

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, on official business days between the hours of 10 a.m. and 3 p.m. 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 [http://www.dtcc.com/downloads/legal/rule\\_filings/2007/dtc/2007-10.pdf](http://www.dtcc.com/downloads/legal/rule_filings/2007/dtc/2007-10.pdf) and [http://www.dtcc.com/downloads/legal/rule\\_filings/2007/dtc/2007-10-amendment.pdf](http://www.dtcc.com/downloads/legal/rule_filings/2007/dtc/2007-10-amendment.pdf). 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-2007-10 and should be submitted on or before October 18, 2007.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>13</sup>

**Florence E. Harmon,**

*Deputy Secretary.*

[FR Doc. E7-19489 Filed 10-2-07; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-56538; File No. SR-DTC-2007-09]

### Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Revise Its Procedures With Respect To Processing of Certain Voluntary Events in Its Reorganization Service and Clarifying Legal Considerations Set Forth in Its Procedures Relating To Usage of Information Obtained by Participants

September 26, 2007.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on June 29, 2007, The Depository Trust Company ("DTC") filed with the Securities and Exchange Commission ("Commission") a 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)(iii) of the Act<sup>2</sup> and Rule 19b-4(f)(4) thereunder<sup>3</sup> so that the proposal was effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested parties.

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

The proposed rule change would amend DTC's Procedures with respect to the processing of certain voluntary events in its Reorganization service and to clarify legal considerations set forth in its Procedures relating to usage of information obtained by participants from DTC.

#### 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>4</sup>

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

DTC's Reorganization service distributes information to participants about various reorganization activity and processes participants' elections with respect to this activity on their behalf. Currently, DTC's participant procedures for its Reorganization Service Guide provide several different functions for participants to submit instructions to DTC.<sup>5</sup> DTC has determined that greater efficiency would be created if the more automated functions (e.g., DTC's Automated Tender Offer Program ["ATOP"]) were available to be utilized for a broader range of voluntary reorganization events. For example, the processing of conversions would be enhanced if they were directed through ATOP, which is

currently used for the acceptance and processing of other types of voluntary offers such as tender offers and exchanges. In addition to conversions, processing of elections to receive cash in lieu of fractional shares pursuant to a mandatory reorganization and the exercise of put options with a withdrawal privilege would similarly be enhanced. Therefore, DTC now proposes to add flexibility to utilize the function that provides the most efficient means for receiving and processing instructions.

Initially DTC will add functionality to permit (1) conversion instructions, (2) elections to receive cash in lieu of fractional shares, and (3) the exercise of put options with withdrawal privileges to be processed through ATOP. DTC's Procedures would be amended to allow such instructions to be submitted through the Participant Tenders Over PTS ("PTOP") function, which is currently utilized primarily in connection with tender offers and exchanges.

In addition, DTC is revising its Procedures to clarify how participants may redistribute information provided to them by DTC. DTC compiles security description and event information derived from its core processes to support its own and its participants' operations. DTC proposes to revise its current procedures to clarify that this information may not be redistributed to any other persons who, to a Participant's knowledge, use the information as a basis for data products or services.

The proposed rule change is consistent with the requirements of the Act, and the rules and regulations thereunder applicable to DTC because it would provide for more efficient processing of certain reorganization transactions and further clarify participants' responsibilities with regard to information provided by DTC thus facilitating the safeguarding of securities in DTC's custody or control or for which it is responsible.

##### (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

Written comments relating to the proposed rule change have not yet been solicited or received. DTC will notify

<sup>2</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>3</sup> 17 CFR 240.19b-4(f)(4).

<sup>4</sup> The Commission has modified the text of the summaries prepared by DTC.

<sup>5</sup> For background information on the DTC's Reorganization Service Guide, which replaced applicable Participating Operating Procedures relating to the Reorganization service, see Securities Exchange Act Release No. 44719 (August 17, 2001), 66 FR 44656 (August 24, 2001) [File No. SR-DTC-2001-01].

<sup>13</sup> 17 CFR 200.30-3(a)(12).

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

the Commission of any written comments received by DTC.

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

The foregoing rule change has become effective upon filing pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>6</sup> and Rule 19b-4(f)(4)<sup>7</sup> thereunder because the proposed rule effects a change in an existing service of DTC that (i) does not adversely affect the safeguarding of securities or funds in the custody or control of DTC or for which it is responsible and (ii) does not significantly affect the respective rights or obligations of DTC or persons using the service. At any time within 60 days of the filing of the proposed rule change, the Commission could have summarily abrogated such rule change if it appeared to the Commission that such action was 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-2007-09 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-2007-09. 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, on official business days from 10 a.m. to 3 p.m. The text of the proposed rule change is available at DTC, the Commission's Public Reference Room, and [http://www.dtcc.com/downloads/legal/rule\\_filings/2007/dtc/2007-09.pdf](http://www.dtcc.com/downloads/legal/rule_filings/2007/dtc/2007-09.pdf). 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-2007-09 and should be submitted on or before October 24, 2007.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>8</sup>

**Florence E. Harmon,**

*Deputy Secretary.*

[FR Doc. E7-19534 Filed 10-2-07; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-56540; File No. SR-NASD-2006-109]

### Self-Regulatory Organizations; National Association of Securities Dealers, Inc. (n/k/a Financial Industry Regulatory Authority, Inc.); Order Approving Proposed Rule Change as Modified by Amendment Nos. 1 and 2 Thereto Relating to Representation of Parties in Arbitration and Mediation

September 26, 2007.

#### I. Introduction

On September 14, 2006, the National Association of Securities Dealers, Inc. ("NASD") (n/k/a Financial Industry Regulatory Authority, Inc. ("FINRA")), through its wholly owned subsidiary, NASD Dispute Resolution, Inc. ("NASD Dispute Resolution") (n/k/a, FINRA Dispute Resolution, Inc.), filed with the Securities and Exchange Commission ("SEC" or "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 relating to representation of parties in arbitration and mediation.<sup>3</sup> On November 9, 2006 and February 23, 2007, NASD Dispute Resolution submitted Amendment Nos. 1 and 2, respectively, to the proposed rule change. The proposed rule change, as amended, was published for comment in the **Federal Register** on April 13, 2007.<sup>4</sup> The Commission received five comments on the proposal.<sup>5</sup> For the reasons discussed below, the Commission is approving the proposed rule change, as amended.

#### II. Description of the Proposal

The changes to NASD's Code of Arbitration Procedure for Customer Disputes, Code of Arbitration Procedure for Industry Disputes, and Code of Mediation Procedure provide that in both arbitration and mediation: (1) Parties may represent themselves; (2) parties may be represented by an attorney, provided certain criteria are met; (3) parties may be represented by a person who is not an attorney, unless state law prohibits such representation or the person is currently suspended or barred from the securities industry in any capacity or is currently suspended from the practice of law or disbarred; and (4) issues regarding qualifications of a representative are governed by applicable law.

First, the proposed rule change codifies current practice by explicitly stating that parties may represent themselves in arbitration.

Second, the proposed rule change codifies current practice permitting the multi-jurisdictional practice of law by attorneys in the NASD Dispute Resolution forum to the extent permitted by state law. In addition, the proposed rule change states that if a party chooses to be represented by an attorney, the attorney must be licensed to practice in a U.S. jurisdiction and be

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

<sup>3</sup> On July 26, 2007, the Commission approved a proposed rule change filed by NASD to amend NASD's Certificate of Incorporation to reflect its name change to Financial Industry Regulatory Authority Inc., or FINRA, in connection with the consolidation of the member firm regulatory functions of NASD and NYSE Regulation, Inc. See Exchange Act Release No. 56146 (July 26, 2007); 72 FR 42190 (Aug. 1, 2007).

<sup>4</sup> See Securities Exchange Act Release No. 55604 (April 9, 2007), 72 FR 18703 (April 13, 2007).

<sup>5</sup> See letters to Nancy Morris, Secretary, Commission, from Timothy Canning, Law Offices of Timothy A. Canning, dated May 4, 2007 ("Canning"); Vincent DiCarlo, Law Offices of Vincent DiCarlo, dated May 4, 2007 ("DiCarlo"); Jill I. Gross, Director of Advocacy, Pace Investor Rights Project, dated May 4, 2007 ("Pace"); Richard L. Sacks, dated May 3, 2007 ("Sacks"); and Irwin G. Stein, dated May 4, 2007 ("Stein").

<sup>6</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>7</sup> 17 CFR 240.19b-4(f)(4).

<sup>8</sup> 17 CFR 200.30-3(a)(12).

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