

**SECURITIES AND EXCHANGE COMMISSION****Proposed Collection; Comment Request**

*Upon Written Request, Copies Available*

From: Securities and Exchange Commission, Office of Investor Education and Advocacy, Washington, DC 20549-0213.

**Extension:**

Rules 17h-1T and 17h-2T, SEC File No. 270-359, OMB Control No. 3235-0410.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) the Securities and Exchange Commission ("Commission") has submitted to the Office of Management and Budget requests for extension of the previously approved collections of information discussed below. The Code of Federal Regulation citations to this collection of information are the following rules: 17 CFR 240.17h-1T and 17 CFR 240.17h-2T under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*) (the "Act").

Rule 17h-1T requires a broker-dealer to maintain and preserve records and other information concerning certain entities that are associated with the broker-dealer. This requirement extends to the financial and securities activities of the holding company, affiliates and subsidiaries of the broker-dealer that are reasonably likely to have a material impact on the financial or operational condition of the broker-dealer. Rule 17h-2T requires a broker-dealer to file with the Commission quarterly reports and a cumulative year-end report concerning the information required to be maintained and preserved under Rule 17h-1T.

The collection of information required by Rules 17h-1T and 17h-2T is necessary to enable the Commission to monitor the activities of a broker-dealer affiliate whose business activities is reasonably likely to have a material impact on the financial and operational condition of the broker-dealer. Without this information, the Commission would be unable to assess the potentially damaging impact of the affiliate's activities on the broker-dealer.

There are currently 148 respondents that must comply with Rules 17h-1T and 17h-2T. Each of these 148 respondents require approximately 10 hours per year, or 2.5 hours per quarter, to maintain the records required under Rule 17h-1T, for an aggregate annual burden of 1,480 hours (148 respondents × 10 hours). In addition, each of these 148 respondents must make five annual responses under Rule 17h-2T. These five responses require approximately 14

hours per respondent per year, or 3.5 hours per quarter, for an aggregate annual burden of 2,072 hours (148 respondents × 14 hours). In addition, there are approximately five new respondents per year<sup>1</sup> that must draft an organizational chart required under Rule 17h-1T and establish a system for complying with the Rules. The staff estimates that drafting the required organizational chart requires one hour and establishing a system for complying with the Rules requires three hours, thus requiring an aggregate of 20 hours (5 new respondents × 4 hours). Thus, the total compliance burden per year is approximately 3,572 burden hours (1,480 + 2,072 + 20).

Written comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

Comments should be directed to Charles Boucher, Director/Chief Information Officer, Securities and Exchange Commission, C/O Shirley Martinson, 6432 General Green Way, Alexandria, Virginia 22312 or send an e-mail to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: June 10, 2009.

**Florence E. Harmon,**  
*Deputy Secretary.*

[FR Doc. E9-14176 Filed 6-16-09; 8:45 am]

**BILLING CODE 8010-01-P**

**SECURITIES AND EXCHANGE COMMISSION**

**[Investment Company Act Release No. 28766; File No. 812-13499]**

**X Exchange-Traded Funds, Inc., et al.; Notice of Application**

June 11, 2009.

**AGENCY:** Securities and Exchange Commission ("Commission").

**ACTION:** Notice of application to amend a prior order under section 6(c) of the

<sup>1</sup> However, the staff further estimates that the number of respondents decreases by at least that many firms per year as a result of mergers and other business factors.

Investment Company Act of 1940 ("Act") granting an exemption from sections 2(a)(32), 5(a)(1), 22(d), and 24(d) of the Act and rule 22c-1 under the Act, and under sections 6(c) and 17(b) of the Act for an exemption from sections 17(a)(1) and 17(a)(2) of the Act.

**SUMMARY OF APPLICATION:** Applicants request an order to amend a prior order that permits: (a) Series of open-end management investment companies to issue shares ("Shares") redeemable only in large aggregations ("Creation Units"); (b) secondary market transactions in the Shares to occur at negotiated prices; (c) dealers to sell Shares to purchasers in the secondary market unaccompanied by a prospectus when prospectus delivery is not required by the Securities Act of 1933 ("Securities Act"); and (d) certain affiliated persons of the series to deposit securities into, and receive securities from, the series in connection with the purchase and redemption of Creation Units ("Prior Order").<sup>1</sup> Applicants seek to amend the Prior Order in order to provide that (a) a series will invest at least 80%, rather than 90%, of its total assets in the component securities ("Component Securities") of its underlying index ("Underlying Index"); (b) the Underlying Index may be reconstituted and rebalanced no more frequently than on a monthly, rather than on a quarterly, basis ("Monthly Reconstitution"); and (c) the Indicative Optimized Portfolio Value (as defined below) may be calculated and disseminated by a national securities exchange ("Exchange") or by a major market data vendor. Applicants also seek to amend the Prior Order to delete the relief granted in the Prior Order from section 24(d) of the Act and revise the applications on which the Prior Order was issued ("Prior Applications") accordingly and to amend the terms and conditions of the Prior Applications with respect to certain disclosure requirements.

**APPLICANTS:** X Exchange-Traded Funds, Inc. ("X Funds"); XShares Advisors LLC (formerly, X-Shares Advisors, LLC) (the "Advisor"); XShares Group, Inc. (formerly, Ferghana-Wellspring LLC); and TDx Independence Funds, Inc. (formerly, TDAX Funds, Inc.) ("TDx Funds").

**FILING DATES:** The application was filed on November 9, 2007, and amended on

<sup>1</sup> HealthShares, Inc., *et al.*, Investment Company Act Release Nos. 27553 (November 16, 2006) (notice) and 27594 (December 7, 2006) (order), as amended by HealthShares, Inc., *et al.*, Investment Company Act Release Nos. 27916 (July 27, 2007) (notice) and 27930 (August 20, 2007) (order).