

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 will also be available for inspection and copying at the principal office of NYSE Arca. 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 No. SR-NYSEArca-2006-13 and should be submitted July 14, 2006.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.³⁷

Nancy M. Morris,
Secretary.

[FR Doc. E6-9930 Filed 6-22-06; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-54007; File No. SR-PCX-2006-16]

Self-Regulatory Organizations; Pacific Exchange, Inc. (n/k/a NYSE Arca, Inc.); Order Granting Approval of a Proposed Rule Change as Amended by Amendments No. 1, No. 2 and No. 4, to Revise Fees for Equity Securities Issued by Operating Companies Listed on the Archipelago Exchange

June 16, 2006.

On March 1, 2006, the Pacific Exchange, Inc. (n/k/a NYSE Arca, Inc., "NYSE Arca" or "Exchange"), through its wholly owned subsidiary PCX Equities, Inc. (n/k/a NYSE Arca Equities, Inc.), filed with the Securities and Exchange Commission ("Commission"), pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² a proposed rule change to revise its Schedule of Fees and Charges ("Fee Schedule") to revise certain listing fees for equity securities issued

by operating companies listed on the Archipelago Exchange. On March 17, 2006, the Exchange filed Amendment No. 1 to the proposed rule change, and on May 5, 2006, the Exchange filed Amendment No. 2 to the proposed rule change. The proposed rule change, as modified by Amendments No. 1 and No. 2, was published for comment in the **Federal Register** on May 12, 2006.³ On June 16, 2006, the Exchange filed Amendment No. 4 to the proposed rule change.⁴ The Commission received no comments on the proposal.

The proposed rule change, described in the Notice, would amend the Fee Schedule to revise the application, initial, annual and additional shares listing fees for equity securities issued by operating companies listed on the Archipelago Exchange, the equities facility of the Exchange. The Exchange also proposed related modifications to the Fee Schedule.

The Commission has reviewed carefully the proposed rule change and finds that it is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.⁵ In particular, the Commission finds that the proposed rule change is consistent with section 6(b)(4) of the Act,⁶ which requires that an exchange have an equitable allocation of reasonable dues, fees and other charges among its members and other persons using its facilities. The Commission believes the fees are reasonably tailored to enable the Exchange to compete effectively for listings, while supporting the costs of issuer services provided by the Exchange.

It is therefore ordered, pursuant to section 19(b)(2) of the Act,⁷ that the proposed rule change as amended be, and hereby is approved.

³ See Securities Exchange Act Release No. 53764 (May 5, 2006), 71 FR 27764 ("Notice").

⁴ In Amendment No. 4, the Exchange made changes to conform the proposed rule text to its description in the filing to and correct typographical errors. Amendment No. 4 is a technical amendment and is not subject to notice and comment. The Exchange filed Amendment No. 3 to the proposed rule change on June 5, 2006 and withdrew it on June 16, 2006.

⁵ In approving this proposed rule change, the Commission notes that it has considered the proposed rule's impact on efficiency, competition and capital formation. See 15 U.S.C. 78c(f).

⁶ 15 U.S.C. 78f(b)(4).

⁷ 15 U.S.C. 78s(b)(2).

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁸

Nancy M. Morris,
Secretary.

[FR Doc. E6-9933 Filed 6-22-06; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-53980; File No. SR-OCC-2006-04]

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to a Back-Up Communication Channel to Internet Access for Clearing Members

June 14, 2006.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on April 27, 2006, The Options Clearing Corporation ("OCC") 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 OCC. OCC filed the proposed rule change pursuant to Section 19(b)(3)(A)(i) of the Act² and Rule 19b-4(f)(1) thereunder³ 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 adopts a policy statement that requires each clearing member that uses the Internet as its primary means to access OCC information and data systems through a secure website to maintain a secure backup to Internet access in order to provide for business continuance should there be an Internet outage.

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

In its filing with the Commission, OCC 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

⁸ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78s(b)(3)(A)(i).

³ 17 CFR 240.19b-4(f)(1).

³⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

may be examined at the places specified in Item IV below. OCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.⁴

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

In 1997, OCC introduced a system called ECMI (Enhanced Clearing Member Interface) for clearing members to access C/MACS, OCC's post-trade and collateral processing system. At the time, all clearing members were required to use ECMI either as their primary means of access or as a back-up to a dedicated T1 line. In 2002, with

the deployment of ENCORE for positions processing, clearing members were able to access ENCORE for processing position-related post-trade transactions anytime from anywhere through OCC's secure website by using the Internet. With the deployment of ENCORE Release 4.5 (Collateral), all post-trade transactions, including collateral transactions, could be accomplished using an Internet connection to the secure Web site. Most clearing members have now adopted the Internet as their primary means of accessing the secure website, and although some clearing members continue to use ECMI as a back-up communication channel, the current ECMI dial-up access does not provide

the high speed and performance level necessary for daily ENCORE activity.

With so many clearing members relying on the Internet as their primary means of accessing OCC information and data systems, OCC has determined to adopt a policy statement that requires such clearing members to maintain (i) separate service agreements with two independent internet service providers and (ii) a back-up to Internet access through an approved communication channel. OCC will determine if a clearing member's selected back-up communication channel is applicable to that clearing member by reference to guidelines, set forth in the following chart, incorporated within the policy statement.

| Business profile | Back-up communication channel |
|---|----------------------------------|
| Category A | |
| <ul style="list-style-type: none"> • Ranks in the top 25 Clearing Members with the highest cleared volume during a calendar year • Clears more than one account type as defined in OCC's By-Laws and Rules. • Clears two or more product types. • Conducts Clearing Member Trade Assignment ("CMTA") business. • High volume of daily post-trade input. • Generally utilizes multiple forms of collateral. • Utilizes most ancillary services offered by OCC. • Currently uses Lease Line for data transmissions. | T1 Line. |
| Category B | |
| <ul style="list-style-type: none"> • Has mid-level volume • Clears only one or more account types as defined in OCC's By-Laws and Rules. • Clears one or more product types. • Moderate to small volume of post-trade input. • Generally utilizes one or two forms of collateral. • May utilize Lease Line for data transmissions. | T1 Line or ISDN. |
| Category C | |
| <ul style="list-style-type: none"> • Has low-level volume • Clears no more than one account type as defined in OCC's By-Laws and Rules. • Clears no more than one product type. • Generally utilizes one or two forms of collateral. • Minimal post-trade input. | ISDN, OCC office 1 or fax input. |

¹ Smaller firms that rely solely on the Internet can utilize OCC equipment if the clearing member is located in or near a city where OCC maintains operational centers.

OCC's purpose in adopting this policy statement is to ensure that clearing members maintain secure back-ups to Internet access in order to be able to perform critical business activities in a timely manner even in the event of an Internet outage⁵ The Policy Statement, which became effective on May 1, 2006, was not incorporated into OCC's Rules but was implemented as a stand-alone

document⁶ Clearing members have already been notified about the adoption of this policy statement and its effective date.

B. Self-Regulatory Organization's Statement on Burden on Competition

OCC does not believe that the proposed rule change would 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 were not and are not intended to be solicited with respect to the proposed rule change, and none have been received.

⁴ The Commission has modified the text of the summaries prepared by OCC.

⁵ In File No. SR-OCC-2006-03, OCC reduced the fixed monthly ancillary services fees charged to Tier I, II, and III clearing members to reflect the termination of the ECMI Interface and to partially offset the additional cost of establishing a back-up communication channel. This fee reduction became effective in April, 2006.

⁶ Conforming changes are also being made to the Supplement to Agreement for OCC Services for Internet Access ("Supplement") to incorporate the Policy Statement into the terms of the Supplement. Copies of Amendment No. 1 to the Supplement to be executed by existing clearing members, as well as the Amended and Restated Supplement for new clearing members are attached to the proposed rule filing. Language proposed to be added to the

Amended and Restated Supplement is underlined. Language proposed to be deleted is in brackets. See also Securities Exchange Act Release No. 46152 (July 1, 2002) 67 FR 45166 (July 8, 2002) [File No. SR-OCC-2001-09] for the text of the original Supplement.

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)(i) of the Act⁷ and Rule 19b-4(f)(1)⁸ thereunder because it constitutes a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule. At any time within sixty days of the filing of such 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. Please include File Number SR-OCC-2006-04 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-OCC-2006-04. 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. Copies of such filing also will be available for inspection and copying at the principal office of OCC and on OCC's Web site at <http://www.optionsclearing.com>. 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-OCC-2006-04 and should be submitted on or before July 14, 2006.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁹

Nancy M. Morris,
Secretary.

[FR Doc. E6-9694 Filed 6-22-06; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-54011; File No. SR-Phlx-2005-65]

Self-Regulatory Organizations; Philadelphia Stock Exchange, Inc.; Order Granting Accelerated Approval of Proposed Rule Change as Amended by Amendment No. 1 Relating to the Exchange's Business Conduct Committee and Disciplinary Rules

June 16, 2006.

I. Introduction

On November 2, 2005, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("Commission") a proposed rule change pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² to amend the Exchange By-Law Article X, Section 10-11 ("Business Conduct Committee") and Exchange Rules 960 and 970, the disciplinary rules. The Phlx filed Amendment No. 1 to the proposed rule change on May 16, 2006. The proposed rule change, as amended, was published for comment in the **Federal Register** on May 26, 2006 for a 15-day comment period, which ended on June 12, 2006.³ The Commission received no comments on the proposal. This order approves the proposed rule

change, as amended, on an accelerated basis.

II. Description of the Proposed Rule Change

The Phlx proposes to create the new staff position of a "Hearing Officer," who, along with two other Hearing Panelists, would hear contested disciplinary matters that are currently heard by a Panel appointed by the Chairman of the Business Conduct Committee ("BCC" or "Committee"). In connection with creating the Hearing Officer position, the Phlx proposes to amend Exchange By-law Article X, Section 10-11, which governs the BCC, and Exchange Rules 960 and 970, the disciplinary rules.

Background

Pursuant to Exchange Rule 960.5(a), a hearing on a Statement of Charges is currently held before a Hearing Panel composed of three persons appointed by the Chairman of the BCC or the Chairman's designee. The presiding person of each Hearing Panel is a member of the Committee. The other two persons on the Hearing Panel are members of the Exchange, or general partners or officers of member organizations, or such other persons whom the Chairman of the BCC or the Chairman's designee considers to be qualified.

Pursuant to Exchange Rule 960.5(a)(4), Hearing Panelists currently may be compensated in extraordinary cases, as determined by the Chairman of the BCC, in consultation with the Chairman of the Board of Governors. Exchange Rule 960.5(a)(4) provides factors to be considered when determining whether a case is extraordinary, which include but are not limited to the anticipated length of time of the hearing, the complexity and seriousness of the matter, and the magnitude of the potential penalty.

Currently, pursuant to Exchange Rule 960.5(d), after the conclusion of the hearing, the Hearing Panel reviews the entire record of the proceeding and submits a written hearing report to the Committee containing proposed findings of fact concerning the allegations in the Statement of Charges, conclusions as to whether a violation within the disciplinary jurisdiction of the Exchange has occurred and an enumeration of such violations, and recommendations as to appropriate sanctions, to be considered by the Committee at the next Committee meeting after the report is completed.

Pursuant to Exchange Rule 960.8, currently, after reviewing the entire record of the disciplinary proceeding,

⁹ 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. 53846 (May 19, 2006), 71 FR 30462.

⁷ 15 U.S.C. 78s(b)(3)(A)(i).

⁸ 17 CFR 240.19b-4(f)(1).