

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 Room. Copies of such filing will also be available for inspection and copying at the principal office of CBOE. All submissions should refer to File No. SR-CBOE-2003-31 and should be submitted by October 23, 2003.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁷

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 03-25013 Filed 10-1-03; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-48538; File No. SR-PCX-2002-01]

Self Regulatory Organizations; Order Approving Proposed Rule Change and Notice of Filing and Order Granting Accelerated Approval to Amendment No. 3 to the Proposed Rule Change by the Pacific Exchange, Inc., Relating to Procedures for Obvious Errors in Options Transactions

September 25, 2003.

I. Introduction

On January 3, 2002, the Pacific Exchange, Inc. ("PCX" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission"), pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² a proposed rule change to adopt an obvious error rule for options transactions. On July 28, 2003, the Exchange submitted Amendment No. 1 to the proposed rule change.³ On August 8, 2003, the Exchange submitted Amendment No. 2 to the proposed rule change.⁴ The proposed rule change, as

amended, was published for comment in the **Federal Register** on August 22, 2003.⁵ The Commission did not receive any comments on the proposed rule change. On September 16, 2003, the PCX filed Amendment No. 3 to the proposed rule change.⁶ This order approves the proposed rule change, as amended, grants accelerated approval to Amendment No. 3, and solicits comments from interested persons on that amendment.

II. Discussion and Commission Findings

The Commission has reviewed carefully the proposed rule change and 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.⁷ In particular, the Commission finds that the proposed rule change is consistent with section 6(b)(5)⁸ of the Act, which requires that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism for a free and open market and a national market system, and, in general, to protect investors and the public interest.⁹

The Commission considers that in most circumstances trades that are executed between parties should be honored. On rare occasions, the price of the executed trade indicates an "obvious error" may exist, suggesting that it is unrealistic to expect that the parties to the trade had come to a meeting of the minds regarding the terms of the transaction. In the Commission's view, the determination of whether such an "obvious error" has occurred should be based on specific and objective criteria and subject to

Assistant Director, Division, Commission, dated August 7, 2003 ("Amendment No. 2"). Amendment No. 2 supersedes and replaces the proposed rule change and Amendment No. 1 in their entirety.

⁵ See Securities Exchange Act Release No. 48342 (August 14, 2003), 68 FR 50820 (August 22, 2003) ("Notice").

⁶ See Letter from Mai S. Shiver, Senior Attorney, Regulatory Policy, Exchange, to Nancy J. Sanow, Assistant Director, Division, Commission, dated September 15, 2003 ("Amendment No. 3"). In Amendment No. 3, the Exchange amended proposed PCX Rule 6.87(g)(2)(E) to clarify a provision relating to the determination of an obvious price error and amended proposed PCX Rule 6.87(g)(2)(G) to clarify the definition of "parity."

⁷ For a description of the proposed rule change, see Notice, *supra*, n.4.

⁸ 15 U.S.C. 78f(b)(5).

⁹ In approving this proposed rule change, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

specific and objective procedures. The Commission believes that the PCX's proposed obvious error rule establishes specific and objective criteria for determining when a trade is an "obvious error." The Commission also believes that the proposal establishes specific and objective procedures governing the adjustment or nullification of such trade. In addition, the Commission notes that several provisions of the PCX obvious error rule proposal, as amended, are substantially similar to proposed rule changes submitted by the Chicago Board Options Exchange, Inc. and International Securities Exchange, Inc., which the Commission has approved.¹⁰

The Commission finds good cause for approving Amendment No. 3 to the proposed rule change prior to the thirtieth day after the date of publication of notice thereof in the **Federal Register**. Amendment No. 3 does not make any substantive changes to the proposed rule text. It simply clarifies the determination of an obvious price error and the definition of a transaction executed below parity. Therefore, the Commission believes that granting accelerated approval of Amendment No. 3 is appropriate and consistent with section 6(b)(5)¹¹ and section 19(b)¹² of the Act.

III. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning Amendment No. 3, including whether Amendment No. 3 is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609. Copies of the submission, all subsequent amendments, all written statements with respect to the proposal that are filed with the Commission, and all written communications relating to the proposal 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 Room. Copies of such filing will also be available for inspection and copying at the principal office of the Exchange. All submissions should refer to File No.

¹⁰ See Securities Exchange Act Release No. 47628 (April 3, 2003), 68 FR 17697 (April 10, 2003) (SR-CBOE-00-55); Securities Exchange Act Release No. 48097 (June 26, 2003), 68 FR 39604 (July 2, 2003) (SR-ISE-2003-10).

¹¹ 15 U.S.C. 78f(b)(5).

¹² 15 U.S.C. 78s(b).

⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Letter from Mai S. Shiver, Senior Attorney, Regulatory Policy, Exchange, to Nancy J. Sanow, Assistant Director, Division of Market Regulation ("Division"), Commission, dated July 25, 2003 ("Amendment No. 1"). Amendment No. 1 supersedes and replaces the proposed rule change in its entirety.

⁴ See Letter from Mai S. Shiver, Senior Attorney, Regulatory Policy, Exchange, to Nancy J. Sanow,

SR-PCX-2002-01 and should be submitted by October 23, 2003.

IV. Conclusion

For the reasons discussed above, the Commission finds that the proposal, as amended, is consistent with the Act and the rules and regulations thereunder.

It is therefore ordered, pursuant to section 19(b)(2) of the Act,¹³ that the proposed rule change (SR-PCX-2002-01), as amended, be, and hereby is, approved, and that Amendment No. 3 to the proposed rule change be, and hereby is, approved on an accelerated basis.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁴

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 03-24951 Filed 10-1-03; 8:45 am]

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SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3551]

State of Delaware

As a result of the President's major disaster declaration on September 23, 2003, I find that New Castle County in the State of Delaware constitutes a disaster area due to damages caused by Tropical Storm Henri occurring on September 15, 2003. Applications for loans for physical damage as a result of this disaster may be filed until the close of business on November 24, 2003 and for economic injury until the close of business on June 23, 2004 at the address listed below or other locally announced locations: U.S. Small Business Administration, Disaster Area 1 Office, 360 Rainbow Blvd., South 3rd Fl., Niagara Falls, NY 14303-1192.

In addition, applications for economic injury loans from small businesses located in the following contiguous counties may be filed until the specified date at the above location: Kent County in the State of Delaware; Cecil and Kent Counties in the State of Maryland; Gloucester and Salem Counties in the State of New Jersey; and Chester and Delaware Counties in the Commonwealth of Pennsylvania.

The interest rates are:

	Percent
For Physical Damage:	
Homeowners with Credit Available Elsewhere	5.125
Homeowners without Credit Available Elsewhere	2.562

¹³ 15 U.S.C. 78s(b)(2).

¹⁴ 17 CFR 200.30-3(a)(12).

	Percent
Businesses with Credit Available Elsewhere	6.199
Businesses and Non-Profit Organizations without Credit Available Elsewhere	3.100
Others (Including Non-Profit Organizations) with Credit Available Elsewhere	5.500
For Economic Injury:	
Businesses and Small Agricultural Cooperatives without Credit Available Elsewhere ...	3.100

The number assigned to this disaster for physical damage is 355108. For economic injury the number is 9X1300 for Delaware; 9X1400 for Maryland; 9X1500 for New Jersey; and 9X1600 for Pennsylvania.

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

Dated: September 24, 2003.

Cheri L. Cannon,

Acting Associate Administrator for Disaster Assistance.

[FR Doc. 03-25033 Filed 10-1-03; 8:45 am]

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SMALL BUSINESS ADMINISTRATION

[Declaration of Economic Injury Disaster #9X06]

State of Oregon

Deschutes and Jefferson Counties and the contiguous counties of Crook, Harney, Klamath, Lake, Lane, Linn, Marion, Wasco and Wheeler in the State of Oregon constitute an economic injury disaster area as a result of a wildfire known as the B & B Complex wildfire that began on August 19, 2003 and continues to burn. The wildfire caused the closure of Highway 20/126 for approximately two weeks and has caused several businesses to suffer substantial economic losses. Eligible small businesses and small agricultural cooperatives without credit available elsewhere may file applications for economic injury assistance for this disaster until the close of business on June 28, 2004 at the address listed below or other locally announced locations: U.S. Small Business Administration, Disaster Area 4 Office, P.O. Box 13795, Sacramento, CA 95853-4795.

The interest rate for eligible small businesses and small agricultural cooperatives is 3.100 percent.

The number assigned for economic injury for this disaster is 9X0600.

(Catalog of Federal Domestic Assistance Program No. 59002.)

Dated: September 26, 2003.

Hector V. Barreto,

Administrator.

[FR Doc. 03-25031 Filed 10-1-03; 8:45 am]

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SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3546]

Commonwealth of Virginia (Amendment #2)

In accordance with a notice received from the Department of Homeland Security—Federal Emergency Management Agency, effective September 22, 2003, the above numbered declaration is hereby amended to include the Independent Cities of Bedford, Buena Vista, Charlottesville, Fredericksburg, Harrisonburg, Lynchburg, Manassas, Manassas Park, and Winchester, and the counties of Albemarle, Amelia, Amherst, Appomattox, Bedford, Buckingham, Campbell, Charlotte, Clarke, Culpeper, Cumberland, Dinwiddie, Fauquier, Frederick, Greene, Halifax, Hanover, King George, King William, King and Queen, Louisa, Loudoun, Lunenburg, Madison, Nelson, New Kent, Nottoway, Pittsylvania, Powhatan, Prince Edward, Rappahannock, Rockingham, Shenandoah, and Warren in the Commonwealth of Virginia as disaster areas due to damages caused by Hurricane Isabel occurring on September 18, 2003 and continuing.

In addition, applications for economic injury loans from small businesses located in the contiguous counties of Franklin, Henry, and Roanoke in the Commonwealth of Virginia; Berkeley, Hampshire, Hardy, Jefferson, and Morgan Counties in the State of West Virginia; Frederick and Washington Counties in the State of Maryland; and Caswell, Person, and Rockingham Counties in the State of North Carolina may be filed until the specified date at the previously designated location. All other counties contiguous to the above named independent cities and primary counties have been previously declared.

All other information remains the same, *i.e.*, the deadline for filing applications for physical damage is November 17, 2003, and for economic injury the deadline is June 18, 2004.

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