

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

1. Purpose

The purpose of the proposed rule change is to expand the universe of stocks in which LOC orders may be entered to all stocks for which MOC imbalances are published pursuant to such procedures regarding time of order entry and order cancellation as the Exchange may establish from time to time. The Exchange intends to keep the 3:55 p.m. cutoff time for the entry of LOC orders, except to correct a bona fide error. On expiration days,⁴ LOC orders will continue to be irrevocable after 3:40 p.m., except to correct a bona fide error. For non-expiration days, cancellation of LOC orders would be prohibited after 3:55 p.m., except to correct errors.

In SR-NYSE-92-37, the Exchange filed a proposed amendment to Exchange Rule 13 to provide that LOC orders may be entered to offset published imbalances of MOC orders of 50,000 shares or more in stocks selected from the expiration day pilot stocks.⁵ The Commission approved this proposal on a 15-month pilot basis through July 15, 1995.⁶

The LOC pilot currently consists of only five of the expiration day "pilot stocks." Thus far, the LOC order type has been used rarely. Members cite the limited number of stocks for which this order type may be entered as a primary reason for not committing resources to effect system program changes necessary to support this order type.

The Exchange believes that by expanding the universe of eligible LOC stocks, the Exchange will make it more feasible for member firms to effect the systems changes required to use this order type. The Exchange is therefore proposing to expand the pilot to permit the entry of LOC orders to offset a MOC order imbalance of 50,000 shares or

⁴ The term "expiration days" refers to both (1) the trading day, usually the third Friday of the month, when some stock index options, stock index futures and options on stock index futures expire or settle concurrently ("Expiration Fridays") and (2) the trading day on which end of calendar quarter index options expire ("QIX Expiration Days").

⁵ The Expiration Friday pilot stocks consist of the 50 most highly capitalized Standard & Poors ("S&P") 500 stocks and any component stocks of the Major Market Index ("MMI") not included therein. The QIX Expiration Day pilot stocks consist of the 50 most highly capitalized S&P 500 stocks, any component stocks of the MMI not included therein and the 10 highest weighted S&P Midcap 400 stocks.

⁶ See Securities Exchange Act Release No. 33706 (March 3, 1994), 59 FR 11093.

more in all stocks for which MOC order imbalances are published.⁷

The Exchange believes that the LOC order type may be a useful means to help address the prospect of excess market volatility that may be associated with an imbalance of MOC orders at the close. Therefore, the Exchange believes it is appropriate to expand the current pilot for LOC orders to all stocks for which MOC imbalances are published and to extend the pilot for LOC orders one year from the date of approval of this proposed rule change.⁸

2. Statutory Basis

The basis under the Act for this proposed rule change is the requirement under Section 6(b)(5) that an Exchange have rules that are designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest. The proposed rule change perfects the mechanism of a free and open market by providing investors with the ability to use LOC orders as a vehicle for managing risk at the close.

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

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

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 other 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

⁷ Currently, MOC imbalances are published for pilot stocks on expiration days and non-expiration days. In addition, on non-expiration days, MOC imbalances are published for stocks that are being added to or dropped from an index and, upon the request of a specialist, any other stock with the approval of a Floor Official. See Securities Exchange Act Release No. 35589 (April 10, 1995), 60 FR 19313.

⁸ Given the limited use of the LOC order type in the current pilot for five stocks, the Exchange proposes that the existing pilot be replaced with the one year pilot for LOCs in all stocks proposed herein.

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.

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, 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 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 NYSE. All submissions should refer the File No. SR-NYSE-95-09 and should be submitted by May 24, 1995.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-10853 Filed 5-2-95; 8:45 am]

BILLING CODE 8010-01-M

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster Loan Area #2769]

Oklahoma; Declaration of Disaster Loan Area

As a result of the President's major disaster declaration on April 26, 1995, I find that Oklahoma County in the State of Oklahoma constitutes a disaster area due to damages caused by an explosion at the Alfred P. Murrah Federal Building in Oklahoma City on April 19, 1995. Applications for loans for physical damages may be filed until the close of business on June 24, 1995, and for loans for economic injury until the close of business on January 26, 1996, at the address listed below:

U.S. Small Business Administration,
Disaster Area 3 Office, 4400 Amon