

SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-451, OMB Control No. 3235-0509]

Submission for OMB Review; Comment Request

Upon written request, copies available from: Securities and Exchange Commission, Office of Investor Education and Assistance, Washington, DC 20549-0213.

Extension: Rule 301 and Forms ATS and ATS-R.

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.

Regulation ATS (17 CFR 242.300 *et seq.*) of the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*) provides a regulatory structure that directly addresses issues related to alternative trading systems' role in the marketplace. Regulation ATS allows alternative trading systems to choose between two regulatory structures. Alternative trading systems have the choice between registering as broker-dealers and complying with Regulation ATS or registering as national securities exchanges. Regulation ATS provides the regulatory framework for those alternative trading systems that choose to be regulated as broker-dealers. Rule 301 of Regulation ATS contains certain notice and reporting requirements, as well as additional obligations that only apply to alternative trading systems with significant volume. Rule 301 describes the conditions with which a registered broker-dealer operating an alternative trading system must comply. The Rule requires all alternative trading systems that wish to comply with Regulation ATS to file an initial operation report on Form ATS. The initial operation report requires information regarding operation of the system including the method of operation, access criteria and the types of securities traded. Alternative trading systems are also required to supply updates on Form ATS to the Commission, describing material changes to the system, and quarterly transaction reports on Form ATS-R. Alternative trading systems are also required to file cessation of operations reports on Form ATS.

Alternative trading systems with significant volume are required to

comply with requirements for fair access and systems capacity, integrity and security. Under Rule 301, such alternative trading systems are required to establish standards for granting access to trading on its system. In addition, upon a decision to deny or limit an investor's access to the system, an alternative trading system is required to provide notice to the investor of the denial or limitation and their right to an appeal to the Commission. Regulation ATS requires alternative trading systems to preserve any records made in the process of complying with the systems' capacity, integrity and security requirements. In addition, such alternative trading systems are required to notify Commission staff of material systems outages and significant systems changes.

The Commission uses the information provided pursuant to the Rule to monitor the growth and development of alternative trading systems to confirm that investors effecting trades through the systems are adequately protected, and that the systems do not impede the maintenance of fair and orderly securities markets or otherwise operate in a manner that is inconsistent with the federal securities laws. In particular, the information collected and reported to the Commission by alternative trading systems enables the Commission to evaluate the operation of alternative trading systems with regard to national market system goals, and monitor the competitive effects of these systems to ascertain whether the regulatory framework remains appropriate to the operation of such systems. Without the information provided on Forms ATS and ATS-R, the Commission would not have readily available information on a regular basis in a format that will allow it to determine whether such systems have adequate safeguards.

Respondents consist of alternative trading systems that choose to register as broker-dealers and comply with the requirements of Regulation ATS. The Commission estimates that there are currently approximately 65 respondents.

An estimated 65 respondents will file an average total of 465 responses per year, which corresponds to an estimated annual response burden of 1,982.5 hours. At an average cost per burden hour of approximately \$95.57, the resultant total related cost of compliance for these respondents is \$189,458.15 per year (1,982.5 burden hours multiplied by \$95.57 per hour; a slight discrepancy is due to arithmetic rounding).

Compliance with Rule 301 is mandatory. The information required by

the Rule 301 is available only to the examination of the Commission staff, state securities authorities and the SROs. Subject to the provisions of the Freedom of Information Act, 5 U.S.C. 522, and the Commission's rules thereunder (17 CFR 200.80(b)(4)(iii)), the Commission does not generally publish or make available information contained in any reports, summaries, analyses, letters, or memoranda arising out of, in anticipation of, or in connection with an examination or inspection of the books and records of any person or any other investigation.

Regulation ATS requires alternative trading systems to preserve any records, for at least three years, made in the process of complying with the systems capacity, integrity and security requirements.

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.

Comments should be directed to (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503 or by sending an e-mail to: David.Rostker@omb.eop.gov; and (ii) 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. Comments must be submitted within 30 days of this notice.

Dated: July 23, 2007.

Florence E. Harmon,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-56134; File No. SR-CTA-2007-01]

Consolidated Tape Association; Notice of Filing of the Ninth Charges Amendment to the Second Restatement of the Consolidated Tape Association Plan

July 25, 2007.

Pursuant to section 11A of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 608 thereunder,²

¹ 15 U.S.C. 78k-1.

² 17 CFR 242.608.

notice is hereby given that on July 20, 2007, the Consolidated Tape Association ("CTA") Plan Participants ("Participants")³ filed with the Securities and Exchange Commission ("SEC" or "Commission") a proposal to amend the Second Restatement of the CTA Plan (the "Plan").⁴ The proposal represents the ninth charges amendment to the Plan ("Ninth Charges Amendment") and reflects changes unanimously adopted by the Participants. The proposed amendment would impose a limit on the maximum amount that any entity is required to pay for any calendar month's charge for broadcast, cable or satellite television distribution of a Network A ticker. The Commission is publishing this notice to solicit comments from interested persons on the proposed Ninth Charges Amendment to the Plan.

I. Rule 608(a)

A. Description and Purpose of the Amendment

The Plan currently imposes a charge of \$2.00 for every 1,000 households reached on broadcast, cable and satellite television distribution of a Network A ticker (the "Broadcast Charge"). A minimum monthly vendor payment of \$2,000 applies. CTA permits prorating for those who broadcast the data for less than the entire business day, based upon the number of minutes that the vendor displays the real-time ticker, divided by the number of minutes the primary market is open for trading (currently 390 minutes).

The Ninth Charges Amendment proposes to cap the Broadcast Charge by providing that no entity is required to pay more than the "Television Ticker Maximum" for any calendar month. For months falling in calendar year 2007, the Participants propose that the monthly "Television Ticker Maximum" shall be \$150,000. For each subsequent calendar year, the monthly Television Ticker Maximum would increase by the "Annual Increase Amount."

The "Annual Increase Amount" is an amount equal to the percentage increase in the annual composite share volume for the preceding calendar year, subject

to a maximum annual increase of five percent. The "Annual Increase Amount" is the same adjustment factor that the Network A rate schedule has long applied to the monthly broker-dealer enterprise fee.

B. Additional Information Required by Rule 608(a)

1. Governing or Constituent Documents
Not applicable.

2. Implementation of the Amendment
The Participants have notified the vendors that would be affected by the proposed amendment. The Participants propose to apply the monthly maximum amount that any entity is required to pay for any calendar month's Broadcast Charge retroactively to May 1, 2007.

3. Development and Implementation Phases

See Item I(B)(2) above.

4. Analysis of Impact on Competition

The amendment will impose no burden on competition.

5. Written Understanding or Agreements relating to Interpretation of, or Participation in, Plan

The Participants have no written understandings or agreements relating to interpretation of the Plan as a result of the amendment.

6. Approval by Sponsors in Accordance With Plan

Under Section IV(b) of the Plan, each Plan Participant must execute a written amendment to the Plan before the amendment can become effective. The amendment is so executed.

7. Description of Operation of Facility Contemplated by the Proposed Amendment

a. Terms and Conditions of Access

Not applicable.

b. Method of Determination and Imposition, and Amount of, Fees and Charges

The Participants believe that the proposed cap on Broadcast Charges is fair and reasonable and provides for an equitable allocation of dues, fees, and other charges among vendors, data recipients and other persons using CTA Network A facilities.

c. Method of Frequency of Processor Evaluation

Not applicable.

d. Dispute Resolution

Not applicable.

II. Rule 601(a)

A. Equity Securities for Which Transaction Reports Shall be Required by the Plan.

Not applicable.

B. Reporting Requirements

Not applicable.

C. Manner of Collecting, Processing, Sequencing, Making Available and Disseminating Last Sale Information

Not applicable.

D. Manner of Consolidation

Not applicable.

E. Standards and Methods Ensuring Promptness, Accuracy and Completeness of Transaction Reports

Not applicable.

F. Rules and Procedures Addressed to Fraudulent or Manipulative Dissemination

Not applicable.

G. Terms of Access to Transaction Reports

The Network A Participants and the vendors that the proposed amendment would affect have already entered into the Network A Participants' standard form of agreement. No new terms of access will apply, other than the cap on the Broadcast Charge.

H. Identification of Marketplace Execution

Not applicable.

III. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed Ninth Charges Amendment 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-CTA-2007-01 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-CTA-2007-01. This file number should be included on the subject line if e-mail is used. To help the

³ Each Participant executed the proposed amendment. The Participants are the American Stock Exchange LLC; Boston Stock Exchange, Inc.; Chicago Board Options Exchange, Inc.; Chicago Stock Exchange, Inc.; International Securities Exchange, LLC; The NASDAQ Stock Market LLC; National Association of Securities Dealers, Inc.; National Stock Exchange, Inc.; New York Stock Exchange LLC; NYSE Arca, Inc.; and Philadelphia Stock Exchange, Inc.

⁴ The proposal was originally filed on June 19, 2007. However, it was refiled on July 20, 2007, to reflect technical revisions made in response to the Commission's staff comments.

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 Plan amendment that are filed with the Commission, and all written communications relating to the Plan amendment 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, 100 F Street, NE., Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of the Plan amendment also will be available for inspection and copying at the principal office of the CTA. 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-CTA-2007-01 and should be submitted on or before August 22, 2007.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁵

Florence E. Harmon,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-56152; File No. PCAOB-2007-02]

Public Company Accounting Oversight Board; Order Approving Proposed Auditing Standard No. 5, An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements, a Related Independence Rule, and Conforming Amendments

July 27, 2007.

I. Introduction

On May 25, 2007, the Public Company Accounting Oversight Board (the "Board" or the "PCAOB") filed with the Securities and Exchange Commission (the "Commission") Proposed Auditing Standard No. 5, *An Audit of Internal Control Over Financial*

Reporting that is Integrated with an Audit of Financial Statements ("Auditing Standard No. 5"), a Related Independence Rule 3525, and Conforming Amendments, pursuant to Section 107 of the Sarbanes-Oxley Act of 2002 (the "Act") and Section 19(b) of the Securities Exchange Act of 1934 (the "Exchange Act"). Auditing Standard No. 5 will supersede Auditing Standard No. 2, *An Audit of Internal Control Over Financial Reporting Performed in Conjunction with an Audit of Financial Statements* ("Auditing Standard No. 2"), to provide the professional standards and related performance guidance for independent auditors when an auditor is engaged to perform an audit of management's assessment of the effectiveness of internal control over financial reporting that is integrated with an audit of the financial statements pursuant to Sections 103(a)(2)(A)(iii) and 404(b) of the Act. Additionally, Rule 3525 further implements Section 202 of the Act's pre-approval requirement by requiring auditors to take certain steps as part of seeking audit committee pre-approval of internal control related non-audit services. Finally, the conforming amendments update the Board's other auditing standards in light of Auditing Standard No. 5, move certain information that was contained in Auditing Standard No. 2 to the Board's interim standards, and change the existing requirement that "generally, the date of completion of the field work should be used as the date of the independent auditor's report" to "the auditor should date the audit report no earlier than the date on which the auditor has obtained sufficient competent evidence to support the auditor's opinion."

Notice of the proposed standard, the related independence rule, and the conforming amendments was published in the **Federal Register** on June 12, 2007,¹ and a supplemental notice of additional solicitation of comments on the rules and amendments was published in the **Federal Register** on June 20, 2007 ("Supplemental Notice").² The Commission received 37 comment letters on the proposed rules and amendments. For the reasons discussed below, the Commission is

granting approval of the proposed standard, the related independence rule, and conforming amendments.

II. Description

The Act establishes the PCAOB to oversee the audits of public companies and related matters, in order to protect the interests of investors and further the public interest in preparation of informative, accurate and independent audit reports.³ Section 103(a) of the Act directs the PCAOB to establish auditing and related attestation standards, quality control standards, and ethics standards to be used by registered public accounting firms in the preparation and issuance of audit reports as required by the Act or the rules of the Commission.

Section 103(a)(2)(A)(iii) of the Act requires the Board's standard on auditing internal control to include "testing of the internal control structure and procedures of the issuer * * *." Under Section 103, the Board's standard also must require the auditor to present in the audit report, among other things, "an evaluation of whether such internal control structure and procedures * * * provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with generally accepted accounting principles * * *." Section 404 of the Act requires that registered public accounting firms attest to and report on an assessment of internal control made by management and that such attestation "shall be made in accordance with standards for attestation engagements issued or adopted by the Board."

The Board's proposed Auditing Standard No. 5, which will supersede Auditing Standard No. 2, provides the new professional standards and related performance guidance for independent auditors to attest to, and report on, management's assessment of the effectiveness of internal control over financial reporting under Sections 103 and 404 of the Act.

The auditor's report on internal control over financial reporting issued pursuant to Auditing Standard No. 5 will express one opinion—an opinion on whether the company has maintained effective internal control over financial reporting as of its fiscal year-end. In order for the auditor to render an opinion, Auditing Standard No. 5 requires the auditor to evaluate and test both the design and the operating effectiveness of internal control to be satisfied that management's assessment about

¹ Release No. 34-55876 (June 7, 2007); 72 FR 32340 (June 12, 2007).

² Release No. 34-55912 (June 15, 2007); 72 FR 34052 (June 20, 2007); Notice of Additional Solicitation of Comments on the Filing of Proposed Rule on Auditing Standard No. 5, *An Audit of Internal Control Over Financial Reporting That is Integrated with an Audit of Financial Statements, and Related Independence Rule and Conforming Amendments*.

³ Section 101(a) of the Act.

⁵ 17 CFR 200.30-3(a)(27).