

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,<sup>10</sup> that the proposed rule change (File No. SR-PCX-98-35) be and hereby is approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>11</sup>

**Margaret H. McFarland,**  
Deputy Secretary.

**Exhibit A**

Additions *italicized*  
Deletions [bracketed]

Text of the Proposed Rule Change: COD Orders—Partial Delivery

Rule 9.12 (a)(1)–(3) No change.

(4) No change.

(A)–(B)(i)–(ii) No change.

(5) [The customer or its agent shall utilize the facilities of a securities depository for the confirmation, acknowledgement, and book entry settlement of all depository eligible transactions.] *The facilities of a Clearing Agency must be utilized for the book-entry settlement of all Depository Eligible Transactions except for transactions that are to be settled outside the United States. The facilities of either a Clearing Agency or a Qualified Vendor must be utilized for the electronic confirmation and affirmation of all Depository Eligible Transaction.*

(A) For the purpose of this rule, “securities depository” [shall] means a clearing agency as defined in Section 3(a)(23) of the Securities Exchange Act of 1934 that is registered with the Securities and Exchange Commission pursuant to Section 17A(b)(2) of the Act.

(B) For the purpose of this rule “depository eligible transactions” [shall] means transactions in those securities for which confirmation, *affirmation* [acknowledgment] and book entry settlement can be performed through the facilities of a securities depository as defined in Rule 9.12(a)(5)(A).

(C) For the purpose of this rule “Clearing Agency” means a clearing agency as defined in Section 3(a)(23) of the Securities Exchange Act of 1934 that is registered with the Securities and Exchange Commission pursuant to Section 17A(b)(2) of the Act or that has obtained from the Commission an exemption from registration granted specifically to allow the clearing agency to provide confirmation/affirmation services.

(D) “Qualified Vendor” means a vendor of electronic confirmation and affirmation services that:

(i) will, for each transaction subject to this rule: (a) deliver a trade record to a Clearing Agency in the Clearing Agency’s format; (b) obtain a control number for the trade record from the Clearing Agency; (c) cross-reference the control number to the confirmation and subsequent affirmation of the trade; and (d) include the control number when delivering the affirmation of the trade to the Clearing Agency;

(ii) certifies to its customers: (a) with respect to its electronic trade confirmation/

*affirmation system, that it has a capacity requirements, evaluation, and monitoring processes that allow the vendor to formulate current and anticipated estimated capacity requirements; (b) that its electronic trade confirmation/affirmation system has sufficient capacity to process the specified volume of data that it reasonably anticipates to be entered into its electronic trade confirmation/affirmation service during the upcoming year; (c) that its electronic trade confirmation/affirmation system has formal contingency procedures, that the entity has followed a formal process of reviewing the likelihood of contingency occurrences, and that the contingency protocols are reviewed and updated on a regular basis; (d) that its electronic trade confirmation/affirmation system has a process for preventing, detecting, and controlling any potential or actual systems integrity failures, and its procedures designed to protect against security breaches are followed; and (e) that its current assets exceed its current liabilities by at least five hundred thousand dollars;*

*(iii) has submitted and will continue to submit on an annual basis an Auditor’s Report to the Exchange and to the Commission Staff which is not deemed unacceptable by the Commission Staff. An Auditor’s Report will be deemed unacceptable if it contains any findings of material weakness;*

*(iv) notifies the Exchange and the Commission Staff immediately in writing of any changes to its systems that significantly affect or have the potential to significantly affect its electronic trade confirmation/affirmation systems including, without limitation, changes that: (a) affect or potentially affect the capacity or security of its electronic trade confirmation/affirmation system; (b) rely on new or substantially different technology; or (c) provide a new service to the Qualified Vendors’ electronic trade confirmation/affirmation system;*

*(v) immediately notifies the Exchange and Commission Staff, in writing, if it intends to cease providing services;*

*(vi) provides the Exchange with copies of any submission to the Commission Staff made pursuant to Sections (a)(5)(D)(ii), (iii), (iv), or (v) of the Rule within ten business days; and*

*(vii) supplies supplemental information regarding their electronic trade confirmation/affirmation services as requested by the Exchange or the Commission.*

(E) “Auditor’s Report” means a written report that is prepared by competent, independent, external audit personnel in accordance with the standards of the American Institute of Certified Public Accountants and the Information Systems Audit and Control Association and that (i) verifies the certifications contained in subsection (a)(5)(D)(ii) above; (ii) contains a risk analysis of all aspects of the entity’s information technology systems including, without limitation, computer operations, telecommunications, data security, systems development, capacity planning and testing, and contingency planning and testing; and (iii) contains the written response of the

entity’s management to the information provided pursuant to (i) and (ii) above.

Rule 9.12(b), No Change.

[FR Doc. 99–14989 Filed 6–11–99; 8:45 am]

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**SMALL BUSINESS ADMINISTRATION**

[Declaration of Disaster #3188]

**State of Georgia**

Fulton County and the contiguous counties of Carroll, Douglas, Cobb, Cherokee, Forsyth, Gwinnett, DeKalb, Clayton, Fayette and Coweta in the State of Georgia constitute a disaster area as a result of damages caused by an apartment complex fire that occurred on May 3, 1999. Applications for loans for physical damages may be filed until the close of business on August 2, 1999 and for economic injury until the close of business on March 3, 2000 at the address listed below or other locally announced locations:

U.S. Small Business Administration,  
Disaster Area 2 Office, One Baltimore  
Place, Suite 300, Atlanta, GA 30308

The interest rates are:

	Percent
For Physical Damage:	
HOMEOWNERS WITH CREDIT AVAILABLE ELSEWHERE	6.875
HOMEOWNERS WITHOUT CREDIT AVAILABLE ELSEWHERE .....	3.437
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 .....	7.000
For Economic Injury:	
BUSINESSES AND SMALL AGRICULTURAL COOPERATIVES WITHOUT CREDIT AVAILABLE ELSEWHERE ...	4.000

The numbers assigned to this disaster are 318805 for physical damage and 9C9800 for economic injury.

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

Dated: June 3, 1999.

**Mary Kristine Swedin,**  
Acting Administrator.

[FR Doc. 99–14972 Filed 6–11–99; 8:45 am]

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<sup>10</sup> 15 U.S.C. 78s(b)(2).

<sup>11</sup> 17 CFR 200.30–3(a)(12).