

Industries, Inc. ("Alliance"), with respect to the company's financial projections available through its internet home page and as distributed to potential investors as well as other information contained in various press releases and other documents.

The Commission is of the opinion that the public interest and the protection of investors require a suspension of trading in the securities of the aforementioned company.

Therefore, it is ordered, pursuant to Section 12(k) of the Securities Exchange Act of 1934, that the trading in the securities of Alliance be suspended for the period from 9:30 A.M. (EDT) on November 26, 1996 through 11:59 P.M. midnight (EDT) on December 10, 1996.

By the Commission.

Jonathan G. Katz,

Secretary.

[FR Doc. 96-30615 Filed 11-26-96; 1:11 pm]

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[Release No. 34-37969; File No. SR-NYSE-96-21]

**Self-Regulatory Organizations; New York Stock Exchange, Inc.; Order Granting Approval to Proposed Rule Change Relating to the Entry of Limit-at-the-Close Orders**

November 20, 1996.

On July 31, 1996, the New York Stock Exchange, Inc. ("NYSE" or "Exchange") submitted to the Securities and Exchange Commission ("SEC" or "Commission"), 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> a proposed rule change to permit limit-at-the-close ("LOC") orders to be entered in any stock at any time during the trading day up to 3:40 p.m. on expiration days and 3:50 on non-expiration days. On October 2, 1996, the Exchange submitted Amendment No. 1 to the proposed rule change.<sup>3</sup>

The proposed rule change, including Amendment No. 1, was published for

comment in Securities Exchange Act Release No. 37786 (Oct. 4, 1996), 61 FR 53473 (Oct. 10, 1996). No comments were received on the proposal.

In 1994, the Commission approved, on a pilot basis, NYSE's proposed rule change to permit entry of LOC orders to offset published imbalances of market-on-close ("MOC")<sup>4</sup> orders in certain stocks.<sup>5</sup> A LOC order is one that is entered for execution at the closing price, provided that the closing price is at or within the limit specified. LOC orders are executed behind limit orders at the same price and behind MOC orders.

Currently, LOC orders may be entered only to offset published imbalances of MOC orders. MOC imbalances of 50,000 shares or more in (1) the so-called "pilot" stocks,<sup>6</sup> (2) stocks being added to or dropped from an index, and (3) any other stock with the approval of a Floor Official, must be published on the tape as soon as practicable after 3:40 p.m. for expiration days<sup>7</sup> and after 3:50 p.m. on non-expiration days. LOC orders currently must be entered only between 3:40 and 3:55 p.m. on expiration days and between 3:50 and 3:55 p.m. on non-expiration days. On expiration days, LOC orders are irrevocable once entered except in case of legitimate error. On non-expiration days, LOC orders are irrevocable after 3:55 p.m. except in case of legitimate error.

In 1995, the pilot program for LOC orders was expanded from five stocks to all stocks that have published MOC order imbalances of 50,000 shares or more in order to help stimulate use of this order type. At the present time, the NYSE proposes to expand further the

<sup>4</sup> A MOC order is a market order to be executed in its entirety at the closing price on the Exchange. See NYSE Rule 13.

<sup>5</sup> See Securities Exchange Act Release No. 33706 (Mar. 3, 1994), 59 FR 11093 (Mar. 9, 1994) (approving the original LOC pilot program). The latest pilot program for LOC orders expires on July 31, 1997. See Securities Exchange Act Release No. 37507 (July 31, 1996) (File No. SR-NYSE-96-18 and Amendment No. 1 thereto).

<sup>6</sup> The term "pilot stocks" refers to the Expiration Friday pilot stocks plus any additional QIX Expiration Day pilot stocks. Specifically, 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.

<sup>7</sup> 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").

use of LOC orders by allowing these orders to be entered in any stock at any time during the trading day up to 3:40 p.m. on expiration days and up to 3:50 p.m. on non-expiration days. Thereafter, consistent with current policy, LOC orders could be entered only to offset published MOC imbalances. Under the proposed rule change, LOC orders would be subject to the same type of order entry and cancellation restrictions currently imposed on MOC orders.<sup>8</sup>

According to the NYSE, the use of LOC orders has remained limited: The narrow order entry window, along with the requirement that LOC orders must offset published MOC imbalances, makes the opportunities for their entry too limited to justify for many member firms the programming necessary to support their use. The Exchange believes that the expansion of the LOC pilot to allow for such orders to be entered throughout the day (up until the cut-off time) would allow investors the possibility of using LOC orders in conjunction with other investment strategies. The Exchange therefore believes that this could attract additional LOC orders, thereby increasing liquidity and potentially reducing volatility at the close. According to the Exchange, increased use of LOC orders may prove to 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.

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange, and, in particular, with the requirements of Section 6(b).<sup>9</sup> Specifically, the Commission believes the proposal is consistent with the Section 6(b)(5) requirements that the rules of an exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts, and, in general, to protect investors and the public interest.<sup>10</sup>

<sup>8</sup> On expiration days, there is a 3:40 p.m. deadline for the entry, reduction, or cancellation of any MOC order. On non-expiration days, there is a 3:50 p.m. deadline for the entry, reduction, or cancellation of any MOC order. Currently, LOC orders can be canceled until 3:55 p.m. on non-expiration days. Under the proposed rule change, LOC orders will be irrevocable on non-expiration days, except in the case of legitimate error, after 3:50 p.m. Telephone conversation between Donald Siemer, Director of Market Surveillance, NYSE, and Elisa Metzger, Special Counsel, SEC, on November 19, 1996.

<sup>9</sup> 15 U.S.C. § 78f(b).

<sup>10</sup> In approving this rule, the Commission has considered the proposed rule's impact on

<sup>1</sup> 15 U.S.C. § 78s(b)(1).

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

<sup>3</sup> See letter and Form 19b-4 from James E. Buck, Senior Vice President and Secretary, NYSE, to Ivette Lopex, Assistant Director, Division of Market Regulation, SEC, dated September 27, 1996. Amendment No. 1 expanded the purpose section of the filing to provide a more detailed explanation of the reasons the Exchange is seeking to permit limit-at-the-close ("LOC") orders to be entered in any stock at any time during the trading day up to 3:40 p.m. on expiration days and 3:50 p.m. on non-expiration days. Thereafter, as with market-on-close ("MOC") orders, LOC orders could be entered only to offset published imbalances. This proposed revision of the LOC pilot would subject LOC orders to the same type of order entry and cancellation restrictions currently imposed on MOC orders.

As part of an effort by the Exchange to institute certain safeguards to minimize excess market volatility that may arise from liquidation of stock positions related to trading strategies involving index derivative products, the Exchange proposed and the Commission approved, on a pilot basis, the use of LOC orders under limited circumstances. Now, the NYSE proposes to expand the use of LOC orders by allowing such orders to be entered throughout the day up until the cut-off time and removing the restriction that they be entered only to offset published MOC imbalances. The Exchange believes that allowing the entry of LOC orders throughout the day would encourage the use of LOC orders, which in turn may alleviate excess market volatility through the expected increase in market liquidity.

The Commission believes that the NYSE's proposed rule change is consistent with the purposes of the Act. Although the NYSE, in effect, is proposing the use of a new order type throughout the day, the Commission does not believe that allowing entry of LOC orders would have harmful effects on other orders or on the market in general. For example, the LOC orders would continue to be executed behind conventional limit orders at the same price and behind MOC orders.

Under the amended pilot, LOC orders may be entered throughout the day for possible execution at the closing price. LOC orders, however, will continue to be executed in the same manner as in the current pilot: LOC orders at a better price than the closing price will be treated as market orders and executed against each other, limit orders on the book, or the specialist's own account. Moreover, as in the current pilot program, the LOC orders at the closing price will not be guaranteed an execution. Finally, as previously, after the cut-off periods of 3:40 p.m. for expiration days and 3:50 p.m. for non-expiration days, LOC orders may be entered only to offset published imbalances.

To the extent that the proposal would encourage entry of LOC orders, which may potentially offset imbalances of MOC orders at the close, the Commission believes that LOC orders will continue to be a useful investment vehicle for curbing excess price volatility at the close. With respect to the use of LOC orders as another order type, the Commission believes that the appropriate procedures for handling LOC orders provided by the NYSE in

the proposal will ensure that market, limit and MOC orders will not be disadvantaged by the expanded use of LOC orders.

Finally, the Commission notes that the LOC orders have been on a pilot program since 1994 and the NYSE has submitted detailed reports describing its experience with the pilot program. The Commission, therefore, believes that the Exchange appears to have had sufficient experience with the program to determine its effectiveness. The Commission encourages the Exchange to seek permanent approval of the procedures or to determine to discontinue the program after the Exchange analyzes the data for the report due on May 31, 1997. If the Exchange decides to seek permanent approval of the pilot procedures, any such request should also be submitted to the Commission by May 31, 1997, as a proposed rule change pursuant to Section 19(b) of the Act.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>11</sup> that the proposed rule change (SR-NYSE-96-21) is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>12</sup>

Margaret H. McFarland,

*Deputy Secretary.*

[FR Doc. 96-30399 Filed 11-27-96; 8:45 am]

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## DEPARTMENT OF STATE

[Public Notice 2478]

### Advisory Committee on Historical Diplomatic Documentation; Notice of Meeting

The Advisory Committee on Historical Diplomatic documentation will meet in the Department of State, December 16, 1996 in Conference Room 1205 and December 17, 1996 in Conference Room L315 at 2401 E Street NW at the State Annex—1.

The Committee will meet in open session from 1:30 p.m. on the afternoon of Monday, December 16, 1996, until 4:00 p.m. The remainder of the Committee's sessions from 9:00 a.m. until 3:00 p.m. on Tuesday, December 17, will be closed in accordance with Section 10(d) of the Federal Advisory Committee Act (Pub. L. 92-463). It has been determined that discussions during these portions of the meeting will involve consideration of matters not subject to public disclosure under 5 U.S.C. 552b(c)(1), and that the public

interest requires that such activities will be withheld from disclosure.

Questions concerning the meeting should be directed to William Z. Slany, Executive Secretary, Advisory Committee on Historical Diplomatic Documentation, Department of State, Office of the Historian, Washington, DC, 20520, telephone (202) 663-1123, (e-mail histoff@ix.netcom.com).

Dated: November 13, 1996.

William Z. Slany,

*Executive Secretary.*

[FR Doc. 96-30437 Filed 11-27-96; 8:45 am]

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## DEPARTMENT OF TRANSPORTATION

### Office of the Secretary

#### Reports, Forms and Recordkeeping Requirements Agency Information Collection Activity Under OMB Review

**AGENCY:** Department of Transportation (DOT), Office of the Secretary (OST).

**ACTION:** Notice.

**SUMMARY:** In compliance with the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*), this notice announces that the Information Collection Request (ICR) abstracted below has been forwarded to the Office of Management and Budget (OMB) for extension of a currently approved collection. The ICR describes the nature of the information collection and its expected burden. The Federal Register Notice with a 60-day comment period soliciting comments on the following collection of information was published on August 20, 1996 [FR 61, page 43117].

**DATES:** Comments must be submitted on or before December 30, 1996.

**FOR FURTHER INFORMATION CONTACT:** Richard Weaver, 400 Seventh Street, S.W., Washington, D.C. 20590. Telephone 202-366-2811.

#### SUPPLEMENTARY INFORMATION:

Maritime Administration

*Title:* Port Facilities Inventory.

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

*OMB Control Number:* 2133-0023.

*Form Number:* MA-400.

*Affected Public:* Port terminal owners.

*Abstract:* The collection of port facility data from terminal owners will permit the Maritime Administration to maintain information on those essential port facilities that are required for emergency use at the proper level of accuracy and currency. These surveys would be used only in the event the

efficiency, competition, and capital formation. 15 U.S.C. §78c(f).

<sup>11</sup> 15 U.S.C. § 78s(b)(2).

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