

rules relating to the Intermarket Linkage¹³ would continue to apply to all customers who are not broker-dealers—even those customers whose orders are identified as Non-Customer Orders because they are Voluntary Professionals. Similarly, rules regarding customer suitability and other protections for customers would continue to apply with respect to all customers who are not broker-dealers.¹⁴

III. Discussion and Commission Findings

After careful consideration of the proposed rule change, the Commission finds that the proposed rule change is consistent with Section 6(b)¹⁵ of the Act and the rules thereunder.¹⁶ In particular, the Commission believes that the proposed rule change is consistent with Section 6(b)(5) of the Act,¹⁷ which requires that the rules of a national securities exchange, among other things, be 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; and not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The proposed rule change would allow Public Customers to elect to become Voluntary Professionals by choosing to instruct EAMs to designate their orders as Non-Customer Orders. Through such an election, the orders of such customers no longer would be subject to cancellation fees. The Commission believes that, in view of this result, the ability to become a Voluntary Professional could represent significant savings for a Public Customer whose trading strategy involves placing, and then cancelling, orders frequently.

By electing to become a Voluntary Professional, a Public Customer would cede the priority rights normally granted to the orders of Public Customers, and fees would be incurred on a Voluntary Professional's transactions. The Commission notes, however, that this result is determined solely by the choice of the customer. Thus, the proposed rule change would not introduce any rule

that would alter the preferential treatment accorded to the orders of a Public Customer against that Public Customer's will.

The Commission believes that the proposed rule change would not limit or restrict Public Customers in any way. On the contrary, it would give Public Customers more flexibility and expand their ability to participate cost-effectively in ISE's marketplace. The Commission notes that the one commenter who expressed a view to the Commission regarding the proposal favored the proposed rule change as "fair and just" and believed that it would promote increased trading activity.¹⁸

The Commission notes further that Voluntary Professionals would continue to benefit from all the protections afforded to Public Customers under the rules of the Exchange (other than the advantages Public Customers have with respect to priority and transaction fees). In addition, the advantages with respect to priority and fees would be restored when a Public Customer rescinded its election to be a Voluntary Professional.

In sum, the Commission believes that the proposed rule change appropriately would accommodate Public Customers who employ trading strategies that involve numerous order cancellations by allowing them to assess and determine for themselves the most beneficial status and fee structure for their orders, and to choose accordingly.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹⁹ that the proposed rule change (SR-ISE-2007-76), as modified by Amendment Nos. 1 and 2, be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁰

Florence E. Harmon,

Deputy Secretary.

[FR Doc. E8-6545 Filed 3-28-08; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-57551; File No. SR-ISE-2008-28]

Self-Regulatory Organizations; International Securities Exchange, LLC; Notice of Filing of Proposed Rule Change Relating to the Exposure of Public Customer Orders

March 25, 2008.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on March 18, 2008, the International Securities Exchange, LLC (the "Exchange" or the "ISE"), 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 substantially prepared by ISE. 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 ISE is proposing to expose public customer orders that are not executable on the Exchange before sending an order through the intermarket linkage system (a "Linkage Order") on behalf of the public customer. The text of the proposed rule change is available on the Exchange's Web site (<http://www.iseoptions.com>), at the principal office of the Exchange, and at the Commission's Public Reference Room.

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

In its filing with the Commission, ISE 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. ISE has prepared summaries, set forth in sections 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

The ISE will not automatically execute a customer's options order

¹³ See Chapter 19 of the ISE Rules.

¹⁴ See Chapter 6 of the ISE Rules. Telephone conversation between Ira Brandriss and Ronesha Butler, Special Counsels, Division of Trading Markets, Commission, and Katherine Simmons, Deputy General Counsel, ISE, on March 11, 2008.

¹⁵ 15 U.S.C. 78f(b).

¹⁶ In approving the proposed rule change, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

¹⁷ 15 U.S.C. 78f(b)(5).

¹⁸ See Rich Letter *supra* note 5.

¹⁹ 15 U.S.C. 78s(b)(2).

²⁰ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

when the ISE's best bid or offer ("BBO") is inferior to the national best bid or offer ("NBBO").³ Under ISE Rule 803(c)(2)(ii), the primary market maker ("PMM") is obligated to address public customer orders that are not automatically executed because there is a better price on another exchange. Rule 803(c) specifies that the PMM can either execute the order or send a Linkage Order to any other exchange displaying the best price in an attempt to get the better price for the public customer.⁴

Under the current procedure, if the PMM does not execute the public customer order, it sends a Linkage Order(s) to a competing exchange(s) even though there may be other ISE market makers who would be willing to execute the public customer order at the better price. Additionally, when a PMM sends a Linkage Order to another exchange, it is charged the other exchange's execution fee. Therefore, the cost to the PMM of sending the Linkage Order can be substantial, particularly with respect to other options exchanges that have adopted a maker-taker fee schedule. To retain as much order flow as possible on the ISE and to help reduce PMM costs by reducing the number of Linkage Orders they need to send to other exchanges, we propose to expose public customer orders to all ISE market makers before the PMM sends a Linkage Order to another exchange to give all ISE market makers an opportunity to provide the public customer with the best price.⁵

Specifically, under the proposal, before the PMM sends a Linkage Order on behalf of a public customer, the public customer order will be exposed at the NBBO price for a period established by the Exchange not to exceed one second.⁶ During the exposure period, Exchange market makers may enter responses up to the size of the order being exposed in the regular trading increment applicable to the option. If at the end of the exposure period, the order is executable at the then-current NBBO and the ISE is not at the then-current NBBO, the order will be executed against responses that equal or better the then-current NBBO.⁷ The

exposure period will be terminated if the exposed order becomes executable on the ISE at the prevailing NBBO or if the Exchange receives an unrelated order that could trade against the exposed order at the prevailing NBBO price.⁸ If, after an order is exposed, the order cannot be executed in full on the Exchange at the then-current NBBO or better, and it is marketable against the then-current NBBO, the PMM will send a Linkage Order on the customer's behalf for the balance of the order as provided in Rule 803(c)(2)(ii). If the balance of the order is not marketable against the then-current NBBO, it will be placed on the ISE book.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with section 6(b) of the Act⁹ in general and furthers the objectives of section 6(b)(5) of the Act¹⁰ in particular in that it should promote just and equitable principles of trade, serve to remove impediments to and perfect the mechanism of a free and open market and a national market system, and protect investors and the public interest. Exposing public customer orders before the PMM sends a Linkage Order on the public customer's behalf will give additional ISE participants an opportunity to provide the orders an execution at the NBBO on the ISE and reduce PMM costs by reducing the number of Linkage Orders sent to other exchanges.

B. Self-Regulatory Organization's Statement on Burden on Competition

This proposed rule change does not 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 not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any written comments from members or other interested parties.

represented by the size of a market maker's response).

⁸ The order will be executed against orders and quotes on the book and responses received during the exposure period in price priority. At the same price, customer orders will be executed first in time priority and then all other interest (orders, quotes and responses) will be allocated pro-rata based on size.

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

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 ISE 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, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-ISE-2008-28 on the subject line.

Paper Comments

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-ISE-2008-28. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). 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 Room on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for

³ See ISE Rule 714.

⁴ ISE Rules, Chapter 19 (Intermarket Linkage Rules).

⁵ Immediate-or-cancel orders are cancelled if they cannot be executed on the ISE upon entry. Therefore, such orders are not handled by the PMM under Rule 803(c)(2)(ii) and will not be exposed under this proposal.

⁶ The Exchange will issue a Circular to inform members of the time period.

⁷ Executions will be allocated pro-rata based on size (i.e., the percentage of the total number of contracts available at the same price that is

inspection and copying at the principal office of ISE. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-ISE-2008-28 and should be submitted on or before April 21, 2008.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹¹

Florence E. Harmon,

Deputy Secretary.

[FR Doc. E8-6546 Filed 3-28-08; 8:45 am]

BILLING CODE 8011-01-P

SMALL BUSINESS ADMINISTRATION

CommunityExpress Pilot Program

AGENCY: U.S. Small Business Administration (SBA).

ACTION: Notice of Pilot Program extension.

SUMMARY: This notice announces SBA's extension of the CommunityExpress Pilot Program until June 30, 2008. This extension will allow SBA to complete and implement a restructuring of the CommunityExpress program.

DATES: The CommunityExpress Pilot Program is extended under this notice until June 30, 2008.

FOR FURTHER INFORMATION CONTACT: Charles Thomas, Office of Financial Assistance, U.S. Small Business Administration, 409 Third Street, SW., Washington, DC 20416; Telephone (202) 205-6490; charles.thomas@sba.gov.

SUPPLEMENTARY INFORMATION: The CommunityExpress Pilot Program was established in 1999 based on the Agency's SBAExpress Program. Lenders approved for participation in CommunityExpress are authorized to use the expedited loan processing procedures in place for the SBAExpress Program, but the loans approved under this Program must be to distressed or underserved markets. To encourage lenders to make these loans, SBA provides its standard 75-85 percent guaranty, which contrasts to the 50 percent guaranty the Agency provides under SBAExpress. However, under CommunityExpress, participating lenders must arrange and, when necessary, pay for appropriate technical assistance for their borrowers under the program. Maximum loan amounts under this Program are limited to \$250,000.

SBA previously extended CommunityExpress until March 30, 2008 (72 FR 73415) to discuss and develop possible changes and enhancements to the Program.

The further extension of this Program until June 30, 2008, will allow SBA to evaluate several program concepts and features designed to improve the potential effectiveness and efficiency of the program and enhance the prospects of success for the small business borrowers under it.

(Authority: 13 CFR 120.3)

Eric R. Zarnikow,

Associate Administrator for Capital Access.

[FR Doc. E8-6550 Filed 3-28-08; 8:45 am]

BILLING CODE 8025-01-P

SMALL BUSINESS ADMINISTRATION

[Disaster Declaration # 11196 and # 11197]

Georgia Disaster Number GA-00012

AGENCY: U.S. Small Business Administration.

ACTION: Amendment 1.

SUMMARY: This is an amendment of the Presidential declaration of a major disaster for the State of Georgia (FEMA-1750-DR), dated 03/20/2008.

Incident: Severe Storms and Tornadoes.

Incident Period: 03/14/2008 through 03/16/2008.

EFFECTIVE DATE: 03/22/2008.

Physical Loan Application Deadline Date: 05/19/2008.

EIDL Loan Application Deadline Date: 12/22/2008.

ADDRESSES: Submit completed loan applications to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

FOR FURTHER INFORMATION CONTACT: A. Escobar, Office of Disaster Assistance, U.S. Small Business Administration, 409 3rd Street, SW., Suite 6050, Washington, DC 20416.

SUPPLEMENTARY INFORMATION: The notice of the Presidential disaster declaration for the State of Georgia, dated 03/20/2008 is hereby amended to include the following areas as adversely affected by the disaster:

Primary Counties: Bartow, Burke, Dekalb, Floyd, Jefferson, Polk.

Contiguous Counties:

Georgia: Chattooga, Emanuel, Glascock, Gordon, Haralson, Henry, Jenkins, Johnson, McDuffie, Paulding, Pickens, Richmond, Rockdale, Screven, Walker, Warren, Washington.

Alabama: Cherokee, Cleburne.

South Carolina: Aiken, Allendale, Barnwell.

All other information in the original declaration remains unchanged.

(Catalog of Federal Domestic Assistance Numbers 59002 and 59008)

Herbert L. Mitchell,

Associate Administrator for Disaster Assistance.

[FR Doc. E8-6552 Filed 3-28-08; 8:45 am]

BILLING CODE 8025-01-P

SMALL BUSINESS ADMINISTRATION

[Disaster Declaration # 11198]

Kentucky Disaster # KY-00014

AGENCY: U.S. Small Business Administration.

ACTION: Notice.

SUMMARY: This is a Notice of the Presidential declaration of a major disaster for Public Assistance Only for the Commonwealth of Kentucky (FEMA-1746-DR), dated 02/21/2008.

Incident: Severe Storms, Tornadoes, Straight-line Winds, and Flooding.

Incident Period: 02/05/2008 through 02/06/2008.

EFFECTIVE DATE: 02/21/2008.

Physical Loan Application Deadline Date: 04/21/2008.

ADDRESSES: Submit completed loan applications to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

FOR FURTHER INFORMATION CONTACT: A. Escobar, Office of Disaster Assistance, U.S. Small Business Administration, 409 3rd Street, SW., Suite 6050, Washington, DC 20416.

SUPPLEMENTARY INFORMATION: Notice is hereby given that as a result of the President's major disaster declaration on 02/21/2008, Private Non-Profit organizations that provide essential services of a governmental nature may file disaster loan applications at the address listed above or other locally announced locations.

The following areas have been determined to be adversely affected by the disaster:

Primary Counties: Adair, Allen, Bath, Carlisle, Casey, Estill, Franklin, Grayson, Hardin, Meade, Mercer, Metcalfe, Monroe, Morgan, Muhlenberg, Shelby.

The Interest Rates are:

¹¹ 17 CFR 200.30-3(a)(12).