

Please direct general comments regarding the above information to the following persons: (i) Desk Officer for the Securities and Exchange Commission, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503 or send an e-mail to Shagufta Ahmed at [Shagufta\\_Ahmed@omb.eop.gov](mailto:Shagufta_Ahmed@omb.eop.gov); and (ii) Jeff Heslop, Acting Director/CIO, Securities and Exchange Commission, C/O Remi Pavlik-Simon, 6432 General Green Way, Alexandria, VA, 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.

September 20, 2010.

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

[FR Doc. 2010-24186 Filed 9-27-10; 8:45 am]

BILLING CODE 8010-01-P

## SECURITIES AND EXCHANGE COMMISSION

### Submission for OMB Review; Comment Request

*Upon Written Request, Copies Available From:* Securities and Exchange Commission, Office of Investor Education and Advocacy, Washington, DC 20549-0213.

#### Extension:

Rule 17e-1; SEC File No. 270-224; OMB Control No. 3235-0217.

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

Rule 17e-1 (17 CFR 270.17e-1) under the Investment Company Act of 1940 (15 U.S.C. 80a) (the "Act") is entitled "Brokerage Transactions on a Securities Exchange." The rule governs the remuneration that a broker affiliated with a registered investment company ("fund") may receive in connection with securities transactions by the fund. The rule requires a fund's board of directors to establish, and review as necessary, procedures reasonably designed to provide that the remuneration to an affiliated broker is a fair amount compared to that received by other brokers in connection with transactions in similar securities during a comparable period of time. Each quarter, the board must determine that all transactions with affiliated brokers during the preceding quarter complied

with the procedures established under the rule. Rule 17e-1 also requires the fund to (i) maintain permanently a written copy of the procedures adopted by the board for complying with the requirements of the rule; and (ii) maintain for a period of six years a written record of each transaction subject to the rule, setting forth: the amount and source of the commission, fee or other remuneration received; the identity of the broker; the terms of the transaction; and the materials used to determine that the transactions were effected in compliance with the procedures adopted by the board. The Commission's examination staff uses these records to evaluate transactions between funds and their affiliated brokers for compliance with the rule.

Based on an analysis of fund filings, the staff estimates that approximately 252 fund portfolios enter into subadvisory agreements each year.<sup>1</sup> Based on discussions with industry representatives, the staff estimates that it will require approximately 3 attorney hours to draft and execute additional clauses in new subadvisory contracts in order for funds and subadvisers to be able to rely on the exemptions in rule 17e-1. Because these additional clauses are identical to the clauses that a fund would need to insert in their subadvisory contracts to rely on rules 12d3-1, 10f-3, 17a-10, and because we believe that funds that use one such rule generally use all of these rules, we apportion this 3 hour time burden equally to all four rules. Therefore, we estimate that the burden allocated to rule 17e-1 for this contract change would be 0.75 hours.<sup>2</sup> Assuming that all 252 funds that enter into new subadvisory contracts each year make the modification to their contract required by the rule, we estimate that the rule's contract modification requirement will result in 189 burden hours annually, with an associated cost of approximately \$59,724.<sup>3</sup>

<sup>1</sup> Based on information in Commission filings, we estimate that 42.5 percent of funds are advised by subadvisers.

<sup>2</sup> This estimate is based on the following calculation (3 hours + 4 rules = .75 hours).

<sup>3</sup> These estimates are based on the following calculations: (0.75 hours × 252 portfolios = 189 burden hours); (\$316 per hour × 189 hours = \$59,724 total cost). The Commission staff's estimates concerning the wage rates for attorney time are based on salary information for the securities industry compiled by the Securities Industry Association. The \$316 per hour figure for an attorney is from the SIFMA Report on Management & Professional Earnings in the Securities Industry 2009, modified to account for an 1800-hour work-year and multiplied by 5.35 to account for bonuses, firm size, employee benefits and overhead.

Based on an analysis of fund filings, the staff estimates that approximately 1935 funds use at least one affiliated broker. Based on conversations with fund representatives, the staff estimates that rule 17e-1's exemption would free approximately 40 percent of transactions that occur under rule 17e-1 from the rule's recordkeeping and review requirements. This would leave approximately 1161 funds (1935 funds × .6 = 1161) still subject to the rule's recordkeeping and review requirements. The staff estimates that each of these funds spends approximately 59 hours per year (40 hours by accounting staff, 15 hours by an attorney, and 4 director hours) at a cost of approximately \$25,500 per year to comply with rule 17e-1's requirements that (i) the fund retain records of transactions entered into pursuant to the rule, and (ii) the fund's directors review those transactions quarterly.<sup>4</sup> We estimate, therefore, that the total yearly hourly burden for all funds relying on this exemption is 68,499 hours,<sup>5</sup> with yearly costs of approximately \$29,605,500.<sup>6</sup> Therefore, the estimated annual aggregate burden hour associated with rule 17e-1 is 68,688,<sup>7</sup> and the estimated annual aggregate cost associated with it is \$29,665,224.<sup>8</sup>

The estimate of average burden hours is made solely for the purposes of the Paperwork Reduction Act, and is not derived from a comprehensive or even a representative survey or study. 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. These collection of information requirements are mandatory. Responses will not be kept confidential.

<sup>4</sup> This estimate is based on the following calculations: (40 hours accounting staff × \$119 per hour = \$4760) (15 hours by an attorney × \$316 per hour = \$4740); (4 hours by directors × \$4000 = \$16,000) (\$4760 + \$4740 + \$16,000 = \$25,500 total cost). The Commission staff's estimates concerning the wage rate for professional time are based on salary information for the securities industry compiled by the Securities Industry Association, except for the estimate of \$4000 per hour for a board of directors. The \$316 per hour estimate for an attorney and the \$119 per hour estimate for accountant time is from the SIFMA Report on Management & Professional Earnings in the Securities Industry 2009, modified to account for an 1800-hour work-year and multiplied by 5.35 to account for bonuses, firm size, employee benefits and overhead.

<sup>5</sup> This estimate is based on the following calculation: (1161 funds × 59 hours = 68,499).

<sup>6</sup> This estimate is based on the following calculation: (\$25,500 × 1161 funds = \$29,605,500).

<sup>7</sup> This estimate is based on the following calculation: (189 hours + 68,499 hours = 68,688 total hours).

<sup>8</sup> This estimate is based on the following calculation: (\$59,724 + \$29,605,500 = \$29,665,224).

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Dated: September 20, 2010.

**Florence E. Harmon,**

*Deputy Secretary.*

[FR Doc. 2010-24187 Filed 9-27-10; 8:45 am]

BILLING CODE 8010-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-62966; File No. SR-CTA-2010-02]

### Consolidated Tape Association; Notice of Filing and Immediate Effectiveness of the Fifteenth Charges Amendment to the Second Restatement of the Consolidated Tape Association Plan

September 21, 2010.

Pursuant to Section 11A of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 608 thereunder,<sup>2</sup> notice is hereby given that on September 21, 2010, the Consolidated Tape Association (“CTA”) Plan and participants (“Participants”)<sup>3</sup> filed with the Securities and Exchange Commission (“Commission”) a proposal to amend the Second Restatement of the CTA Plan (the “CTA Plan”).<sup>4</sup> The proposal represents the fifteenth charges amendment to the CTA Plan (“Fifteenth Charges Amendment”), and reflects

<sup>1</sup> 15 U.S.C. 78k-1.

<sup>2</sup> 17 CFR 242.608.

<sup>3</sup> Each participant executed the proposed amendment. The Participants are: BATS Exchange, Inc.; Chicago Board Options Exchange, Inc.; Chicago Stock Exchange, Inc.; Financial Industry Regulatory Authority, Inc.; International Securities Exchange, LLC; NASDAQ OMX BX, Inc.; NASDAQ OMX PHLX, Inc.; The NASDAQ Stock Market LLC; National Stock Exchange, Inc.; New York Stock Exchange LLC; NYSE Amex LLC; and NYSE Arca, Inc.

<sup>4</sup> See Securities Exchange Act Release No. 10787 (May 10, 1974), 39 FR 17799 (declaring the CTA Plan effective). The CTA Plan, pursuant to which markets collect and disseminate last sale price information for non-NASDAQ listed securities, is a “transaction reporting plan” under Rule 601 under the Act, 17 CFR 242.601, and a “national market system plan” under Rule 608 under the Act, 17 CFR 242.608.

changes unanimously adopted by the Participants. The Fifteenth Charges Amendment seeks to reduce the maximum amount that any entity is required to pay for any calendar month’s charge for broadcast, cable or satellite television distribution of a Network A ticker. Pursuant to Rule 608(b)(3) under Regulation NMS, the Participants designate the amendment as establishing or changing a fee or other charge collected on their behalf in connection with access to, or use of, the facilities contemplated by the Plans. As a result, the amendment becomes effective upon filing with the Commission. The Commission is publishing this notice to solicit comments from interested persons on the proposed amendment.

#### I. Rule 608(a)

##### A. Description and Purpose of the Amendment

The CTA Plan currently imposes a monthly charge of \$2.00 for every 1000 households reached on broadcast, cable and satellite television distribution of a Network A ticker (the “Broadcast Charge”). A minimum monthly vendor payment of \$2,000 applies. CTA permits prorating for those who broadcast the data for less than the entire business day, based upon the number of minutes that the vendor displays the real-time ticker, divided by the number of minutes the primary market is open for trading (currently 390 minutes).

In 2007, the Participants introduced a cap (the “Television Ticker Maximum”) on the Broadcast Charge each calendar month. For months falling in calendar year 2007, the “Television Ticker Maximum” was \$150,000.

For each subsequent calendar year, the monthly Television Ticker Maximum increases by the “Annual Increase Amount.” The “Annual Increase Amount” is an amount equal to the percentage increase in the annual composite share volume for the preceding calendar year, subject to a maximum annual increase of five percent. For 2008, the “Annual Increase Amount” raised the “Television Ticker Maximum” to \$157,500. For 2009, the “Annual Increase Amount” raised the “Television Ticker Maximum” to \$164,000. The “Annual Increase Amount” is the same adjustment factor that the Network A rate schedule has long applied to the monthly broker-dealer enterprise fee.

In light of the Network A Participants’ experience with the Network A ticker, the Participants have determined to reduce the Television Ticker Maximum. In the amendment, the Participants

propose to re-set the Television Ticker Maximum to \$125,000 for calendar months falling in 2010. For calendar months falling in subsequent calendar years, the Participants would impose the Annual Increase Amount to the Television Ticker Maximum. For example, for calendar months falling in 2011, the Participants would increase 2010’s \$125,000 monthly Television Ticker Maximum by the Annual Increase Amount.

The text of the proposed amendment is available on the CTA’s Web site (<http://www.nyse.com/cta>), at the principal office of the CTA, and at the Commission’s Public Reference Room.

#### B. Additional Information Required by Rule 608(a)

- Governing or Constituent Documents  
Not applicable.
- Implementation of the Amendment  
The reduction in the monthly Television Ticker Maximum currently affects only one vendor. The Participants have notified that vendor. The Participants propose to implement the change retroactively so that it applies to all calendar months of 2010.
- Development and Implementation Phases  
See Item I(B)(2) above.
- Analysis of Impact on Competition  
The amendment will impose no burden on competition.
- Written Understanding or Agreements Relating to Interpretation of, or Participation in, Plan  
The Participants have no written understandings or agreements relating to interpretation of the CTA Plan as a result of the amendment.
- Approval by Sponsors in Accordance With Plan  
Under Section IV(b) of the CTA Plan, each CTA Plan Participant must execute a written amendment to the CTA Plan before the amendment can become effective. The amendment is so executed.
- Description of Operation of Facility Contemplated by the Proposed Amendment  
Not applicable.
- Terms and Conditions of Access  
Not applicable.
- Method of Determination and Imposition, and Amount of, Fees and Charges  
The Participants believe that the proposed reduction in the cap on