

collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

Comments should be directed to: 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. Comments must be submitted to OMB within 60 days of this notice.

Dated: April 5, 2007.

Florence E. Harmon,

Deputy Secretary.

[FR Doc. E7-6892 Filed 4-11-07; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

Proposed Collection; Comment Request

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

Extension: Form 10-D; OMB Control No. 3235-0604; SEC File No. 270-544.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) the Securities and Exchange Commission ("Commission") is soliciting comments on this collection of information summarized below. The Commission plans to submit this existing collection of information to the Office of Management and Budget for approval.

Form 10-D (17 CFR 249.312) is used by asset-backed issuers to file periodic distribution reports pursuant to Section 13 or 15(d) under the Securities Exchange Act 1934 ("Exchange Act") (15 U.S.C. 78a *et seq.*) within 15 days after each required distribution date. The information provided by Form 10-D is mandatory and all information is made available to the public upon request. Form 10-D takes approximately 30 hours per response to prepare and is filed by 9,500 respondents. We estimate that 75% of the 30 hours per response (22.5 hours) is prepared by the company for a total annual reporting burden of 213,750 hours (22.5 hours per response x 9,500 responses).

Written comments are invited on: (a) Whether this proposed collection of information is necessary for the proper performance of the functions of the

agency, including whether the information will have practical utility; (b) the accuracy of the agency's estimate of the burden imposed by the collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

Please direct your written comments to R. Corey Booth, Director/Chief Information Officer, Securities and Exchange Commission, C/O Shirley Martinson, 6432 General Green Way, Alexandria, VA 22312; or send an e-mail to: PRA_Mailbox@sec.gov.

Dated: April 4, 2007.

Florence E. Harmon,

Deputy Secretary.

[FR Doc. E7-6894 Filed 4-11-07; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 27777; 812-13249]

Forward Funds, et al.; Notice of Application

April 5, 2007.

AGENCY: Securities and Exchange Commission ("Commission").

ACTION: Notice of an application under section 6(c) of the Investment Company Act of 1940 ("Act") for an exemption from section 15(a) of the Act and rule 18f-2 under the Act.

SUMMARY OF APPLICATION: Applicants request an order that would permit them to enter into and materially amend subadvisory agreements without shareholder approval.

APPLICANTS: Forward Funds (the "Trust") and Forward Management, LLC ("Forward Management").

FILING DATES: The application was filed on December 20, 2005, and amended on April 2, 2007.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission's Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on April 30, 2007, and should be accompanied by proof of

service on applicants, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the Commission's Secretary.

ADDRESSES: Secretary, U.S. Securities and Exchange Commission, 100 F St., NE., Washington, DC 20549-1090; Applicants, 433 California Street, 11th Floor, San Francisco, CA 94104, *Attn.:* Mary Curran, Esq.

FOR FURTHER INFORMATION CONTACT: Marilyn Mann, Senior Counsel, at (202) 551-6813, or Nadya B. Roytblat, Assistant Director, at (202) 551-6821 (Division of Investment Management, Office of Investment Company Regulation).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee at the Commission's Public Reference Desk, 100 F St., NE., Washington, DC 20549-0102 (telephone (202) 551-5850).

Applicants' Representations

1. The Trust is organized as a Delaware statutory trust and is registered under the Act as an open-end management investment company. The Trust has fourteen operating series (the "Funds"). Applicants request that the order apply to: (a) The Funds; and (b) any future series of the Trust and any other registered open-end management investment companies or series thereof that (1) use the "manager-of-managers" arrangement described in the application, (2) comply with the terms and conditions of the application, and (3) are advised by a Manager (as defined below) (the investment companies and series thereof, as well as the Funds, the "Sub-Advised Funds").¹

2. Forward Management is registered as an investment adviser under the Investment Advisers Act of 1940 (the "Advisers Act") and serves as investment adviser to the Funds pursuant to an investment advisory agreement ("Advisory Agreement") with the Trust, on behalf of the Funds. The Advisory Agreement has been approved by the Trust's board of trustees ("Board"), including a majority of the

¹ All existing entities that currently intend to rely on the order are named as applicants. Any entity that relies on the order in the future will do so only in accordance with the terms and conditions of the application. If the name of any Sub-Advised Fund contains the name of a Sub-Adviser (as defined below), the name of the Manager that serves as the primary adviser to the Sub-Advised Fund will precede the name of the Sub-Adviser.

trustees ("Trustees") who are not "interested persons," as defined in section 2(a)(19) of the Act, of the Trust (the "Independent Trustees"), as well as by the shareholders of the Funds. The term "Manager" refers to Forward Management and any existing or future entity controlling, controlled by, or under common control with Forward Management that is an investment adviser registered under the Advisers Act or exempt from such registration and any successor in interest thereto.²

3. Under the terms of the Advisory Agreement, the Manager provides investment advisory services to each Sub-Advised Fund and has the authority, subject to Board approval, to enter into investment subadvisory agreements ("Sub-Advisory Agreements") with one or more subadvisers ("Sub-Advisers"). Each Sub-Adviser is registered under the Advisers Act. The Manager will monitor and evaluate the Sub-Advisers and recommend to the Board their hiring, retention or termination. Sub-Advisers recommended to the Board by the Manager are selected and approved by the Board, including a majority of the Independent Trustees. Each Sub-Adviser has discretionary authority to invest the assets or a portion of the assets of the relevant Fund. The Manager compensates each Sub-Adviser out of the fees paid to the Manager under the Advisory Agreement.

4. Applicants request an order that would permit the Manager to hire Sub-Advisers and materially amend Sub-Advisory Agreements without obtaining shareholder approval. The requested relief will not extend to any Sub-Adviser that is an affiliated person, as defined in section 2(a)(3) of the Act, of a Sub-Advised Fund or the Manager, other than by reason of serving as a Sub-Adviser to one or more of the Sub-Advised Funds ("Affiliated Sub-Adviser").

Applicants' Legal Analysis

1. Section 15(a) of the Act provides, in relevant part, that it is unlawful for any person to act as an investment adviser to a registered investment company except under a written contract that has been approved by the vote of a majority of the company's outstanding voting securities. Rule 18f-2 under the Act provides that each series or class of stock in a series company affected by a matter must

approve such matter if the Act requires shareholder approval.

2. Section 6(c) of the Act provides that the Commission may exempt any person, security, or transaction or any class or classes of persons, securities, or transactions from any provisions of the Act, or from any rule thereunder, if such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Applicants state that their requested relief meets this standard for the reasons discussed below.

3. Applicants assert that the Sub-Advised Funds' shareholders are relying on the Manager's experience to select one or more Sub-Advisers best suited to achieve a Sub-Advised Fund's investment objectives. Applicants assert that, from the perspective of an investor in the Sub-Advised Fund, the role of the Sub-Advisers is comparable to that of the individual portfolio managers employed by traditional investment company advisory firms. Applicants state that requiring shareholder approval of each Sub-Advisory Agreement would impose costs and unnecessary delays on the Sub-Advised Funds, and may preclude the Manager from acting promptly in a manner considered advisable by the Board. Applicants note that the Advisory Agreement and any Sub-Advisory Agreement with an Affiliated Sub-Adviser will remain subject to section 15(a) of the Act and rule 18f-2 under the Act.

4. Applicants note that the Commission has proposed rule 15a-5 under the Act and agree that the requested order will expire on the effective date of rule 15a-5 under the Act, if adopted.³

Applicants' Conditions

Applicants agree that any order granting the requested relief will be subject to the following conditions:

1. Before a Sub-Advised Fund may rely on the requested order, the operation of the Sub-Advised Fund in the manner described in the application will be approved by a majority of the Sub-Advised Fund's outstanding voting securities, as defined in the Act, or in the case of a Sub-Advised Fund whose public shareholders purchase shares on the basis of a prospectus containing the disclosure contemplated by condition 2 below, by the initial shareholder(s) before offering shares of that Sub-Advised Fund to the public.

2. Each Sub-Advised Fund will disclose in its prospectus the existence, substance and effect of the order. In addition, each Sub-Advised Fund will hold itself out to the public as employing the manager-of-managers arrangement described in the application. The prospectus relating to each Sub-Advised Fund will prominently disclose that the Manager has ultimate responsibility (subject to oversight by the Board) to oversee Sub-Advisers and to recommend their hiring, termination, and replacement.

3. Within 90 days of the hiring of a new Sub-Adviser, the Manager will furnish shareholders of the applicable Sub-Advised Fund all information about the new Sub-Adviser that would be included in a proxy statement. To meet this condition, the Manager will provide shareholders of the applicable Sub-Advised Fund with an information statement meeting the requirements of Regulation 14C, Schedule 14C and Item 22 of Schedule 14A under the Securities Exchange Act of 1934.

4. The Manager will not enter into a Sub-Advisory Agreement with any Affiliated Sub-Adviser unless such agreement, including the compensation to be paid thereunder, has been approved by the shareholders of the applicable Sub-Advised Fund.

5. At all times, at least a majority of the Board will be Independent Trustees, and the nomination of new or additional Independent Trustees will be placed within the discretion of the then-existing Independent Trustees.

6. When a change of Sub-Adviser is proposed for a Sub-Advised Fund with an Affiliated Sub-Adviser, the Board, including a majority of the Independent Trustees, will make a separate finding, reflected in the Board minutes, that such change is in the best interests of such Sub-Advised Fund and its shareholders and does not involve a conflict of interest from which the Manager or an Affiliated Sub-Adviser derives an inappropriate advantage.

7. The Manager will provide general investment management services to each Sub-Advised Fund, including overall supervisory responsibility for the general management and investment of each Sub-Advised Fund's assets and, subject to review and approval by the Board, will: (i) Set the Sub-Advised Fund's overall investment strategies; (ii) evaluate, select, and recommend Sub-Advisers to manage all or a part of the Sub-Advised Fund's assets; (iii) when appropriate, allocate and reallocate the Sub-Advised Fund's assets among multiple Sub-Advisers; (iv) monitor and evaluate the Sub-Advisers' investment performance; and (v) implement

² A successor in interest is limited to entities that result from a reorganization into another jurisdiction or a change in the type of business organization.

³ Investment Company Act Release No. 26230 (Oct. 23, 2003).

procedures reasonably designed to ensure compliance by the Sub-Adviser(s) with the Sub-Advised Fund's investment objectives, policies and restrictions.

8. No Trustee or officer of the Trust, or director or officer of the Manager, will own directly or indirectly (other than through a pooled investment vehicle over which such person does not have control) any interest in a Sub-Adviser serving in reliance on the order, except for ownership of less than 1% of the outstanding securities of any class of equity or debt of any publicly traded company.

9. The requested order will expire on the effective date of rule 15a-5 under the Act, if adopted.

For the Commission, by the Division of Investment Management, under delegated authority.

Florence E. Harmon,

Deputy Secretary.

[FR Doc. E7-6891 Filed 4-11-07; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55584; File No. SR-CHX-2006-38]

Self-Regulatory Organizations; Chicago Stock Exchange, Inc.; Order Granting Approval to Proposed Rule Change to Extend the Late Trading Session and to Permit Only the Execution of Cross Orders During That Session

April 5, 2007.

I. Introduction

On December 22, 2006, the Chicago Stock Exchange, Inc. (the "CHX" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1)¹ of the Securities Exchange Act ("Act"), and Rule 19b-4 thereunder,² a proposed rule change (i) To extend its late trading session until 4:00 p.m. (Central Time) and (ii) to provide that only cross orders may be executed during that session. The proposed rule change was published for comment in the **Federal Register** on February 23, 2007.³ The Commission received no comments on the proposed rule change. This order approves the proposed rule change.

II. Description of the Proposal

The Exchange conducts two trading sessions in its new trading model. The first session—called the regular trading session—is held from 8:30 a.m. (Central Time) to 3 p.m. (Central Time).⁴ The second trading session—called the late trading session—is held from the end of the regular session until 3:30 p.m. (Central Time). The Exchange's Matching System begins accepting orders for the late trading session immediately after the closing of the regular trading session in a security.⁵

The proposed rule change would extend the Exchange's late trading session by one-half hour, to 4 p.m. (Central Time), and confirm that only cross orders may be executed during the late trading session. The Exchange states that the longer trading session is designed to allow CHX participants to trade for a full hour after the normal close of the regular trading session. The Exchange further states that the cross-orders-only rule simply confirms that CHX participants may only submit cross orders for execution during the late trading session. The Exchange believes that it is appropriate to limit the late trading session to cross orders for a variety of reasons—including the fact that doing so is consistent with the types of orders currently submitted by CHX participants during its current after-hours trading session. The Exchange also believes that this proposal is consistent with late trading sessions operated by other markets.⁶

As part of the proposed rule change, the Exchange is also proposing a change in its definition of "NBBO" to confirm that it applies only to protected quotes disseminated during regular trading hours. Without this change, the Exchange explained that a cross order in the late trading session technically would be required to be submitted at a price that is at or better than the NBBO during the late trading session (if markets are disseminating protected

quotes), even though the trade-through provisions of Rule 611 of Regulation NMS do not apply during that session.⁷

III. Discussion

After careful review of the proposal, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.⁸ In particular, the Commission finds that the proposal is consistent with Section 6(b)(5) of the Act,⁹ which requires, among other things, that the rules of an exchange be designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and the national market system, and, in general, to protect investors and the public interest. In making this finding, the Commission notes that other markets operate late trading sessions involving the execution of cross transactions.¹⁰

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹¹ that the proposed rule change (SR-CHX-2006-38) be, and hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹²

Florence E. Harmon,

Deputy Secretary.

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⁴ The regular trading session for certain ETFs extends to 3:15 p.m. (Central Time).

⁵ See CHX Rules, Article 20, Rule 8(c)(3). All orders remaining in the Matching System at the end of the regular trading session are cancelled back to the firms that submitted them; firms must submit new orders if they seek to trade in the late trading session.

⁶ Other markets have instituted trading sessions that occur after the end of regular trading and that involve the execution of cross transactions. See, e.g., Boston Stock Exchange Rules, Ch. IIC (Extended Hours Crossing Session), Section 4 (noting that "only matched orders are eligible for execution during the ETS"); New York Stock Exchange 900 Series Rules ("Off-Hours Trading Facility Rules") including Rules 902 and 907 (describing different types of coupled orders that can be executed during the NYSE off-hours sessions).

⁷ See Article 20, Rule 4(b)(4)(defining a cross order as one that is equal to or better than the NBBO).

⁸ 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).

⁹ 15 U.S.C. 78f(b)(5).

¹⁰ See, e.g., Boston Stock Exchange Rules, Ch. IIC (Extended Hours Crossing Session), Section 4; New York Stock Exchange 900 Series Rules ("Off-Hours Trading Facility Rules") including Rules 902 and 907 (describing different types of coupled orders that can be executed during the NYSE off-hours sessions).

¹¹ 15 U.S.C. 78s(b)(2).

¹² 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1)

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 55308 (Feb. 15, 2007), 71 FR 8215.