

public comments whenever possible. The Panel Staff expects that public statements presented at Panel meetings will be focused on the Panel's statutory charter and working group topics, and not be repetitive of previously submitted oral or written statements, and that comments will be relevant to the issues under discussion.

Oral Comments: Speaking times will be confirmed by Panel staff on a "first-come/first-served" basis. To accommodate as many speakers as possible, oral public comments must be no longer than 10 minutes. Because Panel members may ask questions, reserved times will be approximate. Interested parties must contact Mr. Emile Monette, in writing (via mail, e-mail, or fax identified above for Mr. Monette) at least one week prior to the meeting in order to be placed on the public speaker list for the meeting. Oral requests for speaking time will not be taken. Speakers are requested to bring extra copies of their comments and/or presentation slides for distribution to the Panel at the meeting. Speakers wishing to use a Power Point presentation must e-mail the presentation to Mr. Monette one week in advance of the meeting.

Written Comments: Although written comments are accepted until the date of the meeting (unless otherwise stated), written comments should be received by the Panel Staff at least one week prior to the meeting date so that the comments may be made available to the Panel for their consideration prior to the meeting. Written comments should be supplied to the DFO at the address/contact information given in this FR Notice in one of the following formats (Adobe Acrobat, WordPerfect, Word, or Rich Text files, in IBM-PC/Windows 98/2000/XP format).

Please note: Because the Panel operates under the provisions of the Federal Advisory Committee Act, as amended, all public presentations will be treated as public documents and will be made available for public inspection, up to and including being posted on the Panel's Web site.

(f) **Meeting Accommodations:** Individuals requiring special accommodation to access the public meetings listed above should contact Ms. Auletta at least five business days prior to the meeting so that appropriate arrangements can be made.

Laura Auletta,

Designated Federal Officer (Executive Director), Acquisition Advisory Panel.

[FR Doc. 06-5762 Filed 6-26-06; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Pub. L. 94-409, that the Securities and Exchange Commission will hold the following meetings during the week of June 26, 2006:

A Closed Meeting will be held on Thursday, June 29, 2006 at 2 p.m.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the Closed Meeting. 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 this opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(3), (5), (6), (7), (9)(B), (10) and 17 CFR 200.402(a)(3), (5), (6), (7), (9)(ii), and (10) permit consideration of the scheduled matters at the Closed Meeting.

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

The subject matter of the Closed Meeting scheduled for Thursday, June 29, 2006 will be:

Formal orders of investigation;
Institution and settlement of injunctive actions;
Institution and settlement of administrative proceedings of an enforcement nature; and
Litigation matters.

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.

Dated: June 22, 2006.

J. Lynn Taylor,

Assistant Secretary.

[FR Doc. 06-5748 Filed 6-23-06; 12:01 pm]

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SECURITIES AND EXCHANGE

[Release No. 34-54019; File No. SR-CBOE-2006-55]

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Regarding Position Limits for VIX Options

June 20, 2006.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on May 31, 2006, the Chicago Board Options Exchange, Incorporated ("Exchange" or "CBOE") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Exchange filed this proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act³ and Rule 19b-4(f)(6) thereunder,⁴ which renders the proposed rule change effective upon filing with the Commission.⁵ The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

CBOE is filing this rule change to eliminate the position limits for the regular-size options on the CBOE Volatility Index® ("VIX"); the CBOE Nasdaq 100® Volatility Index ("VXN"); and the CBOE Dow Jones Industrial Average® Volatility Index ("VXD").⁶ The text of the proposed rule change is available on the Exchange's Web site (<http://www.cboe.com>), at the Exchange's Office of the Secretary, and

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(iii).

⁴ 17 CFR 240.19b-4(f)(6).

⁵ The Exchange requested the Commission to waive the five-day pre-filing notice requirement and the 30-day operative delay, as specified in Rule 19b-4(f)(b)(iii). 17 CFR 240.19b-4(f)(6)(iii).

⁶ CBOE also has an increased-value version of VIX, VXN, and VXD, which is calculated by multiplying the corresponding index level of the regular-size VIX, VXN, and VXD, respectively, by ten. See Securities Exchange Act Release No. 49698 (May 13, 2004), 69 FR 29152 (May 20, 2004) ("Notice of Filing Order Granting Accelerated Approval of a Proposed Rule change by [CBOE] Relating to Options on Certain CBOE Volatility Indexes"). Telephone conversation between Angelo Evangelou, Assistant General Counsel, CBOE, and Geoffrey Pemble, Special Counsel, Division of Market Regulation, Commission, on June 19, 2006.

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, the Exchange 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 those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

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

1. Purpose

The Exchange received approval from the Commission to list and trade cash-settled, European-style options on the regular-size VIX, VXN, and VXD⁷ (together, "Regular-Size Volatility Index Options"). VIX, VXN, and VXD are calculated using real-time quotes of at-the-money and out-of-the-money nearby and second nearby index put and call options of S&P 500® Index (SPX), the Nasdaq 100® Index (NDX), and the Dow Jones Industrial Average® Index (DJX), respectively. Generally, volatility indexes provides investors with up-to-the-minute market estimates of expected volatility of the corresponding securities index that search particular volatility index tracks.

The Exchange originally sought and received approval for position and exercise limits of Regular-Size Volatility Index Options in the amount of 25,000 contracts on either side of the market, with no more than 15,000 of such contracts in series in the nearest expiration month. The Exchange later sought and received approval to increase the position limits for the Regular-Size VIX, VXN, and VXD to 250,000 position and exercise limits on either side of the market for each of those contracts, with no more than 150,000 of such contracts in series in the nearest expiration month.⁸ Since

that time, trading volume in the Regular-Size Volatility Index Options has continued to grow dramatically. These products settle using quotes and traded prices from their corresponding index options. Given that there are no position limits for heavily traded broad-based index option contracts on the DJX, NDX, and SPX, the Exchange believes it is appropriate to eliminate the position limits for the Regular-Size VIX, VXN, and VXD. Because the size of the market underlying these broad-based index options is so large, CBOE believes that this should dispel any concerns regarding market manipulation.⁹ By extension, CBOE believes that the same reasoning applies to VIX options since the value of VIX options are derived from the volatility of these broad based indexes.¹⁰

CBOE believes this rule change will enhance the ability of brokerage firms to facilitate their customers' volatility trading strategies.

2. Statutory Basis

By eliminating the position limits for Regular-Size Volatility Index Options, the Exchange believes that this proposed rule change is consistent with Section 6(b) of the Act,¹¹ in general, and further the objectives of Section 6(b)(5) in particular,¹² 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.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition 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 neither solicited nor received comments on the proposal.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing proposed rule change has become effective pursuant to

Section 19(b)(3)(A) of the Act,¹³ and Rule 19b-4(f)(6) thereunder¹⁴ because the proposed rule change: (1) Does not significantly affect the protection of investors or the public interest; (2) does not impose any significant burden on competition; and (3) does not become operative for 30 days from the date of filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest pursuant to Section 19(b)(3)(A) of the Act¹⁵ and Rule 19b-4(f)(6)¹⁶ thereunder.

The Exchange has requested that the Commission waive the five-day pre-filing notice requirement and the 30-day operative delay.¹⁷ The Commission is exercising its authority to waive the five-day pre-filing notice requirement and believes that the waiver of the 30-day operative delay is consistent with the protection of investors and the public interest. Acceleration of the operative delay would allow CBOE to eliminate position limits for Regular-Size Volatility Index Options, which would make the position limit treatment of these options consistent with that of broad-based index option contracts on the DJX, NDX, and SPX. For these reasons, the Commission designates the proposal to be effective and operative upon filing with the Commission.¹⁸

At any time within 60 days of the filing of the proposed rule change the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in the furtherance of the purposes of the Act.

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

¹³ 15 U.S.C. 78s(b)(3)(A).

¹⁴ 17 CFR 240.19b-4(f)(6).

¹⁵ 15 U.S.C. 78s(b)(3)(A).

¹⁶ 17 CFR 240.19b-4(f)(6)(iii).

¹⁷ 17 CFR 240.19b-4(f)(6)(iii).

¹⁸ For the purposes only of waiving the operative date of this proposal, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁷ See Securities Exchange Act Release No. 49563 (April 14, 2004), 69 FR 21589 (April 21, 2004) ("Order Granting Approval to Proposed Rule Change and Notice of Filing and Order Granting Accelerated Approval to Amendment No. 2 Relating to Options on Certain CBOE Volatility Indexes").

⁸ See Securities Exchange Act Release No. 53470 (March 10, 2006), 71 FR 13871 (March 17, 2006) (notice of immediate effectiveness for SR-CBOE-2006-26).

⁹ Telephone conversation between Angelo Evangelou, Assistant General Counsel, CBOE, and Geoffrey Pemble, Special Counsel, Division of Market Regulation, Commission, on June 19, 2006.

¹⁰ *Id.*

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(5).

Number SR-CBOE-2006-55 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-CBOE-2006-55. 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 Section, 100 F Street, NE., Washington, DC 20549-1090. Copies of such filing also will be available for inspection and copying at the principal office of the CBOE. 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-CBOE-2006-55 and should be submitted on or before July 18, 2006.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁹

J. Lynn Taylor,

Assistant Secretary.

[FR Doc. 06-5680 Filed 6-26-05; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-54021; File No. SR-CHX-2005-06]

Self-Regulatory Organizations; Chicago Stock Exchange, Inc.; Notice of Filing of Proposed Rule Change and Amendment No. 1 Relating to the Exchange's Disciplinary Process

June 20, 2006.

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 7, 2005, the Chicago Stock Exchange, Inc. ("CHX" or "Exchange") 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 prepared by the CHX. On June 2, 2006, the Exchange filed Amendment No. 1 to the proposed rule change.³ The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The CHX proposes to adopt, amend, and delete a number of rules relating to the Exchange's enforcement and disciplinary processes. This proposal, as

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Amendment No. 1 revises the proposal to: (i) Clarify the role of Exchange counsel in both disciplinary and delisting proceedings by providing that Exchange counsel—who are not part of the CHX's Market Regulation Department—can serve as counsel for the Hearing Officer, so long as these attorneys have not directly participated in any examination, investigation or decision associated with the initiation or conduct of the particular proceeding; (ii) delete proposed changes to the Exchange's Minor Rule Violation Plan contained in the original filing, which have been filed separately with the Commission in File No. SR-CHX-2005-39; (iii) eliminate the proposed addition of new types of violations to the existing summary procedure for handling minor infractions; (iv) clarify that any person against whom a fine is imposed for minor infractions pursuant to CHX Art. XII, Rule 2(a) will be provided with notice of the violation and fines imposed; (v) provide dual authority to the Chief Executive Officer and Chief Regulatory Officer to impose restrictions on Participant Firm operations for failure to meet the requirements of CHX Art. XI, rule 3, "Net Capital and Aggregate Indebtedness;" (vi) modify the Exchange's delisting rule, CHX Art. XXVIII, Rule 4, to make the hearing and appeal process for delisting decisions similar to the hearings that might be held in other matters and to provide that the initial delisting decision-makers are not the same persons who would hear an appeal from that decision; and (vii) incorporate additional details that had not been included in the original version of the proposal, but which have been added to respond to comments from Commission staff. Amendment No. 1 replaces and supersedes the original filing in its entirety.

amended, would: (1) Modify the procedures by which formal disciplinary actions and certain other matters that require a hearing are instituted by removing the Chief Executive Officer ("CEO") from the authorization process and substituting the Exchange's Chief Regulatory Officer ("CRO"); (2) adopt a rule establishing the criteria by which Hearing Officers are selected and providing a procedure by which a respondent may move to replace a Hearing Officer based upon a showing of bias or conflict of interest; (3) delete the requirement that the CEO approve, modify, or reject the findings of a Hearing Officer in a formal disciplinary action and certain other matters that require a hearing; (4) modify the existing rules relating to appeals of Hearing Officer decisions to permit the Exchange to appeal an adverse decision; (5) amend the Exchange's rules relating to the non-payment of fines to provide for additional sanctions; and (6) make various language and organizational changes. The text of this proposed rule change is available on the Exchange's Web site http://www.chx.com/rules/proposed_rules.htm 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, the CHX 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. The CHX 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

In light of the Commission's recent guidance that a self-regulatory organization ("SRO") should ensure that its "regulatory function is strong, vigorous, and sufficiently independent and insulated from improper influence from management or any regulatory entity,"⁴ the CHX has reviewed its existing rules relating to its disciplinary

⁴ Securities Exchange Act Release No. 48946 (December 17, 2003), 68 FR 74678 (December 24, 2003) (order approving File No. SR-NYSE-2003-34) (the "NYSE Governance Order").

¹⁹ 17 CFR 200.30-3(a)(12).