NYSE unilaterally delisted debt securities eligible for trading under this exemption order. To address this concern, we have added a new condition to the order stating that the NYSE will delist a class of debt securities only if the issuer of the class of debt security does not object to the delisting. As the potential loss of covered security status under Section 18 of the Securities Act would be an unintended consequence of this exemption, this additional condition would allow an issuer with listed debt securities to maintain covered security status with respect to its securities at its option.

Another commenter, the NASDAQ Stock Market LLC, argued that limiting the bonds eligible to trade pursuant to this exemption exclusively to companies with equity listed on the NYSE, or their wholly-owned subsidiaries, would potentially be anti-competitive to other national securities exchanges. We do not believe this exemption will provide the NYSE with an unfair competitive advantage over other exchanges. Although the unlisted bonds that will trade on the ABS, and any successor bond trading facility pursuant to this exemption will not be eligible to trade on other exchanges pursuant to the unlisted trading privileges of Section 12(f) of the Exchange Act,[23] another exchange may petition the Commission for similar relief that would permit that exchange's members to trade unregistered debt securities on its facilities subject to the conditions imposed by the Commission in this order.

In granting this relief, we expect that the NYSE will design and implement all rules related to the relief in a manner that protects investors and the public interest and does not unfairly discriminate between customers, issuers, brokers or dealers. We view the exemptive relief requested by the NYSE as another step to improve the public markets and believe that granting the NYSE's application will minimize unnecessary regulatory disparity, promote competition and transparency in the public debt markets and is necessary and appropriate in the public interest and consistent with the protection of investors.

Accordingly, *it is ordered* pursuant to Section 36 of the Exchange Act that, under the terms and conditions set forth below, an NYSE member, broker or dealer may effect a transaction on the ABS, and any successor bond trading facility, in a debt security that has not been registered under Section 12(b) of the Exchange Act without violating Section 12(a) of the Exchange Act.[24] This exemption does not extend to any other section or provision of the Exchange Act.

For purposes of this order, a ''debt security'' is:

Any security that, if the class of securities were listed on the NYSE, would be listed under Sections 102.03 or 103.05 of the NYSE's Listed Company Manual. A debt security does not include any security that, if the class of securities were listed on the NYSE, would be listed under Sections 703.19 or 703.21 of the NYSE's Listed Company Manual. Provided, however, under no circumstances does a debt security include any security that is defined as an ''equity security'' under Section 3(a)(11) of the Exchange Act.

References to Sections 102.03, 103.05, 703.19, and 703.21 of the NYSE's Listed Company Manual are to those sections as in effect on January 31, 2005.

For purposes of this order, the following conditions must be satisfied:

(1) The issuer of the debt security has registered the offer and sale of such security under the Securities Act of 1933;[25]

(2) The issuer of the debt security, or the issuer's parent company if the issuer is a wholly-owned subsidiary,[26] has at least one class of common or preferred equity securities registered under Section 12(b) of the Exchange Act and listed on the NYSE;

(3) The transfer agent of the debt security is registered under Section 17A of the Exchange Act;[27]

(4) The trust indenture for the debt security is qualified under the Trust Indenture Act of 1939;[28]

(5) The NYSE has complied with the undertakings set forth in its exemptive application to distinguish between debt securities registered under Section 12(b) of the Exchange Act and listed on the NYSE and debt securities trading pursuant to this order; and

(6) The NYSE will delist a class of debt securities that are listed on the NYSE as of the date of this order only if the issuer of that class of debt security does not object to the delisting of those securities.

By the Commission.

Nancy M. Morris,

Secretary.

[FR Doc. E6–19738 Filed 11–21–06; 8:45 am]

BILLING CODE 8011–01–P

[23] 15 U.S.C. 78*l*(f). Section 12(f) of the Exchange Act permits a national securities exchange to extend unlisted trading privileges to any security that is listed and registered on a national securities exchange.

[24] As noted previously, NYSE members will be able to effect transactions on the NYSE in accordance with the terms of this exemption without violating NYSE rules only after SR–NYSE–2004–69 becomes effective.

[25] 15 U.S.C. 77a *et seq.*

[26] The terms ''parent'' and ''wholly-owned'' have the same meanings as defined in Rule 1–02 of Regulation S–X [17 CFR 210.1–02].

[27] 15 U.S.C. 78q–1.

[28] 15 U.S.C. 77aaa—77bbbb.

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 27554; 812–13311]

The GMS Group, LLC, *et al.*; Notice of Application

November 16, 2006.

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

ACTION: Notice of an application under: (i) Section 6(c) of the Investment Company Act of 1940 (''Act'') for exemptions from sections 2(a)(32), 2(a)(35), 14(a), 19(b), 22(d), and 26(a)(2)(C) of the Act and from rules 19b–1 and 22c–1 under the Act; (ii) sections 11(a) and 11(c) of the Act for approval of certain exchange and rollover privileges and conversion offers; and (iii) sections 6(c) and 17(b) of the Act for an exemption from section 17(a) of the Act.

SUMMARY OF APPLICATION: Applicants request an order to permit certain unit investment trusts (''UITs'') to: (i) Impose sales charges on a deferred basis and waive the deferred sales charge in certain cases; (ii) offer unitholders certain exchange and rollover privileges and conversion offers; (iii) publicly offer units without requiring the sponsor to take for its own account or place with others $100,000 worth of units; (iv) distribute capital gains resulting from the sale of portfolio securities within a reasonable time after receipt; and (v) sell portfolio securities of a terminating series of a UIT to a new series of that UIT.

APPLICANTS: The GMS Group, LLC (''Sponsor'' or ''The GMS Group''), the Patriot Trust (including the Patriot Trust, Insured Tax Free Bond Trust), any future registered UIT sponsored or co-sponsored by The GMS Group or an entity controlled by or under common control with The GMS Group (the future UITs, together with the above-specified UITs are ''Trusts'') and any presently outstanding or subsequently issued series of each Trust (each, a ''Series'').

FILING DATES: The application was filed on June 30, 2006, and amended on November 6, 2006. Applicants have agreed to file an additional amendment during the notice period, the substance of which is reflected in this notice.

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 December 11, 2006, and should be accompanied by proof of service on the 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 Street, NE., Washington, DC 20549–1090. Applicants, Peter J. DeMarco, c/o The GMS Group, LLC, 5N Regent Street, Suite 513, Livingston, New Jersey 07039.

FOR FURTHER INFORMATION CONTACT: Christine Y. Greenlees, Senior Counsel, at (202) 551–6879, or Julia Kim Gilmer, Branch Chief, 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 Street, NE., Washington DC 20549–0102 (tel. 202–551–5850).

Applicants' Representations

1. The GMS Group, a broker-dealer registered under the Securities Exchange Act of 1934, is the sponsor of the Trusts. Each Trust is or will be a UIT registered under the Act.[1] Each Series is or will be created by a trust indenture (''Indenture'') among the Sponsor, a banking institution or trust company as trustee (''Trustee''), and, for those Series that the Trustee does not also serve as evaluator, an evaluator.

2. The Sponsor acquires a portfolio of securities, which it deposits with the Trustee in exchange for certificates representing units of fractional undivided interest in the deposited portfolio (''Units''). The Units are then offered to the public through the Sponsor, underwriters and dealers at a public offering price which, during the initial offering period, is based upon the aggregate market value (the aggregate offering side evaluation for fixed income securities) of the underlying securities plus a front-end sales charge. The sales charge is expected to range from 1.25% to 5.5% of the public offering price, generally depending upon the terms of the underlying securities. The Sponsor may reduce the sales charge in compliance with rule 22d-1 under the Act in certain circumstances, which are disclosed in the prospectus.

3. The Sponsor maintains a secondary market for Units and continually offers to purchase Units at prices based upon the market value (the bid side evaluation for fixed income securities) of the underlying securities. Investors may purchase Units on the secondary market at the current public offering price plus a front-end sales charge. If the Sponsor discontinues maintaining such a market at any time for any Series, holders of the Units (''Unitholders'') of that Series may redeem their Units through the Trustee.

A. Deferred Sales Charge and Waiver of Deferred Sales Charge Under Certain Circumstances

1. Applicants request an order to the extent necessary to permit them to impose a sales charge on a deferred basis (''deferred sales charge'' or ''DSC''). For each Series, the Sponsor will set a maximum sales charge per Unit as a dollar amount and/or as a percentage of the initial offering price, a portion of which may be collected ''up front'' (*i.e.*, at the time an investor purchases the Units). The DSC would be collected subsequently in installments (''Installment Payments'') as described in the application. The Sponsor would not add any amount for interest or any similar or related charge to adjust for such deferral.

2. When a Unitholder redeems or sells Units, the Sponsor intends to deduct any unpaid DSC from the redemption or sale proceeds. When calculating the amount due, the Sponsor will assume that Units on which the DSC has been paid in full are redeemed or sold first. With respect to Units on which the DSC has not been paid in full, the Sponsor will assume that the Units held for the longest time are redeemed or sold first. Applicants represent that the DSC collected at the time of redemption or sale, together with the Installment Payments and any amount collected up front, will not exceed the maximum sales charge per Unit. Under certain circumstances, the Sponsor may waive the collection of any unpaid DSC in connection with redemptions or sales of Units. These circumstances will be disclosed in the prospectus for the relevant Series and implemented in accordance with rule 22d-1 under the Act.

3. Each Series offering Units subject to a DSC will state the maximum charge per Unit in its prospectus. In addition, the prospectus for such Series will include the table required by item 3 of Form N–1A (modified as appropriate to reflect the difference between UITs and open-end management investment companies) and a schedule setting forth the number and date of each Installment Payment, along with the duration of the collection period. The prospectus for that Series also will disclose that portfolio securities may be sold to pay an Installment Payment if distribution income is insufficient, and that securities will be sold pro rata or a specific security will be designated for sale.

B. Exchange Privilege, Rollover Privilege, and Conversion Offer

1. Applicants propose to offer an exchange privilege to Unitholders of the Trusts at a reduced sales charge (''Exchange Privilege''). Unitholders would be able to exchange any or all of their Units in a Series of a Trust for Units in one or more available Series of the Trusts (''Exchange Series''). Applicants also propose a conversion offer at a reduced sales charge (''Conversion Offer'') pursuant to which Unitholders may elect to redeem Units of any Series in which there is no active secondary market (''Redemption Series'') and apply the proceeds to the purchase of available Units of one or more Series of the Trusts (''Conversion Series''). In addition, applicants propose to offer a rollover privilege to Unitholders of the Trusts at a reduced sales charge (''Rollover Privilege''). Unitholders would be able to ''roll over'' their Units in a Series which is terminating (''Terminating Series'') for Units in one or more new Series of the Trusts (''Rollover Series'').

2. To exercise the Exchange Privilege or Rollover Privilege, a Unitholder must notify the Sponsor. In order to exercise the Conversion Offer, a Unitholder must notify his or her retail broker. The Conversion Offer will be handled entirely through the Unitholder's retail broker and the retail broker must tender the Units to the Trustee of the Redemption Series for redemption and then apply the proceeds toward the purchase of Units of a Conversion Series. Exercise of the Exchange Privilege or Rollover Privilege is subject to the following conditions: (i) The Sponsor must be maintaining a

[1] All presently existing Trusts that currently intend to rely on the requested order have been named as applicants. Any other existing Trust and any Trust organized in the future that rely on the requested order will do so only in accordance with the terms and conditions of the application.

secondary market in Units of the available Exchange Series or Rollover Series; (ii) at the time of the Unitholder's election to participate, there must be Units of the Exchange Series or Rollover Series to be acquired available for sale, either under the initial primary distribution or in the Sponsor's secondary market; (iii) exchanges will be in whole Units only; and (iv) for certain Series, Units may be obtained in blocks of certain sizes only.

3. Unitholders who wish to exchange Units under the Exchange Privilege, the Rollover Privilege or the Conversion Offer within the first five months of purchase will not be eligible for the reduced sales charge. Such Unitholders will be charged a sales load equal to the greater of: (i) The reduced sales charge; or (ii) an amount which, when added to the sales charge paid by the Unitholder upon his or her original purchase of Units of the applicable Series, would equal the sales charge applicable to the direct purchase of the newly acquired Units, determined as of the date of purchase.

C. Purchase and Sale Transactions Between a Terminating Series and a New Series

1. Certain Terminating Series will have a date (''Rollover Date'') by which Unitholders of that Series may, at their option, redeem their Units and receive in return Units of a subsequent Series of the same type (''New Series''). The New Series will be created on or about the Rollover Date and will have a portfolio that contains securities, many, if not all, of which are actively traded *i.e.*, have had an average daily trading volume in the preceding six months of at least 500 shares equal in value to at least U.S. $25,000) on an exchange (a ''Qualified Exchange'') that is either (i) a national securities exchange that meets the qualifications of section 6 of the Securities Exchange Act of 1934, or (ii) a foreign securities exchange meeting the qualifications set forth in the proposed amendments to rule 12d3–1(d)(6) under the Act [2] and releasing daily closing prices (securities meeting the preceding tests are referred to as ''Qualified Securities'').

2. Applicants anticipate that there will be some overlap in the Qualified Securities selected for the portfolios of a Terminating Series and the related New Series. Absent the requested relief, a Terminating Series would, upon termination, sell its Qualified Securities on the applicable Qualified Exchange. Likewise, a New Series would acquire its Qualified Securities on the applicable Qualified Exchange. This procedure would result in Unitholders of both the Terminating Series and the New Series incurring brokerage commissions on the same Qualified Securities. Applicants accordingly request an order to the extent necessary to permit a Terminating Series to sell its Qualified Securities to a New Series and to permit the New Series to purchases those securities.

Applicants' Legal Analysis

A. DSC and Waiver of DSC under Certain Circumstances

1. Section 4(2) of the Act defines a ''unit investment trust'' as an investment company that issues only redeemable securities. Section 2(a)(32) of the Act defines a ''redeemable security'' as a security that, upon its presentation to the issuer, enables the holder to receive approximately his or her proportionate share of the issuer's current net assets or the cash equivalent of those assets. Rule 22c–1 under the Act requires that the price of a redeemable security issued by a registered investment company for purposes of sale, redemption or repurchase be based on the security's current net asset value (''NAV''). Because the collection of any unpaid DSC may cause a redeeming Unitholder to receive an amount less than the NAV of the redeemed Units, applicants request relief from section 2(a)(32) and rule 22c–1.

2. Section 22(d) of the Act and rule 22d–1 under the Act require a registered investment company and its principal underwriter and dealers to sell securities only at the current public offering price described in the investment company's prospectus, with the exception of sales of redeemable securities at prices that reflect scheduled variations in the sales load. Section 2(a)(35) of the Act defines the term ''sales load'' as the difference between the sales price and the portion of the proceeds invested by the depositor or trustee. Applicants request relief from sections 2(a)(35) and 22(d) to permit waivers, deferrals or other scheduled variations of the sales load.

3. Under section 6(c) of the Act, the Commission may exempt classes of transactions, if and to the extent that 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 proposal meets the standards of section 6(c). Applicants state that the provisions of section 22(d) are intended to prevent (i) riskless trading in investment company securities due to backward pricing, (ii) disruption of orderly distribution by dealers selling shares at a discount, and (iii) discrimination among investors resulting from different prices charged to different investors. Applicants assert that the proposed DSC program will present none of these abuses. Applicants further state that all scheduled variations in the sales load will be disclosed in the prospectus of each Series and applied uniformly to all investors, and that applicants will comply with all the conditions set forth in rule 22d–1.

4. Section 26(a)(2)(C) of the Act, in relevant part, prohibits a trustee or custodian of a UIT from collecting from the trust as an expense any payment to the trust's depositor or principal underwriter. Because the Trustee's payment of the DSC to the Sponsor may be deemed to be an expense under section 26(a)(2)(C), applicants request relief under section 6(c) from section 26(a)(2)(C) to the extent necessary to permit the Trustee to collect Installment Payments and disburse them to the Sponsor. Applicants submit that the relief is appropriate because the DSC is more properly characterized as a sales charge.

B. Exchange Privilege, Conversion Offer and Rollover Privilege

1. Sections 11(a) and (c) of the Act prohibit any offer of exchange by a UIT for the securities of another investment company unless the terms of the offer have been approved in advance by the Commission. Applicants request an order under sections 11(a) and 11(c) for Commission approval of the Exchange Privilege, the Conversion Offer and the Rollover Privilege.

2. Applicants state that the Exchange Privilege and Rollover Privilege provide investors with a convenient means of transferring their interests at a reduced sales charge into Exchange Series and Rollover Series which suit their current investment objectives. Further, applicants state that the Conversion Offer provides Unitholders of a Series in which there is no active secondary market to redeem those Units and invest

[2] Investment Company Act Rel. No. 17096 (Aug. 3, 1989) (proposing amendments to rule 12d3–1). The proposed amended rule defined a ''Qualified Foreign Exchange'' as a stock exchange in a country other than the United States where: (i) Trading generally occurred at least four days per week; (ii) there were limited restrictions on the ability of acquiring companies to trade their holdings on the exchange; (iii) the exchange had a trading volume in stocks for the previous year of at least U.S. $7.5 billion; and (iv) the exchange had a turnover ratio for the preceding year of at least 20% of its market capitalization. The version of the amended rule that was adopted did not include the part of the proposed amendment defining the term ''Qualified Foreign Exchange.''

the proceeds at a reduced sales charge into Units of the Conversion Series in which there is an active secondary market. Applicants state that absent the Exchange Privilege, Rollover Privilege and Conversion Offer, Unitholders would be required to dispose of their Units, either in the secondary market (in the case of the Exchange Privilege and Rollover Privilege) or through redemption, and to reinvest, at the then fully applicable sales charge, into the chosen Series.

3. Applicants represent that Unitholders will not be induced or encouraged to participate in the Exchange Privilege, Rollover Privilege, or Conversion Offer through an active advertising or sale campaign. The Sponsor recognizes its responsibility to its investors against generating excessive commissions through churning and asserts that the sales charge collected will not be a significant economic incentive to salesmen to promote inappropriately the Exchange Privilege, Rollover Privilege or the Conversion Offer. Applicants state that the reduced sales charge will fairly and adequately compensate the Sponsor and the participating underwriters and brokers for their services and expenses in connection with the administration of the programs. Applicants further believe that the Exchange Privilege, Rollover Privilege, and Conversion Offer are 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.

C. Purchase and Sale Transactions Between a Terminating Series and a New Series

1. Section 17(a) of the Act prohibits an affiliated person of a registered investment company from selling securities to, or purchasing securities from, the company. Section 2(a)(3) of the Act defines an ''affiliated person'' of another person to include any person directly or indirectly controlling, controlled by, or under common control with the other person. The GMS Group will be the Sponsor of each Series. Since the Sponsor of a Series may be deemed to control the Series, all of the Series may be deemed to be affiliated persons of each other.

2. Rule 17a–7 under the Act was designed to permit registered investment companies which might be deemed affiliated persons by reason of common investment advisers, directors and/or officers, to purchase securities from or sell securities to one another at an independently determined price, provided that certain conditions are met. Paragraph (e) of the rule requires an investment company's board of directors (''Board'') to adopt and monitor procedures to assure compliance with the rule. Paragraph (f) of the rule requires that the Board satisfy certain fund governance standards. Because UITs do not have Boards, the Series would be unable to comply with these requirements. Applicants represent that they will comply with all of the provisions of rule 17a–7, other than paragraphs (e) and (f).

3. Section 17(b) of the Act provides that the Commission will exempt a proposed transaction from section 17(a) if evidence establishes that: (i) the terms of the transaction are reasonable and fair and do not involve overreaching; (ii) the transaction is consistent with the policies of each registered investment company involved; and (iii) the transaction is consistent with the general purposes of the Act. Applicants request relief under sections 6(c) and 17(b) to permit a Terminating Series to sell Qualified Securities to a New Series and permit the New Series to purchase the Qualified Securities.

4. Applicants believe that the proposed transactions satisfy the requirements of sections 6(c) and 17(b). Applicants represent that purchases and sales between the Terminating and New Series will be consistent with the policies of each Series. Applicants further state that permitting the proposed transactions would result in savings on brokerage fees for the Terminating and New Series.

5. Applicants state that the condition that the Qualified Securities must be actively traded on a Qualified Exchange protects against overreaching. In addition, applicants state that the Sponsor will certify to the Trustee, within five days of each sale of Qualified Securities from a Terminating Series to a New Series: (i) that the transaction is consistent with the policy of both the Terminating Series and the New Series, as recited in their respective registration statements and reports filed under the Act; (ii) the date of the transaction; and (iii) the closing sales price on the Qualified Exchange for the sale date of the Qualified Securities. The Trustee will then countersign the certificate, unless, in the unlikely event that the Trustee disagrees with the closing sales price listed on the certificate, the Trustee immediately informs the Sponsor orally of such disagreement and returns the certificate within five days to the Sponsor with corrections duly noted. Upon the Sponsor's receipt of a corrected certificate, if the Sponsor can verify the corrected price by reference to an independently published list of closing sales prices for the date of the transactions, the Sponsor will ensure that the price of the Units of the New Series, and the distributions to Unitholders of the Terminating Series, accurately reflect the corrected price. To the extent that the Sponsor disagrees with the Trustee's corrected price, the Sponsor and the Trustee will jointly determine the correct sales price by reference to a mutually agreeable, independently published list of closing sales prices for the date of the transaction.

D. Net Worth Requirement

1. Section 14(a) of the Act requires that registered investment companies have $100,000 of net worth prior to making a public offering. Applicants believe that each Series will comply with this requirement because the Sponsor will deposit substantially more than $100,000 of debt and/or equity securities, depending on the objective of the particular Series. Applicants assert, however, that the Commission has interpreted section 14(a) as requiring that the initial capital investment in an investment company be made without any intention to dispose of the investment. Applicants state that, under this interpretation, a Series would not satisfy section 14(a) because of the Sponsor's intention to sell all of the Units of the Series.

2. Rule 14a–3 under the Act exempts UITs from section 14(a) if certain conditions are met, including that the UIT invest only in ''eligible trust securities,'' as defined in the rule. Applicants state that they may not rely on rule 14a–3 because the Series may invest in equity securities which do not satisfy the definition of eligible trust securities.

3. Consequently, applicants seek an exemption under section 6(c) of the Act to exempt the Series from the net worth requirement of section 14(a) of the Act. Applicants state that the Series and the Sponsor will comply in all respects with the requirements of rule 14a-3, except that the Series will not restrict their portfolio investments to ''eligible trust securities.''

E. Capital Gains Distribution

1. Section 19(b) of the Act and rule 19b–1 under the Act provide that, except under limited circumstances, no registered investment company may distribute long-term gains more than once every twelve months. Rule 19b–1(c), under certain circumstances, exempts a UIT investing in ''eligible trust securities'' (as defined in rule 14a–3(b)) from the requirements of rule 19b–

1. Because the Trusts do not limit their investments to ''eligible trust securities,'' the Trusts do not qualify for the exemption in paragraph (c) of rule 19b–1. Therefore, applicants request an exemption under section 6(c) from section 19(b) and rule 19b–1 to the extent necessary to permit capital gains earned in connection with the sale of portfolio securities to be distributed to Unitholders along with the Series' regular distributions. In all other respects, applicants will comply with section 19(b) and rule 19b–1.

2. Applicants state that their proposal meets the standards of section 6(c). Applicants assert that any sale of portfolio securities would be triggered by the need to meet Series' expenses, Installment Payments or by requests to redeem Units, events over which the Sponsor and the Series have no control. Applicants further state that, because principal distributions must be clearly indicated in accompanying reports to Unitholders as a return of principal and will be relatively small in comparison to normal dividend distributions, there is little danger of confusion from failure to differentiate among distributions.

Applicants' Conditions

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

A. DSC and Waiver of DSC Under Certain Circumstances

1. Each Series offering Units subject to a DSC will include in its prospectus the disclosure required in Form N–1A relating to deferred sales charges, modified as appropriate to reflect the differences between UITs and open-end management investment companies, and a schedule setting forth the number and date of each installment payment.

2. Any DSC imposed on Units issued by a Series will comply with the requirements of subparagraphs (1), (2) and (3) of rule 6c–10(a) under the Act.

B. Exchange Privilege, Conversion Offer and Rollover Privilege

1. The prospectus of each Series offering exchanges, rollovers, or conversions and any sales literature or advertising that mentions the existence of the Exchange Privilege, Conversion Offer or Rollover Privilege will disclose that the Exchange Privilege, Conversion Offer or Rollover Privilege is subject to modification, termination or suspension without notice, except in limited cases.

2. Whenever the Exchange Privilege, Conversion Offer or Rollover Privilege is to be terminated or its terms are to be amended materially, any holder of a security subject to that privilege will be given prominent notice of the impending termination or amendment at least 60 days prior to the date of termination or the effective date of the amendment, provided that: (a) No such notice need be given if the only material effect of an amendment is to reduce or eliminate the sales charge payable at the time of an exchange, to make one or more New Series eligible for the Exchange Privilege, Conversion Offer or Rollover Privilege, or to delete a Series which has terminated; and (b) no notice need be given if, under extraordinary circumstances, either (i) there is a suspension of the redemption of Units of the Series under section 22(e) of the Act and the rules and regulations promulgated under that section, or (ii) a Series temporarily delays or ceases the sale of its Units because it is unable to invest amounts effectively in accordance with applicable investment objectives, policies, and restrictions.

3. An investor who purchases Units under the Exchange Privilege, Conversion Offer or Rollover Privilege will pay a lower sales charge than that which would be paid for the Units by a new investor.

C. Net Worth Requirement

Applicants will comply in all respects with the requirements of rule 14a–3, except that the Series will not restrict their portfolio investments to ''eligible trust securities.''

D. Purchase and Sale Transactions Between a Terminating Series and a New Series

1. Each sale of Qualified Securities by a Terminating Series to a New Series will be effected at the closing price of the securities sold on a Qualified Exchange on the sale date, without any brokerage charges or other remuneration except customary transfer fees, if any.

2. The nature and conditions of such transactions will be fully disclosed to investors in the appropriate prospectus of each Terminating Series and New Series.

3. The Trustee of each Terminating Series and New Series will review the procedures discussed in the application relating to the sale of securities from a Terminating Series and the purchase of those securities for deposit in a New Series, and make such changes to the procedures as the Trustee deems necessary to ensure compliance with paragraphs (a) through (d) of rule 17a–7.

4. A written copy of these procedures and a written record of each transaction pursuant to this order will be maintained as provided in rule 17a–7(g).

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

Nancy M. Morris,

Secretary.

[FR Doc. E6–19739 Filed 11–21–06; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[File No. 500–1]

In the Matter of Digital Gas, Inc.; Order of Suspension of Trading

November 17, 2006.

It appears to the Securities and Exchange Commission that there is a lack of current and accurate information concerning the securities of Digital Gas, Inc. (''Digital''), because of questions raised regarding the accuracy and adequacy of publicly disseminated information concerning, among other things, Digital's announced agreement with Techno Rubber, Inc. and Digital's assets.

The Commission is of the opinion that the public interest and the protection of investors require a suspension of trading in the securities of the above-listed company.

Therefore, it is ordered, pursuant to Section 12(k) of the Securities Exchange Act of 1934, that trading in the above-listed company is suspended for the period from 9:30 a.m. EST, November 17, 2006, through 11:59 p.m. EST, on December 4, 2006.

By the Commission.

Nancy M. Morris,

Secretary.

[FR Doc. 06–9332 Filed 11–17–06; 11:31 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–54762; File No. SR–CBOE–2006–93]

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Order Granting Accelerated Approval to a Proposed Rule Change Regarding Quarterly Options Series

November 16, 2006.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on November 8, 2006, the Chicago Board Options

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.