewhere	8.000
Businesses and Non-Profit Organizations without Credit Available Elsewhere	4.000
Others (Including Non-Profit Organizations) with Credit Available Elsewhere	7.125
<i>For Economic Injury:</i>	
Businesses and Small Agricultural Cooperatives without Credit Available Elsewhere ...	4.000

The number assigned to this disaster for physical damage is 290008. For economic injury the numbers are 919000 for Maryland and 919100 for Pennsylvania.

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

Dated: September 20, 1996.

Bernard Kulik,
Associate Administrator for Disaster Assistance.

[FR Doc. 96-25631 Filed 10-4-96; 8:45 am]

BILLING CODE 8025-01-U

[Declaration of Disaster Loan Area #2899]

Pennsylvania; Declaration of Disaster Loan Area

As a result of the President's major disaster declaration on September 13, 1996, I find that Huntingdon, Juniata, Mifflin, Montgomery, and Perry Counties in the State of Pennsylvania constitute a disaster area due to damages caused by flooding associated with Tropical Depression Fran which occurred September 6-8, 1996. Applications for loans for physical damages may be filed until the close of business on November 12, 1996, and for

loans for economic injury until the close of business on June 13, 1997 at the address listed below: U.S. Small Business Administration, Disaster Area 1 Office, 360 Rainbow Blvd. South, 3rd Fl., Niagara Falls, NY 14303; or other locally announced locations. In addition, applications for economic injury loans from small businesses located in the following contiguous counties may be filed until the specified date at the above location: Bedford, Berks, Blair, Bucks, Centre, Chester, Cumberland, Dauphin, Delaware, Franklin, Fulton, Lehigh, Northumberland, Philadelphia, and Snyder Counties in Pennsylvania, and Burlington, Camden, and Gloucester Counties in New Jersey.

Interest rates are:

	Percent
<i>For Physical Damage:</i>	
Homeowners with Credit Available Elsewhere	8.000
Homeowners without Credit Available Elsewhere	4.000
Businesses with Credit Available Elsewhere	8.000
Businesses and Non-Profit Organizations without Credit Available Elsewhere	4.000
Others (Including Non-Profit Organizations) with Credit Available Elsewhere	7.125
<i>For Economic Injury:</i>	
Businesses and Small Agricultural Cooperatives without Credit Available Elsewhere ...	4.000

The number assigned to this disaster for physical damage is 289908. For economic injury the numbers are 918800 for Pennsylvania and 918900 for New Jersey.

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

Dated: September 20, 1996.

Bernard Kulik,
Associate Administrator for Disaster Assistance.

[FR Doc. 96-25630 Filed 10-4-96; 8:45 am]

BILLING CODE 8025-01-U

[Declaration of Disaster Loan Area #2903]

Pennsylvania (And Contiguous Counties in New York and Ohio); Declaration of Disaster Loan Area

Erie County and the contiguous counties of Crawford and Warren in the Commonwealth of Pennsylvania, Chautauqua County, New York, and Ashtabula County, Ohio constitute a disaster area as a result of damages caused by flooding which occurred on September 13, 1996. Applications for loans for physical damage may be filed

⁸ 15 U.S.C. 78s(b)(2) (1988).

⁹ 17 CFR 200.30-3(a)(12) (1994).