

inspection and copying at the principal office of OCC. All submissions should refer to the File No. SR-OCC-96-07 and should be submitted by September 26, 1996.

## V. Conclusion

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of the Act, particularly with Section 17A(b)(3)(F) of the Act, and the rules and regulations thereunder.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR-OCC-96-07) be, and hereby is, approved on a temporary basis through June 30, 1997.

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

Margaret H. McFarland,  
Deputy Secretary.

[FR Doc. 96-22628 Filed 9-4-96; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-37604; File No. SR-PSE-96-24]

## Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Pacific Stock Exchange Incorporated Relating to the Closing Time for Trading of Equity Options and Index Options

August 26, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on July 11, 1996, the Pacific Stock Exchange, Inc. ("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 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 Pacific Stock Exchange Incorporated ("PSE" or "Exchange") is proposing to amend its rules to change its closing time for options trading from 1:10 p.m. Pacific Time<sup>2</sup> to 1:05 p.m. for equity options, and from 1:15 p.m. to 1:10 p.m. for index options. The Exchange is also proposing to change

certain related rules on closing rotations and the submission of exercise notices for index options. The text of the proposed rule change is available at the Office of the Secretary, PSE, 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

##### 1. Purpose

PSE Rule 4.2, Commentary .01 currently provides that the Board of Governors has resolved that transactions may be effected on the Options Floor of the Exchange until 1:10 p.m. for equity options<sup>3</sup> and until 1:15 p.m. for index options<sup>4</sup> each business day at which time no further transactions may be made. The Exchange is proposing to change the 1:10 p.m. closing time for equity options to 1:05 p.m., and to

<sup>3</sup>The extension of the trading hours for equity options by ten minutes until 4:10 p.m. Eastern Standard Time ("E.S.T.") by the American Stock Exchange ("Amex"), the Chicago Board Options Exchange, Incorporated ("CBOE"), the Midwest Stock Exchange, Incorporated ("MSE") (now known as the Chicago Stock Exchange, Inc. ("CHX")), Pacific Stock Exchange Incorporated ("PSE"), and the Philadelphia Stock Exchange, Inc. ("PHLX") (collectively referred to as the "options exchanges") was initially approved by the Commission on a trial basis for a four month period beginning in Oct. 23, 1978 and extending through Feb. 28, 1979. Securities Exchange Release No. 15241 (Oct. 18, 1978), 43 FR 49867 (Oct. 25, 1978) (order approving File Nos. SR-Amex-78-22, SR-CBOE-78-30, SR-MSE-78-26, SR-PSE-78-17, and SR-PHLX-78-18). The Commission approved the continued use by the options exchanges of the existing 4:10 p.m. (E.S.T.) closing time for standardized equity options trading through Apr. 28, 1979. Securities Exchange Act Release No. 15593 (Feb. 28, 1979), 44 FR 12525 (Mar. 7, 1979) (order approving File Nos. SR-Amex-79-3, SR-CBOE-79-1, SR-MSE-79-7, SR-PSE-79-1, and SR-PHLX-79-1). The Commission has since then approved on a permanent basis the closing of equity options trading on the options exchanges at 4:10 p.m. (E.S.T.). Securities Exchange Act Release No. 15765 (Apr. 27, 1979), 44 FR 26819 (May 7, 1979) (order approving File Nos. SR-Amex-79-6, SR-CBOE-79-4, SR-MSE-79-11, SRPSE-79-3, and SR-PHLX-79-4).

<sup>4</sup>Securities Exchange Act Release No. 23795 (Nov. 12, 1986), 51 FR 41884 (Nov. 19, 1986).

change the 1:15 p.m. closing time for index options<sup>5</sup> to 1:10 p.m.

The Exchange is proposing this modification so that the closing time for options trading will be closer to the closing time in the securities underlying those options.<sup>6</sup> The extended trading session for options initially was intended to ensure that options traders would be able to respond to the tape "runoff" in the equity markets (i.e., prints of stock trades that occurred just before the closing bell, but that were not reported over the tape until several minutes after the close of trading.<sup>7</sup> If such a trade resulted in a closing price that was materially different from the price at which the stock had been trading previously, the extended trading session allowed options traders the opportunity to bring their options quotes into line with the closing price in the underlying security.<sup>8</sup> However, because of improvements to the processing of transactions at the equity markets, there is no longer any significant tape runoff.<sup>9</sup>

With regard to closing rotations,<sup>10</sup> PSE Rule 6.64, Commentary .01(b) currently provides that transactions may be effected in a class of options after 1:10 p.m. if they occur during a trading rotation. It states that such a trading rotation may be employed in connection with the opening or reopening of trading in the underlying security after 12:30 p.m. or due to the declaration of a "fast market" pursuant to Options Floor Procedure Advice G-9. It further provides that the decision to employ a trading rotation after 12:30 p.m. shall be publicly announced on the trading floor prior to the commencement of such rotation, and that no more than one trading rotation may be commenced after 1:10 p.m. Further, it states that if a trading rotation is in progress and Floor Officials determine that a final trading rotation is needed to assure a fair and orderly close, the rotation in progress shall be halted and a final rotation begun as promptly as possible after 1:10 p.m. Finally, it states that any

<sup>5</sup>The PSE currently trades options on two separate broad-based indexes, the PSE High Technology Index and the Wilshire Small Cap Index. See Securities Exchange Release Nos. 20423 (Nov. 29, 1996), 48 FR 54557 (Dec. 5, 1983) (order approving File No. SR-PSE-83-10) and 31043 (Aug. 14, 1992), 57 FR 38078 (Aug. 21, 1992) (order approving File No. SR-PSE-92-12).

<sup>6</sup>Letter from Michael D. Pierson, Senior Attorney, Regulatory Policy, PSE, to George A. Villasana, Attorney, SEC dated August 20, 1996.

<sup>7</sup>Id.

<sup>8</sup>Id.

<sup>9</sup>Id.

<sup>10</sup>A closing rotation is a trading procedure used to determine appropriate closing prices or quotes for each series of options on an underlying stock.

<sup>6</sup> 17 CFR 200.30-3(a)(12) (1996).

<sup>1</sup> 15 U.S.C. § 78s(b)(1).

<sup>2</sup> All times referred to in this filing are Pacific Time unless otherwise indicated.

trading rotation conducted after 1:10 p.m. may not begin until ten minutes after news of such rotation is disseminated. The Exchange is proposing to change all references to 1:10 p.m. in this Commentary to 1:05 p.m.

With regard to the exercise of index option contracts, PSE Rule 7.15 currently specifies a cut-off time of 1:20 p.m. or a time designated to be five minutes after the close, for preparing or submitting either a memorandum to exercise or an "exercise advice." The Exchange is proposing to eliminate the references to 1:20 p.m. in this rule, so that, under the amended rule, such memoranda and advices will have to be submitted no later than five minutes after the close of trading.<sup>11</sup>

Finally, the Exchange is proposing to change two references to "San Francisco time" in Rule 6.64, Commentary .01(b), to "Pacific Time" in order to make that rule consistent with other Exchange rules.

2. Statutory Basis

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 promote just and equitable principles of trade.

*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*

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 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 the proposed rule change, or
- (B) institute proceedings to determine whether the proposed rule change should be disapproved.

<sup>11</sup> The Exchange is not proposing to change the related rule on equity options, Rule 6.24, which provides for an exercise cut-off time of 2:30 p.m.

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 Exchange. All submissions should refer to File No. SR-PSE-96-24 and should be submitted by [insert date 21 days from date of publication].

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.  
 Margaret H. McFarland,  
*Deputy Secretary.*  
 [FR Doc. 96-22581 Filed 9-4-96; 8:45 am]  
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**SMALL BUSINESS ADMINISTRATION**

[Declaration of Disaster Loan Area #2890]

**Michigan; Declaration of Disaster Loan Area**

As a result of the President's major disaster declaration on July 23, 1996, which was for Public Assistance only, and an amendment thereto on August 15 adding Individual Assistance, I find that Bay, Lapeer, Midland, Saginaw, Sanilac, St. Clair, and Tuscola Counties in the State of Michigan constitute a disaster area due to damages caused by severe storms and flooding which occurred June 21-July 1, 1996. Applications for loans for physical damages may be filed until the close of business on October 14, 1996, and for loans for economic injury until the close of business on May 15, 1997 at the address listed below: U.S. Small Business Administration, Disaster Area 2 Office, One Baltimore Place, Suite 300, Atlanta, GA 30308, 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: Arenac, Clare, Clinton, Genesee, Gladwin, Gratiot, Huron, Isabella, Macomb, Oakland, and Shiawassee Counties in the State of Michigan.

Interest rates are:

	Percent
For Physical Damage:	
Homeowners With Credit Available Elsewhere .....	7.625
Homeowners Without Credit Available Elsewhere .....	3.875
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
For Economic Injury:	
Businesses and Small Agricultural Cooperatives Without Credit Available Elsewhere ...	4.000

The number assigned to this disaster for physical damage is 289006 and for economic injury the number is 915900.

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

Dated: August 26, 1996.

Bernard Kulik,  
*Associate Administrator for Disaster Assistance.*

[FR Doc. 96-22584 Filed 9-4-96; 8:45 am]

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**DEPARTMENT OF STATE**

[Public Notice 2444]

**Office of Foreign Missions (M/OFM); Information Collection Under Review**

Office of Management and Budget (OMB) approval is being sought for the information collection listed below. The purpose of this notice is to allow 60 days for public comments from the date listed at the top of this page in the Federal Register. This process is conducted in accordance with 5 Code of Federal Regulation, Part 1320.10.

**SUMMARY:** The DS-1504 is necessary to determine whether members of foreign diplomatic missions, consular offices, government organizations, or foreign military personnel (hereafter referred to as respondents) assigned to missions are entitled to certain duty-free importation privileges based on reciprocity, international law, the U.S. customs regulations, treaties and other agreements. This form is also used by the White House when it requests duty-free entry of items.