

declaration for Private Non-Profit organizations in the State of Nebraska, dated 07/15/2010, is hereby amended to include the following areas as adversely affected by the disaster.

Primary Counties: Adams, Buffalo, Dawes, Dawson, Hooker, Jefferson, Sheridan, Thurston.

All other information in the original declaration remains unchanged.

(Catalog of Federal Domestic Assistance Numbers 59002 and 59008)

**Roger B. Garland,**

*Acting Associate Administrator for Disaster Assistance.*

[FR Doc. 2010-22743 Filed 9-10-10; 8:45 am]

**BILLING CODE 8025-01-P**

## SMALL BUSINESS ADMINISTRATION

[Disaster Declaration #12272 and #12273]

### Kansas Disaster Number KS-00045

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

**ACTION:** Amendment 1.

**SUMMARY:** This is an amendment of the Presidential declaration of a major disaster for Public Assistance Only for the State of KANSAS (FEMA-1932-DR), dated 08/10/2010.

*Incident:* Severe Storms, Flooding, and Tornadoes.

*Incident Period:* 06/07/2010 through 07/21/2010.

**DATES:** *Effective Date:* 09/02/2010.

*Physical Loan Application Deadline Date:* 10/12/2010.

*Economic Injury (EIDL) Loan Application Deadline Date:* 05/10/2011.

**ADDRESSES:** Submit completed loan applications to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

**FOR FURTHER INFORMATION CONTACT:**

Alan Escobar, Office of Disaster Assistance, U.S. Small Business Administration, 409 3rd Street, SW., Suite 6050, Washington, DC 20416.

**SUPPLEMENTARY INFORMATION:** The notice of the President's major disaster declaration for Private Non-Profit organizations in the State of Kansas, dated 08/10/2010, is hereby amended to include the following areas as adversely affected by the disaster.

*Primary Counties:*

Cheyenne, Decatur, Elk, Jackson, Mcpherson, Sheridan, Wilson.

All other information in the original declaration remains unchanged.

(Catalog of Federal Domestic Assistance Numbers 59002 and 59008)

**James E. Rivera,**

*Associate Administrator for Disaster Assistance.*

[FR Doc. 2010-22744 Filed 9-10-10; 8:45 am]

**BILLING CODE 8025-01-P**

## SMALL BUSINESS ADMINISTRATION

[Disaster Declaration #12238 and #12239]

### Nebraska Disaster Number NE-00038

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

**ACTION:** Amendment 1.

**SUMMARY:** This is an amendment of the Presidential declaration of a major disaster for Public Assistance Only for the State of Nebraska (FEMA-1924-DR), dated 07/15/2010.

*Incident:* Severe Storms, Flooding, and Tornadoes.

*Incident Period:* 06/01/2010 through 08/29/2010.

*Effective Date:* 08/29/2010.

*Physical Loan Application Deadline Date:* 09/13/2010.

*Economic Injury (EIDL) Loan Application Deadline Date:* 04/15/2011.

**ADDRESSES:** Submit completed loan applications to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

**FOR FURTHER INFORMATION CONTACT:** A. Escobar, Office of Disaster Assistance, U.S. Small Business Administration, 409 3rd Street, SW., Suite 6050, Washington, DC 20416.

**SUPPLEMENTARY INFORMATION:** The notice of the President's major disaster declaration for Private Non-Profit organizations in the State of NEBRASKA, dated 07/15/2010, is hereby amended to establish the incident period for this disaster as beginning 06/01/2010 and continuing through 08/29/2010.

All other information in the original declaration remains unchanged.

(Catalog of Federal Domestic Assistance Numbers 59002 and 59008)

**Roger B. Garland,**

*Acting Associate Administrator for Disaster Assistance.*

[FR Doc. 2010-22741 Filed 9-10-10; 8:45 am]

**BILLING CODE 8025-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-62854; File No. SR-OCC-2010-14]

### Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing of Proposed Rule Change To Revise Its Rules To Expand the Forms of Collateral Eligible for Incorporation in the System for Theoretical Analysis and Numerical Simulations Risk Management Methodology

September 7, 2010.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder<sup>2</sup> notice is hereby given that on August 25, 2010, The Options Clearing Corporation ("OCC") 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 primarily by OCC. 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 the Substance of the Proposed Rule Change

The purpose of this proposed rule change is to revise OCC's Rules to expand the forms of collateral eligible for incorporation in the System for Theoretical Analysis and Numerical Simulations ("STANS") risk management methodology.

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

In its filing with the Commission, OCC 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. OCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.

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

The proposed rule change would make a change to Interpretation and Policy .06 under Rule 601 in connection with expanding the forms of collateral eligible for incorporation in the STANS

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

risk management methodology. Currently, OCC incorporates common stock and ETFs<sup>3</sup> in the STANS margin calculation process.<sup>4</sup> When OCC began including common stock and ETFs in the STANS margin calculation process, it noted its belief that the procedure would more accurately measure risk in Clearing Members' accounts and thereby permit OCC to more precisely set margin requirements to reflect that risk. For those same reasons, OCC now proposes incorporating certain fixed-income, "government securities" into the STANS margin calculation process.

The specific amendments proposed to OCC's Rules to facilitate incorporation of government securities in the STANS margin calculation process can be found at [http://www.optionsclearing.com/components/docs/legal/rules\\_and\\_bylaws/sr\\_occ\\_10\\_14.pdf](http://www.optionsclearing.com/components/docs/legal/rules_and_bylaws/sr_occ_10_14.pdf).

OCC would incorporate certain "government securities" into the STANS margin calculation in phases beginning with U.S. Government securities,<sup>5</sup> Treasury Inflation Protected Securities and callable U.S. Treasury Securities would be excluded from the initial phase as would Canadian government securities and GSE debt securities.<sup>6</sup>

Currently, government securities deposited as collateral to satisfy margin requirements are priced on a nightly basis and are assigned a value equal to their current market value less an applicable haircut based on the term to maturity. While this method of valuing collateral has generally served OCC well in the past, OCC believes analyzing cleared positions and margin assets as a single portfolio using STANS provides a more accurate valuation of the Clearing Members' securities deposited as collateral in relation to other account positions. As when OCC began including common stocks and ETFs in the STANS calculation, OCC believes phasing in government securities would align risk-management techniques utilized to manage market risk of cleared positions, for example for Treasury futures contracts, with those techniques used to value margin deposits.

The proposed inclusion of government securities into STANS would be implemented using an

approach similar to that used for adding common stocks and ETFs. The value of the securities deposited in a Clearing Member's account would be determined along with the risk on the margin assets on a portfolio basis with reference to the volatility and correlation of each deposited security to the other positions in the account. Given the conservative nature of the current haircuts applied to deposits of government securities, OCC anticipates a modest increase in their collateral valuation should this change be implemented.

As a part of this proposal, OCC would apply a portfolio specific adjustment factor when determining whether sufficient margin excess resides in an account. This would enable OCC to release margin collateral to a Clearing Member on an intraday basis. The adjustment factor is account and security specific and is determined by approximating the change in margin requirement caused by depositing or withdrawing a particular security from the Clearing Member's account based on the risk characteristics of that security and its consequent assessed value. OCC believes this process would provide a more accurate projection of the margin impact of collateral withdrawals and substitutions on a Clearing Member's account. It is currently used to analyze the impact of substitutions and withdrawals of equity collateral within the STANS Monte Carlo simulations.<sup>7</sup>

OCC's Rule 601, "Margin Requirements" already provides that margin assets in the form of securities may be incorporated into the Monte Carlo calculations as an alternative to valuing such assets under Rule 604, "Form of Margin Assets". In connection with incorporating common stocks and ETFs into the STANS calculation, OCC adopted Interpretation and Policy .06 under Rule 601 to clarify that margin assets in the form of common stocks and ETFs would be included in the Monte Carlo simulations described in Rule 601 for purposes of determining the minimum expected liquidating value of an account with other margin assets being valued as provided for under Rule 604.<sup>8</sup> OCC now proposes broadening the interpretation to provide that OCC may designate those margin assets which, if

deposited into a Clearing Member's account, will be valued as provided in Rule 601 rather than Rule 604. This change is intended to facilitate OCC's proposal incorporate certain government securities into the STANS margin calculation process.

OCC believes the proposed rule changes are consistent with the requirements of Section 17A of the Act<sup>9</sup> and the rules and regulations thereunder because the proposed rule changes would promote accuracy in the clearance and settlement of cleared contracts and in the risk assessments relative thereto, and would promote efficiency and eliminate unnecessary costs to investors by determining margin requirements with better precision, and, in general, to protect investors and the public interest. The change accomplishes these purposes by more accurately valuing collateral deposits.

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

OCC does not believe that the proposed rule change would impose any burden on competition.

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

Written comments relating to the proposed rule change have not been solicited or received. OCC will notify the Commission of any written comments received by OCC.

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

Within forty-five 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 ninety 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 or disapprove the 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, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

<sup>3</sup> ETFs fall within the definition of "fund shares" as that term is defined in Article I, Section 1 of OCC's By-Laws.

<sup>4</sup> Securities Exchange Act Release No. 34-58158 (July 15, 2008), 73 FR 42626 (July 22, 2008)(SR-OCC-2007-20).

<sup>5</sup> This would include but not be limited to Government securities and GSE debt securities.

<sup>6</sup> The government securities initially excluded would be evaluated for possible inclusion in STANS as appropriate models are developed.

<sup>7</sup> OCC believes the approach currently used to assess the impact of collateral substitutions and withdrawals represents an improvement over that outlined in File No. SR-OCC-2007-20. Interpretation and Policy .01 under Rule 608 generally provides that OCC may specify procedures from time-to-time to assess the impact of collateral withdrawals and substitutions.

<sup>8</sup> Rule 604(f) provides that, in lieu of the valuations provided for in Rule 604, OCC may elect to value any or all margin assets in the form of securities pursuant to Rule 601.

<sup>9</sup> 15 U.S.C. 78q-1.

*Electronic Comments*

- Use the Commissions Internet comment form (<http://www.sec.gov/rules/sro.shtml>) or

- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-OCC-2010-14 on the subject line.

*Paper Comments*

- Send paper comments in triplicate to Secretary, Elizabeth M. Murphy, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-OCC-2010-14. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). 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 Web site viewing and printing in the Commission's Public Reference Section, 100 F Street, NE., Washington, DC 20549-1090, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filings will also be available for inspection and copying at the principal office of the OCC and on OCC's Web site at <http://www.optionsclearing.com/about/publications/bylaws.jsp>.

All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-OCC-2010-14 and should be submitted on or before October 4, 2010.

For the Commission by the Division of Trading and Markets, pursuant to delegated authority.<sup>10</sup>

**Elizabeth M. Murphy,**  
Secretary.

[FR Doc. 2010-22701 Filed 9-10-10; 8:45 am]

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<sup>10</sup> 17 CFR 200.30-3(a)(12).

**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-62850; File No. SR-NYSEArca-2010-80]

**Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Adopting Commentary .04 to Rule 6.47A Related to the Exposure of Reserve Orders**

September 3, 2010.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (the "Act")<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that, on August 27, 2010, NYSE Arca, Inc. (the "Exchange" or "NYSE Arca") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I and II 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 Exchange proposes to adopt Commentary .04 to Rule 6.47A related to the exposure of Reserve Orders. The text of the proposed rule change is available at the Exchange, the Commission's Public Reference Room, and <http://www.nyse.com>.

**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 those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

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

**1. Purpose**

The purpose of the proposal is to adopt a Commentary to NYSE Arca Rule 6.47A to specify that the exposure

requirement contained in subsection (i) of the Rule is satisfied with respect to the non-displayed reserve portion of a Reserve Order if the displayable portion is displayed at its displayable price for one second. A Reserve Order is an order where only a portion of the full size is included in the Exchange's disseminated quotation.<sup>4</sup> The displayed size is executed according to the Exchange's regular priority rules, and is refreshed with additional volume from the non-displayed portion of the order. The non-displayed portion of the Reserve Order is available for execution only after the Exchange's displayed quote is fully exhausted.

Under the proposed commentary, after entering a Reserve Order, an OTP Holder may enter a contra-side order for its own account or a contra-side order that was solicited from another broker-dealer that would execute against the displayable and non-displayed portions of the order so long as the displayable portion of the order was displayed on NYSE Arca (*i.e.*, the price of the order is at the NYSE Arca Best Bid/Offer) for at least one second. This proposed Commentary is the same as an existing Commentary to the rule of the Nasdaq Options Market that contains the same exposure requirements as NYSE Arca Rule 6.47A.<sup>5</sup> Accordingly, the Commission has previously determined that display of the displayable portion of a reserve order is sufficient to satisfy the exposure requirements of NYSE Arca Rule 6.47A(i).

**2. Statutory Basis**

The Exchange believes the proposed rule change is consistent with Section 6(b) of the Act<sup>6</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act, in that it is designed to promote just and equitable principles of trade, remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest. In particular, the proposal is the same as an existing rule of another exchange,<sup>7</sup> and will provide OTP Holders with certainty with respect to the applicable exposure requirements for reserve orders.

*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

<sup>4</sup> NYSE Arca Rule 6.62(d)(3).

<sup>5</sup> Nasdaq Rules, Chapter VII, Sec.12 (Order Exposure Requirements), Commentary .03.

<sup>6</sup> 15 U.S.C. 78f (b).

<sup>7</sup> *Supra*, Note 2 [sic].

<sup>1</sup> 15 U.S.C.78s(b)(1).

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.