

same group of investment companies; (ii) the acquiring company holds only securities of acquired companies that are part of the same group of investment companies, government securities, and short-term paper; (iii) the aggregate sales loads and distribution-related fees of the acquiring company and the acquired company are not excessive under rules adopted pursuant to section 22(b) or section 22(c) of the Act by a securities association registered under section 15A of the Exchange Act or by the Commission; and (iv) the acquired company has a policy that prohibits it from acquiring securities of registered open-end management investment companies or registered unit investment trusts in reliance on section 12(d)(1)(F) or (G) of the Act.

3. Rule 12d1-2 under the Act permits a registered open-end investment company or a registered unit investment trust that relies on section 12(d)(1)(G) of the Act to acquire, in addition to securities issued by another registered investment company in the same group of investment companies, government securities, and short-term paper: (1) Securities issued by an investment company that is not in the same group of investment companies, when the acquisition is in reliance on section 12(d)(1)(A) or 12(d)(1)(F) of the Act; (2) securities (other than securities issued by an investment company); and (3) securities issued by a money market fund, when the investment is in reliance on rule 12d1-1 under the Act. For the purposes of rule 12d1-2, "securities" means any security as defined in section 2(a)(36) of the Act.

4. Section 6(c) of the Act provides that the Commission may exempt any person, security, or transaction from any provisions of the Act, or from any rule under the Act, 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 policies and provisions of the Act.

5. Applicants state that the proposed arrangement would comply with the provisions of rule 12d1-2 under the Act, but for the fact that the Funds may invest a portion of their assets in Other Investments. Applicants request an order under section 6(c) of the Act for an exemption from rule 12d1-2(a) to allow the Funds to invest in Other Investments. Applicants assert that permitting the Funds to invest in Other Investments as described in the application would not raise any of the concerns that the requirements of section 12(d)(1) were designed to address.

Applicants' Conditions

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

1. Prior to approving any investment advisory agreement under section 15 of the Act, the board of trustees of the appropriate Fund, including a majority of the trustees who are not "interested persons," as defined in section 2(a)(19) of the Act, will find that the advisory fees, if any, charged under the agreement are based on services provided that are in addition to, rather than duplicative of, services provided pursuant to any Underlying Fund's advisory agreement. Such finding, and the basis upon which the finding is made, will be recorded fully in the minute books of the appropriate Fund.

2. Applicants will comply with all provisions of rule 12d1-2 under the Act, except for paragraph (a)(2), to the extent that it restricts any Fund from investing in Other Investments as described in the application.

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

Florence E. Harmon,
Deputy Secretary.

[FR Doc. E7-19639 Filed 10-3-07; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-56555; File Nos. SR-Amex-2007-65; SR-BSE-2007-45; SR-CBOE-2007-64; SR-ISE-2007-44; SR-NYSEArca-2007-65]

Self-Regulatory Organizations; American Stock Exchange LLC; Boston Stock Exchange, Inc; Chicago Board Options Exchange, Incorporated and International Securities Exchange, LLC: Notice of Filing of Proposed Rule Changes Relating to the Definition of a Complex Trade; NYSE Arca, Inc.: Notice of Filing of Proposed Rule Change and Amendment No. 1 Thereto Relating to the Definition of a Complex Trade

September 27, 2007.

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 June 27, 2007, September 13, 2007, June 12, 2007, June 1, 2007, and July 6, 2007, the American Stock Exchange LLC ("Amex"), the Boston Stock Exchange, Inc. ("BSE"), the Chicago Board Options

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240. 19b-4.

Exchange, Incorporated ("CBOE"), the International Securities Exchange, LLC ("ISE"), and NYSE Arca, Inc. ("NYSE Arca") (each, an "Exchange" and, collectively, the "Exchanges"), respectively, filed with the Securities and Exchange Commission ("Commission") the proposed rule changes as described in Items I, II and III below, which Items have been substantially prepared by the Exchanges. On July 11, 2007, NYSE Arca filed Amendment No. 1 to its proposed rule change.³ The Commission is publishing this notice to solicit comments on the proposed rule changes, as amended, from interested persons.

I. Self-Regulatory Organizations' Statement of the Terms of Substance of the Proposed Rule Changes

The Exchanges propose to amend the definition of "complex trade" set forth in their respective rules pertaining to the Intermarket Options Linkage ("Linkage") to include stock-option trades. The text of the proposed rule changes is available at the Exchanges' Web sites,⁴ the Exchanges' principal offices, and at the Commission's Public Reference Room.

II. Self-Regulatory Organizations' Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Changes

In their filings with the Commission, each Exchange included statements concerning the purpose of, and basis for, their proposed rule changes and discussed any comments they received on the proposed rule changes. The text of these statements may be examined at the places specified in Item IV below. The Exchanges have prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organizations' Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Changes

1. Purpose

Under Section 8(c)(iii)(G) of the Plan for the Purpose of Creating and Operating an Intermarket Option Linkage ("Linkage Plan"),⁵ the Linkage

³ Amendment No. 1 to SR-NYSEArca-2007-65 effected technical corrections to the proposed rule change.

⁴ See <http://www.amex.com>, <http://www.bostonstock.com>, <http://www.cboe.com>, <http://www.ise.com>, and <http://www.nyse.com>.

⁵ On July 28, 2000, the Commission approved a national market system plan for the purpose of creating and operating the Linkage proposed by Amex, CBOE, and ISE. See Securities Exchange Act

Plan participants ("Participants") may amend the definition of the term "complex trade" from time to time. The Participants have agreed to update the definition of "complex trade" to extend the associated trade-through liability exemption to cover certain stock-option trades. Accordingly, each of the Exchanges has submitted a proposal that would amend each of the Exchange's definition of "complex trade," set forth in the Exchange's respective rules pertaining to the Linkage, to include the execution of a stock option order to buy or sell a stated number of units of an underlying stock or a security convertible into the underlying stock ("convertible security") coupled with the purchase or sale of option contract(s) on the opposite side of the market representing either (A) The same number of units of the underlying stock or convertible security, or (B) the number of units of the underlying stock or convertible security necessary to create a delta neutral position, but in no case in a ratio greater than 8 option contracts per unit of trading of the underlying stock or convertible security established for that series by the Options Clearing Corporation.⁶

2. Statutory Basis

The Exchanges believe the proposed rule changes are consistent with the Act and the rules and regulations under the Act applicable to national securities exchanges and, in particular, the requirements of Section 6(b) of the Act.⁷ Specifically, the Exchanges believe the proposed rule changes are consistent with the requirements of Section 6(b)(5) of the Act,⁸ which provides that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in

Release No. 43086 (July 28, 2000), 65 FR 48023 (August 4, 2000). Subsequently, Phlx, Pacific Exchange, Inc. (n/k/a NYSE Arca, Inc.), and BSE joined the Linkage Plan. See Securities Exchange Act Release Nos. 43573 (November 16, 2000), 65 FR 70851 (November 28, 2000); 43574 (November 16, 2000), 65 FR 70850 (November 28, 2000); and 49198 (February 5, 2004), 69 FR 7029 (February 12, 2004).

⁶ The Exchanges propose to amend their respective rules that define "complex trade" for Linkage purposes, namely Amex Rule 940(b)(3), Boston Options Exchange Rule Chapter XII, Section 1(c), CBOE Rule 6.80(4), ISE Rule 1900(3), and NYSEArca Rule 6.92(a)(4).

The Phlx has filed a proposed rule change with the Commission to amend its definitions of "synthetic option" and "complex trade" to conform such definitions with the related "stock option" and "complex trade" definitions of the Exchanges. See SR-Phlx-2007-40.

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(5).

general, to protect investors and the public interest.

B. Self-Regulatory Organizations' Statement on Burden on Competition

The Exchanges believe that the proposed rule changes would impose no burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organizations' Statement on Comments on the Proposed Rule Changes Received From Members, Participants or Others

The Exchanges have neither solicited nor received comments on these proposals.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 35 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) As the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organizations consent, the Commission will:

- (A) By order approve such proposed rule changes, or
- (B) Institute proceedings to determine whether the proposed rule changes should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule changes are 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 Numbers SR-Amex-2007-65; SR-BSE-2007-45; SR-CBOE-2007-64; SR-ISE-2007-44; and SR-NYSEArca-2007-65 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 Numbers SR-Amex-2007-65; SR-BSE-2007-45; SR-CBOE-2007-64; SR-ISE-2007-44; and SR-NYSEArca-2007-65. These file numbers 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 submissions, all subsequent amendments, all written statements with respect to the proposed rule changes that are filed with the Commission, and all written communications relating to the proposed rule changes 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, 100 F Street, NE., Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of the filings also will be available for inspection and copying at the principal offices of the Exchanges. 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 Numbers SR-Amex-2007-65; SR-BSE-2007-45; SR-CBOE-2007-64; SR-ISE-2007-44; and SR-NYSEArca-2007-65 and should be submitted on or before October 25, 2007.

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

Florence E. Harmon,

Deputy Secretary.

[FR Doc. E7-19558 Filed 10-3-07; 8:45 am]

BILLING CODE 8011-01-P

⁹ 17 CFR 200.30-3(a)(12).