

between exchange markets and markets other than exchange markets.”<sup>17</sup> When the Commission first approved of the Plan on a pilot basis, it found that the Plan “should enhance market efficiency and fair competition, avoid investor confusion, and facilitate surveillance of concurrent exchange and OTC trading.”<sup>18</sup> The Plan has been in existence since 1990 and Participants have been trading Nasdaq securities under the Plan since 1993.

The Commission finds that extending the operation of the Plan for a year furthers the goals described above by preventing the lapsing of the sole effective transaction reporting plan for Nasdaq securities traded by exchanges pursuant to unlisted trading privileges. The Commission believes that the Plan is a critical component of the national market system and that the Plan’s expiration would have a serious, detrimental impact on the further development of the national market system.

The Commission also finds that it is appropriate to extend the exemption under Rule 11Aa3-2(f)<sup>19</sup> from compliance with Section VI.C.1. of the Plan as required by Rule 11Aa3-2(d).<sup>20</sup> The Commission believes that the requested exemptive relief extension is consistent with the Act, the Rules thereunder, and, specifically, with the objectives set forth in Sections 12(f) and 11A of the Act<sup>21</sup> and Rules 11Aa3-1 and 11Aa3-2 thereunder.<sup>22</sup> The Commission believes that the Plan is a critical component of the national market system and that the requested exemptive relief is necessary to assure the effective operation of the Plan.

#### IV. Conclusion

*It is therefore ordered*, pursuant to Sections 12(f) and 11A of the Act<sup>23</sup> and paragraph (c)(4) of Rule 11Aa3-2<sup>24</sup> thereunder, that the operation of the Plan be, and hereby is, extended and that certain exemptive relief also be extended until December 21, 2005.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>25</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. E5-984 Filed 3-8-05; 8:45 am]

**BILLING CODE 8010-01-P**

## SECURITIES AND EXCHANGE COMMISSION

### Sunshine Act Meetings

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Public Law 94-409, that the Securities and Exchange Commission will hold the following meetings during the week of March 14, 2005:

Closed Meetings will be held on Monday, March 14, 2005 at 3:30 p.m. and Thursday, March 17, 2005 at 10 a.m.

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

Commissioner Goldschmid, 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 Monday, March 14, 2005, will be:

Institution and settlement of injunctive actions; and

Institution and settlement of administrative proceedings of an enforcement nature.

The subject matter of the Closed Meeting scheduled for Thursday, March 17, 2005, will be:

Formal orders of investigations; Institution and settlement of injunctive actions; and

Institution and settlement of administrative proceedings of an enforcement nature; and an Opinion.

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) 942-7070.

Dated: March 7, 2005.

**Jonathan G. Katz,**  
*Secretary.*

[FR Doc. 05-4781 Filed 3-7-05; 4:04 pm]

**BILLING CODE 8010-01-U**

## SECURITIES AND EXCHANGE COMMISSION

[Securities Act of 1933, Release No. 8550/ March 3, 2005 and Securities Exchange Act of 1934, Release No. 51313/ March 3, 2005]

### Order Approving Public Company Accounting Oversight Board Revised Budget and Annual Accounting Support Fee for Calendar Year 2005

The Sarbanes-Oxley Act of 2002 (the “Act”) established the Public Company Accounting Oversight Board (“PCAOB”) to oversee the audits of public companies and related matters, to protect investors, and to further the public interest in the preparation of informative, accurate and independent audit reports. The PCAOB is to accomplish these goals through registration of public accounting firms and standard setting, inspection, and disciplinary programs. Section 109 of the Act provides that the PCAOB shall establish a reasonable annual accounting support fee, as may be necessary or appropriate to establish and maintain the PCAOB. Section 109(h) amends Section 13(b)(2) of the Securities Exchange Act of 1934 to require issuers to pay the allocable share of a reasonable annual accounting support fee or fees, determined in accordance with Section 109 of the Act. Under Section 109(f), the aggregate annual accounting support fee shall not exceed the PCAOB’s aggregate “recoverable budget expenses,” which may include operating, capital and accrued items. Section 109(b) of the Act directs the PCAOB to establish a budget for each fiscal year in accordance with the PCAOB’s internal procedures, subject to approval by the Commission.

The PCAOB originally adopted a budget for calendar year 2005 and submitted it to the Commission in October 2004. After further review of its proposed expenditures for 2005, the PCAOB adopted a revised budget for calendar year 2005 and submitted that budget to the Commission for approval on January 6, 2005. In its supporting materials, the PCAOB noted that the revised budget “supports its mission to oversee the auditors of public companies in order to protect the interests of investors and further the public interest in the preparation of informative, fair and independent audit reports. This includes carrying out the

<sup>17</sup> 15 U.S.C. 78k-1(a).

<sup>18</sup> See Securities Exchange Act Release No. 28146 (June 26, 1990), 55 FR 27917 (July 6, 1990).

<sup>19</sup> 17 CFR 240.11Aa3-2(f).

<sup>20</sup> 17 CFR 240.11Aa3-2(d).

<sup>21</sup> 15 U.S.C. 78l(f) and 15 U.S.C. 78k-1.

<sup>22</sup> 17 CFR 240.11Aa3-1 and 11Aa3-2.

<sup>23</sup> 15 U.S.C. 78l(f) and 15 U.S.C. 78k-1.

<sup>24</sup> 17 CFR 240.11Aa3-2(c)(4).

<sup>25</sup> 17 CFR 200.30-3(a)(27).

PCAOB's core functions of registration, inspection, enforcement, and standards-setting."

In accordance with its responsibilities to oversee the PCAOB, the Commission reviewed both the original and revised budgets filed by the PCAOB for 2005 and its aggregate accounting support fee for 2005, which will fund the PCAOB's expenditures. During the course of the Commission's review, among other things, the Commission staff reviewed and relied upon representations and supporting documentation from the PCAOB.

The Commission did not identify any proposed disbursements in the revised budget that are not properly recoverable through the annual accounting support fee, and the Commission believes that the revised aggregate proposed 2005 annual accounting support fee does not exceed the PCAOB's aggregate recoverable budget expenses for 2005.

The Commission recognizes that the PCAOB is continuing to develop its infrastructure and will be increasing its staffing levels significantly in 2005 in order to fulfill its responsibilities under the Act. However, during the next budget cycle, the PCAOB will have substantially completed its start-up activities and finished a full year of inspections, including inspections of the eight largest registered public accounting firms and a number of smaller registered public accounting firms. As the PCAOB already has agreed, prior to the Commission's review of the 2006 PCAOB budget, the Commission expects to have received: (i) The PCAOB's long-range strategic plan for its operations and budget, (ii) a self-assessment of its internal controls for its operations and budget, and (iii) a briefing regarding the Commission's initial inspection of the PCAOB, as contemplated by Section 107(a) of the Act, in order to enable the Commission to assess whether the PCAOB is fulfilling its statutory responsibilities. Because of the specialized subject matter of the PCAOB's operations, we expect that the Commission's examinations of the PCAOB will draw on the expertise of several offices within the Commission, including the Office of Compliance, Inspections and Examinations and the Office of the Chief Accountant. Together, these offices will ensure that the Commission's examinations of the PCAOB are tailored to its specific operations.

Based on the foregoing, the Commission has determined that the PCAOB's revised 2005 budget and annual accounting support fee are consistent with Section 109 of the Act. Accordingly,

*It is ordered*, pursuant to Section 109 of the Act, that the PCAOB budget and annual accounting support fee for calendar year 2005 are approved.

By the Commission.

**L. Lynn Taylor,**

*Assistant Secretary.*

[FR Doc. E5-982 Filed 3-8-05; 8:45 am]

BILLING CODE 8010-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-51300; File No. SR-PCX-2005-24]

### Self-Regulatory Organizations; Pacific Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to PCXE Rules 4.5 and 6.18(d), Relating to Compliance Date for the Series 24 and Series 27 Examination Requirements for ETP Holders

March 2, 2005.

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> notice is hereby given that on February 18, 2005, the Pacific Exchange, Inc. ("PCX" or "Exchange"), through its wholly owned subsidiary PCX Equities, Inc. ("PCXE"), 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 PCXE. PCXE filed this proposal pursuant to Section 19(b)(3)(A)<sup>3</sup> of the Act and Rule 19b-4(f)(3) thereunder,<sup>4</sup> which renders the proposal effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

PCXE proposes to amend PCXE Rule 4.5 to extend the compliance deadline for financial/operations principals of PCXE ETP firms to successfully complete the National Association of Securities Dealers, Inc.'s ("NASD") Financial and Operations Principal Examination ("Series 27 Examination") until September 30, 2005. PCXE also proposes to amend PCXE Rule 6.18(d) to extend the deadline for compliance supervisors of PCXE ETP firms to successfully complete the NASD's General Securities Principal

Examination ("Series 24 Examination") until September 30, 2005. The text of the proposed rule change is available on PCX's web site ([http://www.pacificex.com/legal/legal\\_pending.html](http://www.pacificex.com/legal/legal_pending.html)), at the PCX's Office of the Secretary, 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, PCXE included statements concerning the purpose of and basis for its proposal and discussed any comments it received regarding the proposal. The text of these statements may be examined at the places specified in Item IV below. PCXE 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

The Commission recently approved a rule proposal by the Exchange to amend PCXE Rule 4.5 and add PCXE Rule 6.18(d) to require all financial/operations principals of PCXE Equity Trading Permit Holders ("ETP") Firms to successfully complete the Series 27 Examination and to require all compliance supervisors of PCXE ETP Firms to successfully complete the Series 24 Examination.<sup>5</sup> Both rules contained compliance deadlines of March 31, 2005. The purpose of this filing is to extend the compliance deadline until September 30, 2005. For ETP Holders to become compliant with the approved rules they either need to study for and pass the Series 24 and 27 Examinations or hire individuals who have already passed these examinations. The Commission approved these rules on January 14, 2005 and the notice approving these rules appeared in the **Federal Register** on January 24, 2005.<sup>6</sup> The Exchange believes that providing ETP Holders with only two months time to become compliant with the recently approved rules is neither sufficient nor practical. In addition, the Exchange underestimated the number of ETP Holders who would be affected by this rule change as well as the impact it would have on all ETP Holders, especially the smaller ETP Holders. Therefore, extending the compliance

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

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

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

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

<sup>5</sup> See Securities Exchange Act Release No. 51038 (January 14, 2005), 70 FR 03417 (January 24, 2005) (SR-PCX-2004-96).

<sup>6</sup> See *supra* note 5.