

been previously reported or erroneously reported by a beneficiary. If a respondent fails to complete the form, the RRB may be unable to pay them benefits. One response is requested of each respondent.

In order to enhance program integrity, the RRB proposes to revise Form G-19-F to expand a current item that requests information about the annuitant's employer to include the employer's identification number (EID). Other minor non-burden impacting editorial changes are also proposed.

The RRB estimates that 900 G-19-F's are completed annually at an estimated completion time of eight minutes per response. Total respondent burden is estimated at 120 hours.

*Additional Information or Comments:* To request more information or to obtain a copy of the information collection justification, forms, and/or supporting material, please call the RRB Clearance Officer at (312) 751-3363 or send an e-mail request to [Charles.Mierzwa@RRB.GOV](mailto:Charles.Mierzwa@RRB.GOV). Comments regarding the information collection should be addressed to Ronald J. Hodapp, Railroad Retirement Board, 844 North Rush Street, Chicago, Illinois 60611-2092 or send an e-mail to [Ronald.Hodapp@RRB.GOV](mailto:Ronald.Hodapp@RRB.GOV). Written comments should be received within 60 days of this notice.

**Charles Mierzwa,**  
Clearance Officer.

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## SECURITIES AND EXCHANGE COMMISSION

### Submission of OMB Review; Comment Request

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of Filings and Information Services, Washington, DC 20549.

#### Extension:

Rule 31a-2, SEC File No. 270-174, OMB Control No. 3235-0179.

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520), the Securities and Exchange Commission ("Commission") has submitted to the Office of Management and Budget ("OMB") a request for extension of the previously approved collection of information discussed below.

Section 31(a)(1) of the Investment Company Act of 1940 (the "Act") requires registered investment companies ("funds") and certain

principal underwriters, broker-dealers, investment advisers and depositors of funds to maintain and preserve records as prescribed by Commission rules.<sup>1</sup> Rule 31a-1 specifies the books and records that each of these entities must maintain.<sup>2</sup> Rule 31a-2, which was adopted on April 17, 1944, specifies the time periods that entities must retain books and records required to be maintained under rule 31a-1.<sup>3</sup>

Rule 31a-2 requires the following:

1. Every fund must preserve permanently, and in an easily accessible place for the first two years, all books and records required under rule 31a-1(b)(1)-(4).<sup>4</sup>

2. Every fund must preserve for at least six years, and in an easily accessible place for the first two years:

a. All books and records required under rule 31a-1(b)(5)-(12);<sup>5</sup>

b. All vouchers, memoranda, correspondence, checkbooks, bank statements, canceled checks, cash reconciliations, canceled stock certificates and all schedules that support each computation of net asset value of fund shares;

c. Any advertisement, pamphlet, circular, form letter or other sales literature addressed or intended for distribution to prospective investors;

d. Any record of the initial determination that a director is not an interested person of the fund, and each subsequent determination that the director is not an interested person of the fund, including any questionnaire and any other document used to determine that a director is not an interested person of the company;

e. Any materials used by the disinterested directors of a fund to determine that a person who is acting as legal counsel to those directors is an independent legal counsel; and

<sup>1</sup> 15 U.S.C. 80a-30(a)(1).

<sup>2</sup> 17 CFR 270.31a-1.

<sup>3</sup> 17 CFR 270.31a-2.

<sup>4</sup> 17 CFR 270.31a-1(b)(1)-(4). These include, among other records, journals detailing daily purchases and sales of securities or contracts to purchase and sell securities, general and auxiliary ledgers reflecting all asset, liability, reserve, capital, income and expense accounts, separate ledgers reflecting, separately for each portfolio security as of the trade date all "long" and "short" positions carried by the fund for its own account, and corporate charters, certificates of incorporation and by-laws.

<sup>5</sup> 17 CFR 270.31a-1(b)(5)-(12). These include, among other records, records of each brokerage order given in connection with purchases and sales of securities by the fund, all other portfolio purchases, records of all puts, calls, spreads, straddles or other options in which the fund has an interest, has granted, or has guaranteed, records of proof of money balances in all ledger accounts, files of all advisory material received from the investment adviser, and memoranda identifying persons, committees or groups authorizing the purchase or sale of securities for the fund.

f. Any documents or other written information considered by the directors of the fund pursuant to section 15(c) of the Act in approving the terms or renewal of a contract or agreement between the company and an investment advisor.

3. Every underwriter, broker or dealer that is a majority-owned subsidiary of a fund must preserve records required to be preserved by brokers and dealers under rules adopted under section 17 of the Securities Exchange Act of 1934<sup>6</sup> ("section 17") for the periods established in those rules.

4. Every depositor of any fund, and every principal underwriter of any fund other than a closed-end fund, must preserve for at least six years records required to be preserved by brokers and dealers under rules adopted under section 17 to the extent the records are necessary or appropriate to record the entity's transactions with the fund.

5. Every investment adviser that is a majority-owned subsidiary of a fund must preserve the records required to be maintained by investment advisers under rules adopted under section 204 of the Investment Advisers Act of 1940<sup>7</sup> ("section 204") for the periods specified in those rules.

6. Every investment adviser that is not a majority-owned subsidiary of a fund must preserve for at least six years records required to be maintained by registered investment advisers under rules adopted under section 204 to the extent the records are necessary or appropriate to reflect the adviser's transactions with the fund.

The records required to be maintained and preserved under this part may be maintained and preserved for the required time by, or on behalf of, a fund on (i) Micrographic media, including microfilm, microfiche, or any similar medium, or (ii) electronic storage media, including any digital storage medium or system that meets the terms of this section. The fund, or person that maintains and preserves records on its behalf, must arrange and index the records in a way that permits easy location, access, and retrieval of any particular record.<sup>8</sup>

<sup>6</sup> 15 U.S.C. 78q.

<sup>7</sup> 15 U.S.C. 80b-4.

<sup>8</sup> In addition, the fund, or whoever maintains the documents for the fund must provide promptly any of the following that the Commission (by its examiners or other representatives) or the directors of the fund may request: (A) A legible, true, and complete copy of the record in the medium and format in which it is stored; (B) a legible, true, and complete printout of the record; and (C) means to access, view, and print the records; and separately store, for the time required for preservation of the original record, a duplicate copy of the record on

The Commission periodically inspects the operations of all funds to ensure their compliance with the provisions of the Act and the rules under the Act. The Commission staff spends a significant portion of their time in these inspections reviewing the information contained in the books and records required to be kept by rule 31a-1 and to be preserved by rule 31a-2.

There are approximately 4,920 funds as of December 31, 2006, all of which are required to comply with rule 31a-2. Based on recent conversations with representatives of the fund industry and past estimates, our staff estimates that each fund currently spends 220 hours per year complying with the records preservation required by rule 31a-2. The hour burden is incurred by a variety of fund staff, and the type of staff position used for compliance with the rule varies widely from fund to fund. Based on these estimates, our staff estimates that the total annual burden of a fund to comply with rule 31a-2, is 220 hours, with a total annual burden for all funds of 1,082,400 hours.<sup>9</sup>

The hour burden estimates for retaining records under rule 31a-2 are based on our experience with registrants and our experience with similar requirements under the Act and the rules under the Act. The number of burden hours may vary depending on, among other things, the complexity of the fund, the issues faced by the fund, and the number of series and classes of the fund. The estimated average burden hours are made solely for purposes of the Paperwork Reduction Act and are not derived from quantitative, comprehensive, or even representative survey or study of the burdens associated with our rules and forms.

The Commission staff estimates the average cost of preserving books and records required by rule 31a-2, to be approximately \$.000035 per \$1.00 of net assets per year.<sup>10</sup> As of December 31,

any medium allowed by this section. In the case of records retained on electronic storage media, the fund, or person that maintains and preserves records on its behalf, must establish and maintain procedures: (i) To maintain and preserve the records, so as to reasonably safeguard them from loss, alteration, or destruction; (ii) to limit access to the records to properly authorized personnel, the directors of the fund, and the Commission (including its examiners and other representatives); and (iii) to reasonably ensure that any reproduction of a non-electronic original record on electronic storage media is complete, true, and legible when retrieved.

<sup>9</sup> This estimate is based on the following calculation: 4,920 registered investment company's × 220 hours = 1,082,400 total hours.

<sup>10</sup> The staff estimated the annual cost of preserving the required books and records by identifying the annual costs for several funds and then relating this total cost to the average net assets of these funds during the year. The staff estimates

2006, our staff estimates total net assets of all funds at about \$10 trillion, and that compliance with rule 31a-2 costs the fund industry approximately \$350 million per year.<sup>11</sup> Our staff estimates, however, based on conversations with representatives of the fund industry, that funds would already spend half of this amount (\$175 million) to preserve these same books and records, as they are also necessary to prepare financial statements, meet various state reporting requirements, and prepare their annual federal and state income tax returns. Therefore, we estimate that the total annual cost burden for registered fund due to compliance with rule 31a-2 is \$175 million per year.

These estimates of average costs are made solely for the purposes of the Paperwork Reduction Act. The estimate is not derived from a comprehensive or even a representative survey or study of the costs of Commission rules. 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 OMB control number.

General comments regarding the above information should be directed to the following persons: (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 e-mail to: [David\\_Rostker@omb.eop.gov](mailto: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, Virginia 22312, or send an e-mail to [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov). Comments must be submitted to OMB within 30 days of this notice.

Dated: April 16, 2007.

**Florence E. Harmon,**  
*Deputy Secretary.*

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that the annual cost of preserving records is \$70,000 per fund; the funds queried in support of this analysis had an average asset base of approximately \$2 billion (70,000/2 billion = .000035).

<sup>11</sup> This estimate is based on the annual cost per dollar of net assets of the average fund as applied to the net assets of all funds (\$10 trillion × .000035 = \$350 million).

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55640; File No. SR-Amex-2007-04]

### Self-Regulatory Organizations; American Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Its Buy-In Rules

April 17, 2007.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on January 8, 2007, the American Stock Exchange LLC ("Amex") filed with the Securities and Exchange Commission ("Commission") the proposed rule change described in Items I, II, and III below, which items have been prepared primarily by Amex. Amex filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act<sup>2</sup> and Rule 19b-4(f)(6) 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 persons.

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

The purpose of the proposed rule change is to amend Amex Rules 759, 783, 784, and 789 and to adopt new Rule 798 to standardize Amex's buy-in rules.

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

In its filing with the Commission, Amex 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. Amex 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

Amex is amending its Rules 783, 784, and 789 and is adopting new Rule 798

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

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

<sup>3</sup> 17 CFR 240.19b-4(f)(6).

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