

initial Form CA-1 can vary, depending upon the nature and extent of the amendment. Since the Commission only receives an average of one submission per year, the aggregate annual burden associated with compliance with Rule 17Ab2-1 and Form CA-1 is 130 hours. Based upon the staff's experience, the average cost to clearing agencies of preparing and filing the initial Form CA-1 is estimated to be \$15,000.

Subsection (c)(3)(C) of Section 17A of the Act authorizes transfer agents registered with an appropriate regulatory agency ("ARA") to withdraw from registration by filing with the ARA a written notice of withdrawal and by agreeing to such terms and conditions as the ARA deems necessary or appropriate in the public interest, for the protection of investors, or in furtherance of the purposes of Section 17A.

In order to implement Section 17A(c)(3)(C) of the Act the Commission, on September 1, 1977, promulgated Rule 17Ac3-1(a) and accompanying Form TA-W. Rule 17Ac3-1(a) provides that notice of withdrawal from registration as a transfer agent with the Commission shall be filed on Form TA-W. Form TA-W requires the withdrawing transfer agent to provide the Commission with certain information, including: (1) The locations where transfer agent activities are or were performed; (2) the reasons for ceasing the performance of such activities; (3) disclosure of unsatisfied judgments or liens; and (4) information regarding successor transfer agents.

The Commission uses the information disclosed on Form TA-W to determine whether the registered transfer agent applying for withdrawal from registration as a transfer agent should be allowed to deregister and, if so, whether the Commission should attach to the granting of the application any terms or conditions necessary or appropriate in the public interest, for the protection of investors, or in furtherance of the purposes of Section 17A of the Act. Without Rule 17Ac3-1(a) and Form TA-W, transfer agents registered with the Commission would not have a means for voluntary deregistration when necessary or appropriate to do so.

Respondents file approximately thirty Form TA-Ws with the Commission annually. The filing of a Form TA-W occurs only once, when a transfer agent is seeking deregistration. In view of the ready availability of the information requested by Form TA-W, its short and simple presentation, and the Commission's experience with the Form, we estimate that approximately one-half hour is required to complete

Form TA-W, including clerical time. Thus, the total burden of fifteen hours of preparation for all transfer agents seeking deregistration in any one year is negligible.

The Commission estimates a cost of approximately \$30 for each half hour required to complete a Form TA-W. Therefore, based upon a total of fifteen hours, transfer agents spend approximately \$900 each year to complete thirty Form TA-Ws.

Written comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

Direct your written comments to Michael E. Bartell, Associate Executive Director, Office of Information Technology, Securities and Exchange Commission, 450 5th Street NW., Washington, DC 20549.

Dated: May 23, 1996.
Jonathan G. Katz,
Secretary.
[FR Doc. 96-14017 Filed 6-4-96; 8:45 am]
BILLING CODE 8010-01-M

[Release Nos. 33-7299; 34-37253; File No. 265-20]

Advisory Committee on the Capital Formation and Regulatory Processes

AGENCY: Securities and Exchange Commission.

ACTION: Change in meeting time.

SUMMARY: This is to give notice that the time for the meeting of the Securities and Exchange Commission Advisory Committee on the Capital Formation and Regulatory Processes scheduled for June 10, 1996 in room 1C30 at the Commission's main offices, 450 Fifth Street, N.W., Washington, D.C., previously scheduled for 1:30 p.m. (61 FR 26940 (5/29/96)), has been changed to 12:30 p.m. The meeting will be open to the public, and the public is invited to submit written comments to the Committee.

FOR FURTHER INFORMATION CONTACT: David A. Sirignano, Committee Staff Director, at 202-942-2870; Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549.

Dated: May 30, 1996.
Jonathan G. Katz,
Secretary.
[FR Doc. 96-14014 Filed 6-4-96; 8:45 am]
BILLING CODE 8010-01-M

[Release No. 34-37250; International Series Release No. 986; File No. SR-CBOE-96-23]

Self-Regulatory Organizations; Order Approving Proposed Rule Change by Chicago Board Options Exchange, Incorporated and Notice of Filing and Order Granting Accelerated Approval to Amendment No. 1 to Proposed Rule Change Relating to Permits to Trade Options on the Indice de Precios y Cotizaciones

May 29, 1996.

I. Introduction

On April 15, 1996, the Chicago Board Options Exchange, Incorporated ("CBOE" or "Exchange") submitted a proposed rule change to the Securities and Exchange Commission ("Commission") pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder.² On April 23, 1996, CBOE filed Amendment No. 1 to the proposed rule change ("Amendment No. 1")³ deleting certain proposed definitions, making certain non-substantive stylistic and clarifying changes to the proposed rule change and notifying the Commission that the CBOE membership approved the issuance of the IPC Permits (as defined herein).⁴ The proposed rule change would adopt new Exchange Rule 3.26 authorizing the issuance of 33 permits ("IPC Permits")—one to each firm that was a member of the Bolsa Mexicana de Valores ("Bolsa") as of January 1, 1996 ("Bolsa members" or "IPC Permit Holders")—and setting forth the rights

¹ 15 U.S.C. 78s(b)(1) (1988).

² 17 CFR 240.19b-4 (1993).

³ See Letter from Timothy Thompson, Senior Counsel, CBOE to Michael Walinskas, Branch Chief, Division of Market Regulation, SEC (April 23, 1996) (available in Commission's Public Reference Room) and attached Certificate.

⁴ Section 2.1 of the CBOE's Constitution requires an affirmative vote of the majority of the members present in person or represented by proxy at a special membership meeting to approve the issuance of the IPC Permits. In Amendment No. 1, CBOE reported that 78% of the total votes were cast in favor of issuing the IPC Permits.

and obligations appurtenant to the IPC Permits.⁵

The proposed rule change was noticed for comment in Securities Exchange Act Release No. 37117 (April 16, 1996), 61 FR 17743 (April 22, 1996). No comments were received on the proposed rule change.

II. Description of the Proposal

A. Introduction

CBOE has entered into a license agreement with Bolsa ("License Agreement") pursuant to which Bolsa has licensed CBOE to trade index options on the *Indice de Precios y Cotizaciones* ("IPC Options").⁶ In consideration of the grant of this license, CBOE has agreed, among other things, to issue the IPC Permits to the Bolsa members. As discussed below, IPC Permits give Bolsa members limited rights with respect to the trading of IPC Options on the CBOE.

B. Rights of Permit Holders and Permit Exercisers

The IPC Permits, which will be non-leasable and non-transferable, may be used in one of two alternative ways. First, an IPC Permit Holder who wants direct access to the CBOE trading floor in respect of IPC Options could apply, either on its own or on behalf of a subsidiary, to become an IPC Permit Exerciser. If the IPC Permit Holder is qualified for membership on CBOE and its application is approved in accordance with CBOE rules,⁷ it will become an IPC Permit Exerciser and will have specified rights and privileges of CBOE membership under CBOE rules with respect to IPC Options—including the right to have a nominee appointed as a market maker or floor broker with respect to such options. The IPC Permit Exerciser will have all of the obligations of CBOE members, including the obligation to comply with CBOE rules and federal securities laws, and will be subject to CBOE's enforcement jurisdiction. For example, nominees of an IPC Permit Exerciser would be required to complete CBOE member firm orientation and would be required to comply with the requirements set forth in Chapter IX of CBOE rules in order to conduct a public customer business. IPC Permit Exercisers would also be subject to CBOE's limitation of

liability rules—Rule 6.7, Rule 7.11, and Rule 24.12—to the same extent as regular members.

IPC Permit Exercisers would not have certain rights of membership and would be subject to certain limitations that do not apply to regular Exchange members. IPC Permit Exercisers would not be deemed to be members of CBOE for purposes of the General Corporation Law of Delaware, CBOE's Certificate of Incorporation, or CBOE's Constitution. Thus, IPC Permit Exercisers will have no property interest in CBOE, no voting rights, and will not be eligible as members for election to CBOE's Board of Directors (although they will be eligible for membership on the committees established pursuant to CBOE Rule 2.1). IPC Permit Exerciser would also not be permitted to enter into transactions or to enter orders for any CBOE product other than IPC Options while on the floor of CBOE.⁸

An IPC Permit Holder which does not directly or indirectly become an IPC Permit Exerciser would not have the rights or obligations of CBOE membership. Accordingly, such IPC Permit Holders, in contrast to IPC Permit Exercisers, as described above, have no right of access to the CBOE floor to enter into transactions or enter orders for IPC Options. However, CBOE has agreed, as part of the consideration given by it in order to obtain the license of IPC from Bolsa, that if an IPC Permit Holder traded IPC Options for its own account through a CBOE member (including an IPC Permit Exerciser), that IPC Permit Holder would be charged transaction fees for those trades at the same rates as the transaction fees for CBOE member firm proprietary trades.

III. Commission Findings and Conclusions

The Commission finds that the proposed rule change is consistent with the requirements of the Act and rules and regulations thereunder applicable to a national securities exchange, and, in particular, the requirements of Sections 6(b)(2), 6(b)(4) and 6(b)(5) thereunder.⁹ Specifically, the Commission believes

that liquidity may be enhanced in IPC Options by the grant of the IPC Permits to Bolsa members. At the same time, the CBOE's proposal only gives limited access for Bolsa members to trade IPC Options on its trading floor on the same terms and regulatory conditions for membership as applies to any other applicant for membership.¹⁰

Accordingly, the proposal is consistent with the requirements in Section 6(b)(5) of the Act that rules of an exchange be designed to promote just and equitable principles of trade, facilitate transactions in securities, remove impediments to a free and open market and in general, to protect investors and the public interest as well as the requirements of Section 6(b)(2) of the Act.¹¹ For the reasons discussed in more detail below, the Commission also believes that the portion of the filing permitting IPC Permit Holders (those who do not exercise the permit) to be charged CBOE member firm proprietary transaction fees for their proprietary trades in IPC Options is consistent with Section 6(b)(4) of the Act which requires the equitable allocation of reasonable dues and fees among members and person using its facilities.

First, the Commission believes that the proposed rules concerning IPC Permit Exercisers that allow direct access to the CBOE trading floor for the limited purpose of trading, or entering transactions in, IPC Options, ensure that only those IPC Permit Exercisers that meet the Exchange's requirements for membership on the Exchange and the requirements of the Act, and that actually have been approved by the CBOE for membership, will have access to CBOE IPC Options on the trading floor.

The rules further ensure that IPC Permit Exercisers and their associated persons are obligated to comply with all CBOE rules and the federal securities laws just as any other CBOE member and its associated persons. This includes, among other things, the obligation to comply with CBOE rules concerning conducting a public customer business, taking required

⁵ The Commission separately approved the listing and trading of IPC Options by the Exchange. See Securities Exchange Act Release No. 37189 (May 9, 1996), International Series Release No. 977, 61 FR 24982 (May 17, 1996) (approving SR-CBOE-96-09).

⁶ See *id.*

⁷ Such applications will be subject to the same approval procedures as applicable under the CBOE's rules to applications for membership.

⁸ The Exchange will issue IPC Permit Exercisers with badges of a distinctive color so that the limited authority of these traders will be evident on the floor to other market participants and Floor Officials. The Exchange expects, therefore, that these market participants and Floor Officials will be able to ensure that IPC Permit Exercisers do not engage in activity prohibited by Exchange rules. In addition, the Exchange intends to issue distinctive acronyms to IPC Permit Exercisers to facilitate surveillance of illegal activity through a review of trade reports. Telephone conversation between Timothy Thompson, Senior Counsel, CBOE and Ethan Corey, Special Counsel, Division of Market Regulation, SEC (May 28, 1996).

⁹ 15 U.S.C. §§ 78f(b) (2), (4), (5).

¹⁰ These requirements include, among other things, that a member be a U.S. registered broker-dealer.

¹¹ Section 6(b)(2) of the Act requires the rules of a national securities exchange to permit any registered broker or dealer to become a member of that exchange (subject to limitations on the aggregate number of registered brokers or dealers who may become members of that exchange) unless it is subject to a statutory disqualification, does not meet standards of financial responsibility or operational capacity or has engaged and is reasonably likely to continue to engage in acts or practices inconsistent with just and equitable principles of trade.

examinations, maintaining and filing all required records under CBOE rules and being subject to the Exchange's disciplinary and arbitration jurisdiction. Thus IPC Permit Exercisers and their transactions will be subject to complete oversight and surveillance by the CBOE as well as subject fully to CBOE's enforcement jurisdiction.

Despite these obligations, IPC Permit Exercisers are not entitled to full membership rights and will not be permitted to effect transactions on the floor of the CBOE in any product other than IPC Options. To ensure compliance with this limitation, the CBOE has developed special distinctive color badges. The Exchange intends to issue distinctive acronyms to IPC Permit Exercisers to facilitate surveillance of illegal activity through a review of trade reports.¹²

Based on the above, the Commission believes that the rules governing IPC Permit Exercisers have been carefully drafted to allow limited access that should aid liquidity in IPC index options while ensuring compliance with CBOE rules and the federal securities laws consistent with Sections 6(b)(2) and 6(b)(5) of the Act.

The Commission also has carefully reviewed for consistency with the Act the other portion of the CBOE proposal that would set fees on proprietary transactions in IPC Options effected by IPC Permit Holders through CBOE members at the same rate as transaction fees for CBOE member firm proprietary trades. In order to approve the preferential fees for IPC Permit Holders, the Commission must determine, among other things, that the proposed fee is not designed to permit unfair discrimination between customers, issuers, brokers or dealers and that it provides for the equitable allocation of fees and charges among members, issuers and other persons using its facilities.¹³

The Commission notes that the Act "prohibits 'unfair discrimination,' not 'discrimination' simpliciter . . ."¹⁴ The Commission believes, for the reasons stated below, that the preferential rates to be offered to IPC Permit Holders executing proprietary transactions in IPC Options through CBOE members do not constitute unfair discrimination in violation of the Act or an inequitable

allocation of fees among persons using CBOE facilities.

The Commission has not previously approved another proposed rule change presenting precisely the same issues as those presented by this proposal. However, the Commission did approve a New York Stock Exchange ("NYSE") proposal to permit members of other securities or commodities exchanges to apply to the NYSE for one-year free options trading rights.¹⁵ Unlike CBOE's proposed rule change, the NYSE did not propose to charge transaction fees at member rates to persons who did not apply for options trading rights.

The Commission viewed the NYSE proposal as a form of operational subsidization that is difficult, if not impossible, to avoid when developing a market for a new financial product.¹⁶

The Commission believes that CBOE's efforts similarly are properly viewed as a form of operational subsidization. In addition, the Commission notes that Bolsa specifically required the preferential fees established by this proposed rule change as consideration for granting CBOE a license to list and trade options on the IPC Index.

The proposed rule change also is similar to the NYSE proposal in that both were designed chiefly to ease access to facilities to encourage the development of an active and liquid trading market.¹⁷ The Commission found that the NYSE proposal, by easing access, furthered the purposes of § 6(b)(2) of the Exchange Act, and, by helping to create a viable trading market for its new options product, furthered the purposes of § 6(b)(5) of the Exchange Act.¹⁸

The Commission notes that the instant proposed rule change differs from the NYSE proposal in that it provides preferential treatment to parties who do not choose to access the CBOE trading floor. However, the Commission believes that this distinction is not sufficient to negate the benefits to be obtained from a more liquid trading market for IPC Options.

Moreover, the IPC Permits have been issued under very limited and special circumstances. First, Bolsa required the preferential fees established by this proposed rule change as consideration for permitting CBOE to list and trade IPC Options. Second, the preferential rates are limited to Bolsa members and solely to trading in an index option based on stocks traded on the Bolsa.

Third, the preferential rate is designed to enhance liquidity to ensure sufficient trading volume in IPC Options. Fourth, the reduced fees do not give any Bolsa member an unfair advantage in seeking to obtain the business of customers, as the reduced fees are limited to Bolsa members' proprietary transactions in IPC Options. Fifth, the IPC Permits are not transferable and cannot be sold or leased to give preferential access to other persons. Based on these factors, the Commission believes that it is not unreasonable for the CBOE to grant IPC Permit Holders a reduced proprietary transaction rate and that such a provision does not permit unfair discrimination or an inequitable allocation of fees in violation of the Act.

In summary, and based on the above, the Commission finds that the proposed rule change is consistent with Section 6(b) of the Act in general and furthers the objectives of Section 6(b)(5) of the Act by helping to create a viable trading market for its new options product by granting preferential access and reduced fees for IPC Option trading to a group of persons (i.e., the Bolsa members) who are likely to provide increased liquidity for the market in IPC Options.

The Commission finds good cause for approving Amendment No. 1 to the proposed rule change prior to the thirtieth day after the date of publication of notice of filing thereof in the Federal Register. As noted above, Amendment No. 1 deletes certain proposed definitions, makes certain non-substantive stylistic and clarifying changes to the proposed rule change and notifies the Commission that CBOE has received the requisite member approval for the proposal. None of these amendments affect the substance of the proposed rule change. Accordingly, the Commission believes the amendment raises no new or unique regulatory issues. Therefore, the Commission believes it is consistent with sections 6(b)(5) and 19(b)(2) of the Act to approve Amendment No. 1 to the CBOE's proposal on an accelerated basis.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning Amendment No. 1 to the Exchange's proposal. 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

¹² Telephone conversation between Timothy Thompson, Senior Counsel, CBOE and Ethan Corey, Special Counsel, Division of Market Regulation, SEC (May 28, 1996).

¹³ 15 U.S.C. 78f(b) (4)-(5).

¹⁴ *Timpinaro v. S.E.C.*, 2 F.3d 453, 456 (D.C. Cir. 1993).

¹⁵ Securities Exchange Act Release No. 20202 (Sept. 20, 1983), 48 FR 43752 (Sept. 26, 1983).

¹⁶ *Id.* at 43753.

¹⁷ *See id.*

¹⁸ *Id.*

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, NW, Washington, DC 20549. Copies of such filing will also be available for inspection and copying at the principal office of the CBOE. All submissions should refer to File No. SR-CBOE-96-23 and should be submitted by June 26, 1996.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that SR-NASD-96-23, as amended is, approved.

For the Commission, by the Division of Market Regulation pursuant to delegated authority.¹⁹

Jonathan G. Katz,
Secretary.

[FR Doc. 96-14015 Filed 6-4-96; 8:45 am]

BILLING CODE 8010-01-M

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster Loan Area #2855]

Ohio (And Contiguous Counties in Indiana, Kentucky, and Michigan); Declaration of Disaster Loan Area

Hamilton, Paulding, Scioto, and Williams Counties and the contiguous counties of Adams, Butler, Clermont, Defiance, Fulton, Henry, Jackson, Lawrence, Pike, Putnam, Van Wert, and Warren in the State of Ohio; the contiguous counties of Allen, De Kalb, Dearborn, Franklin, and Steuben in the State of Indiana; Boone, Campbell, Greenup, Kenton, and Lewis in the State of Kentucky; and Hillsdale County in the State of Michigan constitute a disaster area as a result of damages caused by severe thunderstorms and flash flooding on May 15-17, 1996. Applications for loans for physical damage may be filed until the close of business on July 29, 1996 and for economic injury until the close of business on February 28, 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.

The interest rates are:

	Percent
For Physical Damage:	
Homeowners With Credit Available Elsewhere	7.625

¹⁹ 17 CFR 200.30-3(a)(12) (1993).

	Percent
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 numbers assigned to this disaster for physical damage are 285506 for Ohio, 285606 for Indiana, 285706 for Kentucky, and 285806 for Michigan. For economic injury the numbers are 890500 for Ohio, 890600 for Indiana, 890700 for Kentucky, and 890800 for Michigan.

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

Dated: May 28, 1996.

Philip Lader,
Administrator.

[FR Doc. 96-14060 Filed 6-4-96; 8:45 am]

BILLING CODE 8025-01-P

DEPARTMENT OF TRANSPORTATION

Aviation Proceedings; Agreements Filed During the Week Ending June 24, 1996

The following Agreements were filed with the Department of Transportation under the provisions of 49 U.S.C 412 and 414. Answers may be filed within 21 days of date of filing.

Docket Number: OST-96-1398.

Date filed: May 23, 1996.

Parties: Members of the International Air Transport Association.

Subject: TC31 Reso/P 1118 dated May 21, 1996, South Pacific Expedited Reso 002s, (Editorial Changes), Intended effective date: expedited July 1, 1996.

Docket Number: OST-96-1399.

Date filed: May 23, 1996.

Parties: Members of the International Air Transport Association

Subject: TC3 Telex Mail Vote 802, Korea-South Asian subcontinent amendments, r-1-070d r-2-074n r-3-085h, Intended effective date; June 1, 1996.

Paulette V. Twine,

Chief, Documentary Services Division.

[FR Doc. 96-14003 Filed 6-4-96; 8:45 am]

BILLING CODE 4910-62-P

Notice of Applications for Certificates of Public Convenience and Necessity and Foreign Air Carrier Permits Filed Under Subpart Q During the Week Ending May 24, 1996

The following Applications for Certificates of Public Convenience and Necessity and Foreign Air Carrier Permits were filed under Subpart Q of the Department of Transportation's Procedural Regulations (See 14 CFR 302.1701 et. seq.). The due date for Answers, Conforming Applications, or Motions to modify Scope are set forth below for each application. Following the Answer period DOT may process the application by expedited procedures. Such procedures may consist of the adoption of a show-cause order, a tentative order, or in appropriate cases a final order without further proceedings.

Docket Number: OST-96-1389.

Date filed: May 21, 1996.

Due Date for Answers, Conforming Applications, or Motion to Modify Scope: June 18, 1996.

Description: Application of United Air Lines, Inc., pursuant to 49 U.S.C. Section 41101 and Subpart Q of the Regulations, for renewal of authority to serve Spain on segment 6 of its amended Certificate of Public Convenience and Necessity for Route 603.

Docket Number: OST-96-1391.

Date filed: May 22, 1996.

Due Date for Answers, Conforming Applications, or Motion to Modify Scope: June 19, 1996.

Description: Application of Haiti Trans Air, S.A., pursuant to 49 U.S.C. Section 41305 and Subpart Q of the Regulations, for renewal of the Foreign Air Carrier Permit that it presently holds to serve between a point or points in Haiti and the terminal points Miami and Fort Lauderdale, Florida; New York, New York; and San Juan, Puerto Rico.

Docket Number: OST-96-1393.

Date filed: May 23, 1996.

Due Date for Answers, Conforming Applications, or Motion to Modify Scope: June 20, 1996.

Description: Application of American Airlines, Inc., pursuant to 49 U.S.C. Section 41108 and Subpart Q of the Regulations, applies for renewal of its certificate of public convenience and necessity for Route 517, authorizing foreign air transportation of persons, property, and mail between Dallas/Ft. Worth, Texas and Tokyo, Japan.

Docket Number: OST-96-1394.

Date filed: May 23, 1996.

Due Date for Answers, Conforming Applications, or Motion to Modify Scope: June 20, 1996.