

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

Within 35 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 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 such 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, 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 in the Commission's Public Reference Section, 450 Fifth Street, N.W., Washington, D.C. Copies of such filing will also be available for inspection and copying at the principal office of the above-mentioned self-regulatory organization. All submissions should refer to File No. SR-CBOE-96-19 and should be submitted by May 6, 1996.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>2</sup>

Margaret H. McFarland,  
Deputy Secretary.

[FR Doc. 96-9229 Filed 4-12-96; 8:45 am]

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[Release No. 34-37083; File No. SR-PSE-96-08]

### Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Pacific Stock Exchange, Inc. Relating to Amendments to Exchange Constitution Article III, Section 2(c)

April 8, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on March 28, 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 proposed rule change consists of amendments to Article III, Section 2(c) of the PSE Constitution. The proposed amendments to Article III, Section 2(c) are as follows [New text is italicized; deleted text is bracketed]:

Sec. 2(c). [No two or more Governors for a common or overlapping term may be associated either as partners, officers, directors, stockholders or otherwise in the same member firm or in a partnership or corporation which is affiliated with the same member firm. A Governor or nominee for Governor shall be considered to be associated with another member of the Board of Governors as a stockholder in the same member firm or in a partnership or corporation which is affiliated with the same member firm if:]

[(i) He or any member, allied member or associated person in his member firm or its subsidiaries or affiliates is an officer or director (or person occupying a similar status or performing similar functions) in a member firm or its subsidiaries or affiliates with which another member of the Board of Governors is associated; or]

[(ii) He or his member firm, its subsidiaries or affiliates or any member, allied member or associated person therein owns, directly or indirectly, more than 1% of the outstanding publicly traded stock of a member firm, its subsidiaries or affiliates with which another member of the Board of Governors is associated.]

*Care shall be taken to have the various interests of the membership*

*represented on the Board of Governors. If the Board determines that an affiliation or association between Governors of the Board creates a conflict of interests, one Governor shall resign from the Board, or be removed by the Board if no resignation is received.*

No person, other than one elected to the Board as a representative of the public, may serve as Governor for more than two successive three-year terms.

#### 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 Section 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

Prior to 1973, the Exchange had no rule in place regarding conflicts of interests. That year, a much simplified version of the current rule was added to the Constitution, which read as follows:

"No two or more Governors for a common or overlapping term may be associated either as partners, stockholders or otherwise in the same member firm or in a partnership or corporation which is affiliated with the same member firm."

In 1983, the rule expanded the definition of associates to include officers and directors,<sup>2</sup> and attempted to define more clearly an "indirect association" between Governors, by using two specific tests.<sup>3</sup> Those tests are described in the current rule.<sup>4</sup> However, the experience of PSE management and the PSE Board of Governors in interpreting and applying the current rule has been that the language is too cumbersome and specific to achieve the intended purpose of eliminating conflicts. Being restricted by the specific language of the current rule leaves the

<sup>2</sup> See Securities Exchange Act Release No. 19406 (Feb. 17, 1983), 48 FR 8385 (Feb. 28, 1996) (order approving File No. SR-PSE-82-16).

<sup>3</sup> See PSE Const., Art. III, Sec. 2(c).

<sup>4</sup> *Id.*

<sup>2</sup> 17 CFR 200.30-3(a)(12) (1994).

<sup>1</sup> 15 U.S.C. § 78s(b)(1).

Board with little flexibility with respect to conflicts outside the rule's language.

A task force was created to help review the current rule, and to examine alternatives that might work better to avoid conflicts on both the Board of Governors and the Exchange committees. The task force consisted of nine members as follows: four governors (including a public governor, a specialist, an options floor broker and an allied member), two options clearing firm officials, the chairman of the Options Floor Trading Committee, the chairman of the Equity Floor Trading Committee, and the chairman of the Ethics and Business Conduct Committee. The task force concluded that the current language was unnecessarily specific, and therefore was too restrictive on the Board's power to determine whether a conflict existed. After review, the task force noted that most of the other exchanges used broad and general language, or no language at all, with the understanding that the boards of each exchange follow the spirit of a general policy of avoiding conflicts of interest. The task force approved the proposed rule, which is intended to provide more flexibility to the PSE Board to determine when a conflict exists, and to take the appropriate action.

## 2. Statutory Basis

The proposed rule change is consistent with Section 6(b)(5) of the Act in that it is designed to assure a fair representation of its members in the selection of its Governors and administration of its affairs, and further it is designed to prevent fraudulent and manipulative acts and practices, to foster cooperation and coordination with persons engaged in regulating and processing information with respect to, and facilitating transactions in securities and to protect investors and the public interest.

### *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 that is not necessary or appropriate in furtherance of the Act.

### *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. A nine person task force consisting of Governors and Exchange members was created to review the current rule and to examine alternatives. The task force met on two

occasions and recommended the proposed rule for approval by the Board of Governors. Subsequent to approval by the Board of Governors, voting members approved the proposed constitutional amendment at the January 25, 1996 Annual Meeting of the Exchange.

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(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

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

Margaret H. McFarland,

*Deputy Secretary.*

[FR Doc. 96-9185 Filed 4-12-96; 8:45 am]

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## SMALL BUSINESS ADMINISTRATION

### Data Collection Available for Public Comments and Recommendations

**ACTION:** Notice and request for comments.

**SUMMARY:** In accordance with the Paperwork Reduction Act of 1995, this notice announces the Small Business Administration's intentions to request approval on a new, and/or currently approved information collection.

**DATES:** Comments should be submitted on or before June 14, 1996.

**FOR FURTHER INFORMATION CONTACT:** Jacqueline White, Management Analyst, Small Business Administration, 409 3rd Street, S.W., Suite 5000, Washington, D.C. 20416. Phone Number: 202-205-6629. Copies of these collections can also be obtained.

#### SUPPLEMENTARY INFORMATION:

*Title:* SBDC Project Officer's Review Checklist.

*Type of Request:* Extension of a currently approved collection.

*Description of Respondents:* Small Business Development Centers.

*Annual Responses:* 228.

*Annual Burden:* 456.

*Comments:* Send all comments regarding these information collections to Mary Ann Holl, Office of SBDC, Small Business Administration, 409 3rd Street, S.W., Washington, D.C. 20416. Phone No.: 202-205-7302.

Send comments regarding whether this information collection is necessary for the proper performance of the function of the agency, accuracy of burden estimate, in addition to ways to minimize this estimate, and ways to enhance the quality.

Dated: March 29, 1996.

Jacqueline White,

*Chief, Administrative Information Branch.*

[FR Doc. 96-9191 Filed 4-12-96; 8:45 am]

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## DEPARTMENT OF STATE

[Public Notice No. 2367]

### Shipping Coordinating Committee, Subcommittee on Standards of Training and Watchkeeping; Notice of Meeting

The Shipping Coordinating Committee (SHC) will conduct an open meeting at 09:30 AM of Friday, May 24, 1996, in Room 4315 of the United States Coast Guard Headquarters Building, 2100 2nd Street SW, Washington DC 20593-0001. The primary purpose of the meeting is to prepare for the twenty-