

exchange, national securities association, alternative trading system, exchange market maker, over-the-counter market maker and any other broker-dealer that executes orders internally by trading as principal or crossing orders as agent, to establish, maintain, and enforce policies and procedures reasonably designed to prevent the execution of a transaction in its market at a price that is inferior to a bid or offer displayed in another market at the time of execution (a "trade-through"), absent an applicable exception and, if relying on an exception, that are reasonably designed to assure compliance with the terms of the exception. Without this collection of information, respondents would not have a means to enforce compliance with the Commission's intention to prevent trade-throughs pursuant to the rule.

There are approximately 788 respondents¹ per year that will require an aggregate total of 36,540 hours to comply with this rule.² It is anticipated that each respondent will continue to expend approximately 60 hours annually: Two hours per month of internal legal time and three hours per month of internal compliance time to ensure that its written policies and procedures are up-to-date and remain in compliance with Rule 611. The estimated cost for an in-house attorney is \$295 per hour and the estimated cost for an assistant compliance director in the securities industry is \$301 per hour. Therefore the estimated total cost of compliance for the annual hour burden is as follows: $[(2 \text{ legal hours} \times 12 \text{ months} \times \$295) \times 788] + [(3 \text{ compliance hours} \times 12 \text{ months} \times \$301) \times 788] = \$14,117,808$.³ There are no longer start-up costs associated with Rule 611.

Written comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the

Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission's estimates 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. Comments must be submitted within 60 days of this notice.

Dated: January 23, 2008.

Florence E. Harmon,
Deputy Secretary.

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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:

Rule 27d-1 and Form N-27D-1; SEC File No. 270-499; OMB Control No. 3235-0560.

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 (the "Commission") is soliciting comments on the collections of information under the Investment Company Act of 1940 ("Act") summarized below. The Commission plans to submit these collections of information to the Office of Management and Budget for approval.

Rule 27d-1 (17 CFR 270.27d-1) is entitled "Reserve Requirements for Principal Underwriters and Depositors To Carry Out The Obligations To Refund Charges Required by Section 27(d) and Section 27(f) of the Act." Form N-27D-1 (17 CFR 274.127d-1) is entitled "Accounting of Segregated Trust Account." Rule 27d-2 (17 CFR

270.27d-2) is entitled "Insurance Company Undertaking in Lieu of Segregated Trust Account." Rule 27d-1 requires the depositor or principal underwriter for an issuer to deposit funds into a segregated trust account to provide assurance of its ability to fulfill its refund obligations under sections 27(d) and 27(f). The rule sets forth minimum reserve amounts and guidelines for the management and disbursement of the assets in the account. A single account may be used for the periodic payment plans of multiple investment companies. Rule 27d-1(j) directs depositors and principal underwriters to make an accounting of their segregated trust accounts on Form N-27D-1, which is intended to facilitate the Commission's oversight of compliance with the reserve requirements set forth in rule 27d-1. The form requires depositors and principal underwriters to report deposits to a segregated trust account, including those made pursuant to paragraphs (c) and (e) of the rule. Withdrawals pursuant to paragraph (f) of the rule also must be reported. In addition, the form solicits information regarding the minimum amount required to be maintained under paragraphs (d) and (e) of rule 27d-1. Depositors and principal underwriters must file the form once a year on or before January 31 of the year following the year for which information is presented.

Instead of relying on rule 27d-1 and filing Form N-27D-1, depositors or principal underwriters for the issuers of periodic payment plans may rely on the exemption afforded by rule 27d-2. In order to comply with the rule: (i) The depositor or principal underwriter must secure from an insurance company a written guarantee of the refund requirements, (ii) the insurance company must satisfy certain financial criteria, and (iii) the depositor or principal underwriter must file as an exhibit to the issuer's registration statement, a copy of the written undertaking, an annual statement that the insurance company has met the requisite financial criteria on a monthly basis, and an annual audited balance sheet.

Rules 27d-1 and 27d-2, which were explicitly authorized by statute, provide assurance that depositors and principal underwriters of issuers have access to sufficient cash to meet the demands of certificate holders who reconsider their decisions to invest in a periodic payment plan. The information collection requirements in rules 27d-1 and 27d-2 enable the Commission to monitor compliance with reserve rules.

¹ This estimate includes nine national securities exchanges and one national securities association that trade NMS stocks. The estimate also includes the approximately 731 firms that were registered equity market makers or specialists at year-end 2006, as well as automated trading systems that operate trading systems that trade NMS stocks.

² The one-time hour burden associated with developing the required policies and procedures is no longer applicable.

³ The total cost of compliance for the annual hour burden has been revised to reflect updated estimated cost figures for an in-house attorney and an assistant compliance director. These figures are from SIFMA's *Management & Professional Earnings in the Securities Industry 2007*, adjusted by the SEC staff for an 1800 hour work year and multiplied by 5.35 to account for bonuses, firm size, employee benefits and overhead. See Securities Exchange Act Release No. 50870 (Dec. 16, 2004), 69 FR 77424 (Dec. 27, 2004) at notes 427, 428 and accompanying text.

The depositor or principal underwriter of issuers must file a Form N-27D-1 annually or comply with the requirements in rule 27d-2. The Commission received zero Form N-27D-1 filings in 2007. Therefore, the total annual hour burden associated with rule 27d-1 and Form N-27D-1 is estimated to be zero hours; however, we are requesting 1 burden hour for administrative purposes.

Only one registered investment company has issued a new periodic payment plan certificate within the past 18 months, and the principal underwriter or depositor for this sole issuer relies on the exemption in rule 27d-2. The respondent makes approximately three responses per year.¹ The insurance company provides the written undertaking, annual statement, and certified balance sheet at no cost to the respondent. The staff estimates that the respondent spends approximately one hour per year filing the required documents from the insurance company on EDGAR. Thus, we estimate that the annual burden is approximately 1 hour.

The staff believes that rules 27d-1 and 27d-2 and Form N-27D-1 do not impose any cost burdens other than those arising from the hour burdens discussed above.

The estimates of average burden hours and costs are made solely for the purposes of the Paperwork Reduction Act, and are not derived from a comprehensive or even a representative survey or study of the costs of Commission rules and forms.²

Complying with the collection of information requirements of rule 27d-1 is mandatory for depositors or principal underwriters of issuers of periodic payment plans unless they comply with the requirements in rule 27d-2. The information provided pursuant to rules 27d-1 and 27d-2 is public and, therefore, will not be kept confidential. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Written comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the functions of the Commission,

including whether the information has 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.

Dated: January 22, 2008.

Florence E. Harmon,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

Submission for OMB Review; Comment Request

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

Extension:

Rule 204A-1; SEC File No. 270-536; OMB Control No. 3235-0596.

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 a request for extension of the previously approved collection of information discussed below.

The title for the collection of information is "Rule 204A-1 (17 CFR 275.204A-1) under the Investment Advisers Act of 1940" (15 U.S.C. 80b-1 *et seq.*). Rule 204A-1, the Code of Ethics Rule, requires investment advisers registered with the SEC to (i) set forth standards of conduct expected of advisory personnel (including compliance with the federal securities laws), (ii) safeguard material nonpublic information about client transactions, and (iii) require the adviser's "access persons" to report their personal securities transactions, including transactions in any mutual fund

managed by the adviser. The code of ethics also requires access persons to obtain the adviser's approval before investing in an initial public offering ("IPO") or private placement. The code of ethics also requires prompt reporting, to the adviser's chief compliance officer or another person designated in the code of ethics, of any violations of the code. Finally, the code of ethics requires the adviser to provide each supervised person with a copy of the code and any amendments, and require the supervised persons to acknowledge, in writing, their receipt of these copies. The purposes of the information collection requirements is (i) to ensure that advisers maintain codes of ethics applicable to their supervised persons; (ii) to provide advisers with information about the personal securities transactions of their access persons for purposes of monitoring such transactions; (iii) to provide advisory clients with information with which to evaluate advisers' codes of ethics; and (iv) to assist the Commission's examination staff in assessing the adequacy of advisers' codes of ethics and assessing personal trading activity by advisers' supervised persons.

The respondents to this information collection are investment advisers registered with the Commission. The Commission has estimated that compliance with rule 204A-1 imposes a burden of approximately 117 hours per adviser annually based on an average adviser having 84 access persons. Our latest data indicate that there were 10,817 advisers registered with the Commission. Based on this figure, the Commission estimates a total annual burden of approximately 1,265,865 hours for this collection of information.

Rule 204A-1 does not require recordkeeping or record retention. The collection of information requirements under the rule are mandatory. The information collected pursuant to the rule are not filed with the Commission, but rather take the form of communications between advisers and their supervised persons. Investment advisers use the information collected to control and assess the personal trading activities of their supervised persons. Responses to the reporting requirements will be kept confidential to the extent each investment adviser provides confidentiality under its particular practices and procedures. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number.

Please direct general comments regarding the above information to the

¹ The three responses are: (i) Obtaining and filing the written undertaking or an amendment to the undertaking, (ii) filing the insurance company's annual statement that the financial conditions were satisfied, and (iii) filing the insurance company's certified balance sheet.

² These estimates are based on telephone interviews between the Commission staff and representatives of depositors or principal underwriters of periodic payment plan issuers.