

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

Written comments were neither solicited nor received with respect to the proposed rule change.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii)<sup>5</sup> of the Act and pursuant to Rule 19b-4(e)(4)<sup>6</sup> promulgated thereunder because the proposal effects a change in an existing service of PHILADEP that does not adversely affect the safeguarding of securities or funds in the custody or control of PHILADEP and does not significantly affect the respective rights or obligations or PHILADEP or persons using the service. At any time within sixty days of the filing of such rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

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, 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 Room, 450 Fifth Street, NW, Washington, D.C. 20549. Copies of such filings will also be available for inspection and copying at the principal office of PHILADEP. All submissions should refer to File Number SR-PHILADEP-95-10 and should be submitted by March 27, 1996.

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

Margaret H. McFarland,  
Deputy Secretary.

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[Release No. 34-36903; File No. SR-Phlx-96-01]

**Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change by the Philadelphia Stock Exchange, Inc. Relating to Restrictions on Exercise for A.M.-Settled Index Options**

February 28, 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 January 17, 1996, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the self-regulatory organization. The Phlx has requested accelerated approval for the proposal. This Order approves the Phlx proposal on an accelerated basis and solicits comments from interested persons.

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

The Phlx proposes to amend Exchange Rules 1042A (and corresponding Options Floor Procedure Advice G-1) and 1101A to clarify their application to a.m.-settled index options. In addition, Phlx also proposes to clarify in its applicable Rule Commentary that Phlx Super Cap Index options trading hours extend until 4:15 p.m. The text of the proposed rule change is available at the Office of the Secretary, Phlx 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 Phlx 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 Phlx 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*

1. Purpose

The Exchange recently amended Rule 1006A, "Other Restrictions on Options Transactions and Exercises," to replace the term "business day" with "trading day" in order to correct the application of that rule to a.m.-settled index options.<sup>1</sup> As a result, restrictions on exercise are only in effect until the opening of business on the last business day before expiration, which is generally Friday for all index options. Following further review of the index options rules, however, the Exchange has identified two additional changes necessary to clarify the application of restrictions on exercise to a.m.-settled index options.

First, the Exchange proposes to amend Rule 1042A, "Exercise of Option Contracts," to replace the term "trading day" with "business day" in paragraph (b).<sup>2</sup> Paragraph (a) to Rule 1042A requires members to follow certain procedures when tendering exercise advices. Paragraph (b), however, states that the provisions of paragraph (a) do not apply on the last trading day before expiration. Although all index options expire on Saturday, the last trading day for a.m.-settled index options is Thursday. Under the current Rule, therefore, an investor who exercises an a.m.-settled option on Saturday by notifying his broker on Friday would be required to submit an exercise advice. Changing the term "trading day" to "business day" allows the Exchange to correct an unintended result and more clearly reflects that an exercise advice is not required for exercises of index options submitted on expiration Friday, whether a.m.-settled or p.m.-settled.

Second, the Exchange proposes to amend Commentary .01 to Rule 1101A, Terms of Option Contracts, to replace the language "including the business day prior to expiration" with "through the last trading day prior to expiration." This change is necessary because the old language implies that expiring a.m.-settled index options may trade on the Friday prior to expiration. By changing this language, the Exchange notes that broad-based index options to which the Commentary is applicable will be able

<sup>1</sup> See Securities Exchange Act Release No. 35827 (June 8, 1995), 60 FR 31336 (June 14, 1995).

<sup>2</sup> Phlx proposes to make the same change in Options Floor Procedure Advice G-1, Exercise Requirements.

<sup>5</sup> 15 U.S.C. § 78s(b)(3)(A)(iii) (1988).

<sup>6</sup> 17 CFR 240.19b-4(e)(4) (1995).

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

to trade until 4:15 p.m. each business day, through the last trading day prior to expiration, which would be Friday for p.m.-settled index options and Thursday for a.m.-settled index options.

The Phlx notes that Rule 1101A(c) establishes that index options shall trade until 4:10 p.m.. Commentary .01 to this Rule extends the trading session to 4:15 p.m. for certain broad-based index options. Accordingly, the Phlx also proposes to amend the language in Rule 1101A(c) from "business day" to "trading day" in order to clarify that a.m.-settled index options which trade until 4:10 p.m. may not trade on the Friday prior to expiration.

Finally, the Exchange proposes to clarify in Commentary .01 to Rule 1101A that Super Cap Index options trade until 4:15 p.m.

## 2. Statutory Basis

The Exchange believes the proposed rule changes are consistent with Section 6(b) of the Act in general and further the objectives of Section 6(b)(5) in particular in that they are designed to prevent fraudulent and manipulative acts and practices and to promote just and equitable principles of trade, and are not designed to permit unfair discrimination between customers, issuers, brokers and dealers.

### *B. Self-Regulatory Organization's Statement on Burden on Competition*

The Exchange does not believe that the proposed rule change will impose any inappropriate burden on competition.

### *C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others*

The Exchange has neither solicited nor received written comments on the proposed rule change.

## III. 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).<sup>3</sup> Specifically, the Commission notes that the change in terminology to Rules 1042A and 1101A achieves conformity with the language contained in Phlx Rule 1006A with respect to restrictions on exercise. As a result, exercise advices will not be required on the Friday before expiration, regardless of whether an option is a.m. or p.m.-settled, or

whether it trades until 4:10 p.m. or 4:15 p.m. Furthermore, implementation of the proposal is necessary to effect the Exchange's intended procedures regarding exercise requirements and restrictions for index options.

The Commission also believes that the Exchange's proposed rule text clarification that trading hours for Super Cap Index options extend until 4:15 p.m. is reasonable. The Commission has previously approved the trading of Super Cap Index options to 4:15 p.m.<sup>4</sup> Therefore, the amendment is technical in nature and does not raise any new or unique regulatory issues.

The Commission finds good cause to approve the proposed rule changes prior to the thirtieth day after the date of publication of notice of filing thereof in the Federal Register. Specifically, the Commission finds that because the changes in terminology to Rules 1042A and 1101A simply bring these Rules into conformity with Phlx Rule 1006A and other options exchanges, and the Phlx rule text clarification that Super Cap Index Options trade until 4:15 p.m. is technical in nature, they do not raise any new or unique regulatory issues. Accordingly, the Commission believes it is consistent with the Act to approve the 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 at 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 the Phlx. All submissions should refer to File No. SR-Phlx-96-01 and should be submitted March 27, 1996.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act<sup>5</sup> that the proposed rule change (SR-Phlx-96-01) is hereby approved on an accelerated basis.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>6</sup>

Margaret H. McFarland,

*Deputy Secretary.*

[FR Doc. 96-5219 Filed 3-5-96; 8:45 am]

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## DEPARTMENT OF STATE

### [Public Notice 2353]

### **Advisory Committee on Historical Diplomatic Documentation; Notice of Meeting**

The Advisory Committee on Historical Diplomatic documentation will meet in the Department of State on Thursday, March 21, 1996 in Conference Room 1205 and Friday, March 22, 1996, in Conference Room 1105.

The Committee will meet in open session from 9 a.m. on the morning of Thursday, March 21, 1996, until 12 noon. The remainder of the Committee's sessions from 1:30 p.m. on Thursday, March 21 until 1 p.m. Friday, March 22, will be closed in accordance with Section 10(d) of the Federal Advisory Committee Act (Pub. L. 92-463). It has been determined that discussions during these portions of the meeting will involve consideration of matters not subject to public disclosure under 5 U.S.C. 552b(c)(1), and that the public interest requires that such activities will be withheld from disclosure.

Questions concerning the meeting should be directed to William Z. Slany, Executive Secretary, Advisory Committee on Historical Diplomatic Documentation, Department of State, Office of the Historian, Washington, DC, 20520, telephone (202) 663-1123, (e-mail histoff@ix.netcom.com).

Dated: February 27, 1996.

William Z. Slany,

*Executive Secretary.*

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<sup>3</sup> 15 U.S.C. § 78f(b)(5) (1988).

<sup>4</sup> See Securities Exchange Act Release No. 36369 (Oct. 13, 1995).

<sup>5</sup> 15 U.S.C. § 78s(b)(2) (1988).

<sup>6</sup> 17 CFR 200.30-3(a)(12) (1994).