

transactions resulting from orders from non-member market-makers; transactions resulting from inbound P/A orders or a transaction resulting from the execution of an order against the DPM's account if an order directly related to that order is represented and executed through the Linkage Plan using the DPM's account; transactions resulting from accommodation liquidations (cabinet trades); and transactions resulting from dividend strategies, merger strategies, and short stock interest strategies as defined in footnote 13 of the CBOE Fees Schedule. CBOE states that the marketing fee is assessed on all equity option classes and options on HOLDRs, options on SPDRs, options on DIA, options on the Nasdaq-100 (NDX) Index and options on the Russell 2000 (RUT) Index. CBOE states that its marketing fee program currently is in effect until June 2, 2006, which is the date that CBOE's pilot program establishing its Preferred Market-Maker Program was scheduled to expire.

CBOE has extended its Preferred Market-Maker Program until June 2, 2007.<sup>5</sup> In connection with the extension of the Preferred Market-Maker Program, CBOE proposes to extend the marketing fee program until June 2, 2007.

CBOE states that it is not amending its marketing fee program in any other respect.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,<sup>6</sup> in general, and furthers the objectives of Section 6(b)(4) of the Act,<sup>7</sup> in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among CBOE members.

### *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 that is 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 of Commission Action

The foregoing proposed rule change has been designated as a fee change pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>8</sup> and Rule 19b-4(f)(2)<sup>9</sup> thereunder, because it establishes or changes a due, fee, or other charge imposed by the Exchange. Accordingly, the proposal will take effect upon filing with the Commission. At any time within 60 days of the filing of such 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 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](mailto:rule-comments@sec.gov). Please include File Number SR-CBOE-2006-53 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-2006-53. 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 Room. 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-2006-53 and should be submitted on or before July 7, 2006.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>10</sup>

Nancy M. Morris,  
Secretary.

[FR Doc. E6-9435 Filed 6-15-06; 8:45 am]

BILLING CODE 8010-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-53970; File No. SR-DTC-2006-08]

### **Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Establish a Mechanism by Which It Will Collect and Pass-Through Fees Owed by Participants to American Depository Receipt Agents for Certain Issues and To Collect a Charge for This Service**

June 12, 2006.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on April 28, 2006, The Depository Trust Company ("DTC") filed with the Securities and Exchange Commission ("Commission") and on May 2, 2006, amended<sup>2</sup> the proposed rule change described in Items I, II, and III below, which items have been prepared primarily by DTC. DTC filed the proposed rule change pursuant to section 19(b)(3)(A)(ii) of the Act<sup>3</sup> and Rule 19b-4(f)(2)<sup>4</sup> thereunder so that the proposal was effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the rule change from interested parties.

<sup>10</sup> 17 CFR 200.30-3(a)(12).

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

<sup>2</sup> The amendment attached the comment letter from the Securities Operations Division of the Securities Industry Association that DTC had inadvertently omitted. Details of that comment letter are set forth later in this Notice.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>4</sup> 17 CFR 240.19b.4(f)(2).

<sup>5</sup> See Securities Exchange Act Release No. 53922 (June 2, 2006), 71 FR 33017 (June 7, 2006) (SR-CBOE-2006-52).

<sup>6</sup> 15 U.S.C. 78f(b).

<sup>7</sup> 15 U.S.C. 78f(b)(4).

<sup>8</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>9</sup> 17 CFR 240.19b-4(f)(2).

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

The purpose of the rule change is to allow for the establishment of a mechanism by which DTC will collect and pass-through fees owed by its participants to American Depositary Receipt ("ADR") agents for certain issues, and to implement a charge for this service.

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

In its filing with the Commission, DTC 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. DTC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.<sup>5</sup>

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

Typically, an ADR agent is authorized under its agreement with the issuer to impose a custody fee on holders of the issue. A common practice for collection of this fee is for the ADR agent to subtract the amount of the fee from the gross dividend payable to the ADR holders. This practice is effectuated by DTC announcing to participants both the gross dividend rate and the net dividend rate after deduction of the ADR custody fee, the ADR agent paying DTC the net dividend, and DTC allocating the net dividend to participants. However, a number of ADR issues do not pay periodic dividends, which prevents the associated fees from being collected through the above-described mechanism.

Pursuant to discussions with industry representatives and in order to facilitate a more efficient ADR fee collection process, DTC is proposing to introduce a mechanism by which it will collect

from participants and will pass through to ADR agents custody fees for issues that do not pay periodic dividends as such fees are reported to DTC by the ADR agents. DTC has discussed this proposal with three divisions of the Securities Industry Association ("SIA"), the Corporate Actions Division, Dividends Division, and Securities Operations Divisions ("SOD"). The SOD Regulatory and Clearance Committee prepared and sent to DTC a memorandum on DTC's proposal. The memorandum concluded that DTC should collect such fees through its normal monthly billing process.<sup>6</sup>

In order to cover costs incurred in collecting fees associated with ADR issues that do not pay periodic dividends, DTC will implement a collection charge equal to three percent (3%) of the ADR agent fee amount collected from each participant up to a maximum of \$4,000. DTC will not retain a charge a collection fee if its computed collection charge is less than \$50. This collection fee will appear in the DTC fee schedule as follows:

Service	Current fee	Proposed fee	Per
Collection of ADR agent fees for issues not paying periodic dividends.	N/A .....	Scaled fee (3% of ADR agent fee); maximum of \$4,000; \$0 if computed charge is less than \$50.	Per CUSIP, per participant position.

DTC believes the proposed rule change is consistent with section 17A of the Act,<sup>7</sup> as amended, because it updates its fee schedule. As such, it provides for the equitable allocation of fees among its participants and aligns fees for services with the associated cost to deliver the service.

### (B) Self-Regulatory Organization's Statement on Burden on Competition

DTC does not believe that the proposed rule change will have any impact or impose any burden on competition.

### (C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

A written memorandum supporting the proposed rule change was submitted by the Regulatory & Clearance Committee of the Securities Operations Division of the Securities Industry Association. No other written comments were solicited or received.

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

The foregoing proposed rule change has become effective upon filing pursuant to section 19(b)(3)(A)(ii) of the Act<sup>8</sup> and Rule 19b-4(f)(2)<sup>9</sup> thereunder because the rule establishes a due, fee, or other charge. At any time within sixty 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 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](mailto:rule-comments@sec.gov). Please include File Number SR-DTC-2006-08 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-DTC-2006-08. 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

<sup>5</sup> The Commission has modified the text of the summaries prepared by DTC.

<sup>6</sup> Memorandum from Albert Howell, Chairman, Regulatory & Clearance Committee, Securities

Operations Division, Securities Industry Association, to William Hodash, Managing Director, The Depository Trust and Clearing Company (March 7, 2006).

<sup>7</sup> 15 U.S.C. 78q.1.

<sup>8</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>9</sup> 17 CFR 240.19b-4(f)(2).

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. Copies of such filings also will be available for inspection and copying at the principal office of DTC and on DTC's Web site at <https://login.dtcc.com/dtcorg/>. 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-DTC-2006-08 and should be submitted on or before July 7, 2006.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>10</sup>

Nancy M. Morris,  
Secretary.

[FR Doc. E6-9439 Filed 6-15-06; 8:45 am]

BILLING CODE 8010-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-53977; File No. SR-NASD-2006-055]

### Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Order Granting Approval of a Proposed Rule Change To Require Members To Report All Transactions That Must Be Reported to NASD and Are Subject to a Regulatory Transaction Fee to the Nasdaq Market Center and/or the Trade Reporting and Comparison Service

June 12, 2006.

On April 21, 2006, the National Association of Securities Dealers, Inc. ("NASD") filed with the Securities and Exchange Commission ("Commission"), 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> a proposed rule change to require NASD members to report all transactions that must be reported to NASD and that are subject to a regulatory transaction fee pursuant to Section 3 of Schedule A to

the NASD By-Laws ("Section 3") to the Nasdaq Market Center ("NMC") and/or the Trade Reporting and Comparison Service ("TRACS"). The proposed rule change was published for comment in the **Federal Register** on May 8, 2006.<sup>3</sup> The Commission received no comments on the proposal. This order approves the proposed rule change.

Currently, NASD obtains funds to pay its Section 31 fees and assessments from its membership, in accordance with Section 3. Further, NASD represents that most of the transactions that are assessed a fee under Section 3 are subject to automated reporting to NMC or TRACS pursuant to NASD trade reporting rules. NASD member firms, however, currently are required to manually self-report covered sales that are odd lots, away-from-the-market sales, and exercises of OTC options.

NASD represents that the current self-reporting process has allowed NASD to meet its obligations under section 31 of the Act.<sup>4</sup> However, there have been instances when some NASD members have filed their self-reporting forms late or amended previous forms in later months to include additional covered sales volume. NASD has now proposed to require automated reporting, to NMC or TRACS, of these additional types of covered sales, so that all covered sales that must be reported for purposes of Section 3 are reported in an automated fashion. NASD also has proposed to establish separate modifiers for reports of covered sales that are odd lots, away-from-the-market sales, and exercises of OTC options. NASD would not print these transactions to the Consolidated Tape.

NASD will announce the effective date of the proposed rule change in a *Notice to Members* to be published no later than 60 days following this approval order. The effective date would be at least 90 days following publication of the *Notice to Members* announcing Commission approval to allow firms sufficient time to make any necessary systems changes.

The Commission finds that the proposed rule change is consistent with the requirements of section 15A of the Act,<sup>5</sup> and the rules and regulations thereunder applicable to a national securities association.<sup>6</sup> In particular, the Commission finds that the proposed rule change is consistent with section

15A(b)(6) of the Act,<sup>7</sup> which requires, among other things, that NASD's rules be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest. The proposal should improve the efficiency, accuracy, and timeliness of NASD trade reporting by requiring automated reporting of certain types of transactions that currently are manually reported to NASD and is, therefore, reasonable and consistent with the Act.

It is therefore ordered, pursuant to section 19(b)(2) of the Act,<sup>8</sup> that the proposed rule change (SR-NASD-2006-055) is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>9</sup>

Jill M. Peterson,  
Assistant Secretary.

[FR Doc. E6-9438 Filed 6-15-06; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-53967; File No. SR-NYSE-2006-19]

### Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing of Proposed Rule Change and Amendment No. 1 Thereto to List and Trade Index-Linked Notes of Barclays Bank PLC Linked to the Performance of the Goldman Sachs Crude Oil Total Return Index™

June 9, 2006.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4<sup>2</sup> thereunder, notice is hereby given that on March 13, 2006, the New York Stock Exchange, Inc. ("NYSE" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. On March 27, 2006, NYSE filed Amendment No. 1 to the proposed rule change.<sup>3</sup> On May 26, 2006, NYSE filed Amendment No. 2 to the proposed rule

<sup>7</sup> 15 U.S.C. 78o-3(b)(6).

<sup>8</sup> 15 U.S.C. 78s(b)(2).

<sup>9</sup> 17 CFR 200.30-3(a)(12).

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

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

<sup>3</sup> In Amendment No. 1, the Exchange notes proposed Supplementary Material to NYSE Rule 1301B in SR-NYSE-2006-17, which sets forth guidelines for specialists applicable to this product. The Exchange also makes clarifying and technical change to this proposal in Amendment No. 1.

<sup>10</sup> 17 CFR 200.30-3(a)(12).

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

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

<sup>3</sup> See Securities Exchange Act Release No. 53748 (May 2, 2006), 71 FR 26795.

<sup>4</sup> 15 U.S.C. 78ee.

<sup>5</sup> 15 U.S.C. 78o-3.

<sup>6</sup> In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).