

of Federal Regulations citation to this collection of information: 17 CFR 240.17a-3.

Rule 17a-3 under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*) establishes minimum standards with respect to business records that broker-dealers registered with the Commission must make and keep current. These records are maintained by the broker-dealer (in accordance with a separate rule), so they can be used by the broker-dealer and reviewed by Commission examiners, as well as other regulatory authority examiners, during inspections of the broker-dealer.

The collections of information included in Rule 17a-3 is necessary to provide Commission, self-regulatory organizations and state examiners to conduct effective and efficient examinations to determine whether broker-dealers are complying with relevant laws, rules, and regulations. If broker-dealers were not required to create these baseline, standardized records, Commission, self-regulatory organizations and state examiners could be unable to determine whether broker-dealers are in compliance with the Commission's antifraud and anti-manipulation rules, financial responsibility program, and other Commission, self-regulatory organizations, and State laws, rules, and regulations.

As of July 30, 2007 there were 5,850 broker-dealers registered with the Commission. The Commission estimates that these broker-dealer respondents incur a total burden of 2,984,760 hours per year to comply with Rule 17a-3. Approximately 1,524,210 of those hours are attributable to Rule 17a-3(a)(17), and about 1,460,550 hours are attributable to the rest of Rule 17a-3. Rule 17a-3(a)(17) contains requirements to provide customers with account information (approximately 975,809 hours) and requirements to update customer account information (approximately 548,401 hours).

In addition, Rule 17a-3 contains ongoing operation and maintenance costs for broker-dealers including the cost of postage to provide customers with account information, and costs for equipment and systems development. The Commission estimates that under Rule 17a-3(a)(17), approximately 36,365,553 customers will need to be provided with information regarding their account on a yearly basis. The Commission estimates that the postage costs associated with providing those customers with copies of their account record information would be approximately \$8,176,435 per year

(28,390,400 × \$0.288).<sup>1</sup> Based on comments provided in response to the 2001 Amendments (as adjusted to account for inflation), the staff believes that the ongoing equipment and systems development costs relating to Rule 17a-3 for the industry would be about \$23,362,847 per year. Consequently, the total cost burden associated with Rule 17a-3 would be approximately \$31,539,282 per year.

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 shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be 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: R. Corey Booth, 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). Comments must be submitted within 60 days of this notice.

Dated: September 17, 2007.

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

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## SECURITIES AND EXCHANGE COMMISSION

### Proposed Collection; Comment Request

*Upon Written Request, Copy Available From:* Securities and Exchange Commission, Office of Investor Education and Advocacy, Washington, DC 20549-0213.

#### Extension:

Form N-14, SEC File No. 270-297, OMB Control No. 3235-0336.

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities

<sup>1</sup> Estimates of postage costs are derived from past conversations with industry representatives and have been adjusted to account for inflation.

and Exchange Commission ("Commission") is soliciting comments on the collection of information summarized below. The Commission plans to submit this existing collection of information to the Office of Management and Budget for extension and approval.

Form N-14 (17 CFR 239.23)—Registration Statement Under the Securities Act of 1933 for Securities Issued in Business Combination Transactions by Investment Companies and Business Development Companies. Form N-14 is used by investment companies registered under the Investment Company Act of 1940 (15 U.S.C. 80a-1 *et seq.*) ("Investment Company Act") and business development companies as defined by Section 2(a)(48) of the Investment Company Act to register securities under the Securities Act of 1933 (15 U.S.C. 77a *et seq.*) to be issued in business combination transactions specified in rule 145(a) (17 CFR 230.145(a)) and exchange offers. The securities are registered under the Securities Act to ensure that investors receive the material information necessary to evaluate securities issued in business combination transactions. The Commission staff reviews registration statements on Form N-14 for the adequacy and accuracy of the disclosure contained therein. Without Form N-14, the Commission would be unable to verify compliance with securities law requirements. The respondents to the collection of information are investment companies or business development companies issuing securities in business combination transactions. The estimated number of responses is 375 and the collection occurs only when a merger or other business combination is planned. The estimated total annual reporting burden of the collection of information is approximately 620 hours per response for a new registration statement, and approximately 350 hours per response for an amended Form N-14, for a total of 196,050 annual burden hours.

Written comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the Commission's mission, including whether the information will have practical utility; (b) the accuracy of the Commission'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.

Please direct your written comments to R. Corey Booth, Director/Chief Information Officer, Securities and Exchange Commission, C/O Shirley Martinson, 6432 General Green Way, Alexandria, VA, 22312; or send an e-mail to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: September 13, 2007.

**Florence E. Harmon,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

### Sunshine Act Meetings

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Public Law 94-409, that the Securities and Exchange Commission will hold the following meetings during the week of September 24, 2007:

Closed Meetings will be held on Tuesday, September 25, 2007 at 10 a.m. and Thursday, September 27, 2007 at 2 p.m.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the Closed Meetings. Certain staff members who have an interest in the matters may also be present.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552(b)(3), (5), (7), (8), (9)(B), and (10) and 17 CFR 200.402(a)(3), (5), (7), (8), 9(ii) and (10), permit consideration of the scheduled matters at the Closed Meetings.

Commissioner Nazareth, as duty officer, voted to consider the items listed for the closed meetings in closed sessions.

The subject matter of the Closed Meeting scheduled for Tuesday, September 25, 2007 will be:

- Formal order of investigation;
- Institution and settlement of injunctive actions;
- Institution and settlement of administrative proceedings of an enforcement nature;
- Resolution of litigation claims;
- Other matters related to enforcement proceedings; and
- Adjudicatory matters.

The subject matter of the Closed Meeting scheduled for Thursday, September 27, 2007 will be:

- Formal orders of investigation;
- Institution and settlement of injunctive actions;

- Institution and settlement of administrative proceedings of an enforcement nature; and a regulatory matter regarding a financial institution.

At times, changes in Commission priorities require alterations in the scheduling of meeting items.

For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact:

The Office of the Secretary at (202) 551-5400.

September 18, 2007.

**Nancy M. Morris,**

*Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-56439; File No. SR-FINRA-2007-007]

### Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing of Proposed Rule Change Relating to Exemption From Reporting for TRACE-Eligible Securities Transactions Resulting From Exercise or Settlement of Options, Termination or Settlement of Credit Default Swaps, Other Types of Swaps, or Similar Instruments

September 13, 2007.

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> notice is hereby given that on August 10, 2007, the Financial Industry Regulatory Authority, Inc. ("FINRA") (f/k/a National Association of Securities Dealers, Inc. ("NASD")) 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 FINRA. 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

FINRA is proposing to amend: (1) NASD Rule 6230(e) to exempt from reporting to the Trade Reporting and Compliance Engine ("TRACE") transactions in TRACE-eligible

securities resulting from the exercise or settlement of an option or a similar instrument, or the termination or settlement of a credit default swap ("CDS"), other type of swap, or a similar instrument (collectively, "Derivative-Related Transactions"); and (2) NASD Rule 6210(c) to conform the definition of "reportable TRACE transaction" to exclude this class and any other class of exempted transactions from the defined term. The text of the proposed rule change is available on FINRA's Web site (<http://www.finra.org>), at FINRA, 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, FINRA 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. FINRA 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

FINRA proposes to amend NASD Rule 6230(e) to exempt transactions in TRACE-eligible securities<sup>3</sup> that are Derivative-Related Transactions from the TRACE reporting requirements in NASD Rule 6230, and to make conforming amendments to NASD Rule 6210(c). (The TRACE reporting requirement does not exist in connection with *any cash-settled derivative*, even if the derivative, such as a CDS, refers to one or several securities that are TRACE-eligible securities.) Concurrently, FINRA withdraws SR-NASD-2006-103.<sup>4</sup> In

<sup>3</sup> See NASD Rule 6210 for definition of "TRACE-eligible security."

<sup>4</sup> SR-NASD-2006-103 was filed with the Commission on August 28, 2006. FINRA proposed NASD IM-6230 to provide exemptive relief from certain reporting requirements for transactions executed in connection with the termination or settlement of a CDS or a similar instrument ("CDS-Related Transactions") and an amendment to NASD Rule 6250 to exempt all Derivative-Related Transactions from dissemination. See Securities Exchange Act Release No. 54681 (November 1, 2006), 71 FR 65555 (November 8, 2006) (notice of filing of proposed rule change). Among other things, in SR-NASD-2006-103, FINRA stated that the reporting requirement addressed previously in NASD Notice to Members 05-77 (November 2005)

<sup>1</sup> 15 U.S.C. 78s(b)(1).

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