placement, and the responsibilities of Rule 17j–1 organizations arising from information collection requirements under rule 17j–1. These include notifying Access Persons of their reporting obligations, preparing an annual rule 17j–1 report and certification for the board, documenting their approval or rejection of IPO and private placement requests, maintaining annual rule 17j–1 records, maintaining electronic reporting and recordkeeping systems, amending their codes of ethics as necessary, and, for new fund complexes, adopting a code of ethics.

We estimate that there is an annual cost burden of approximately $5,000 per fund complex, for a total of $3,275,000, associated with complying with the information collection requirements in rule 17j–1. This represents the costs of purchasing and maintaining computers and software to assist funds in carrying out rule 17j–1 recordkeeping.

These burden hour and cost estimates are based upon the Commission staff's experience and discussions with the fund industry. The estimates of average burden hours and costs are made solely for the purposes of the Paperwork Reduction Act. These estimates are not derived from a comprehensive or even a representative survey or study of the costs of Commission rules.

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 control number.

Written comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the functions of the Commission, including whether the information will have practical utility; (b) the accuracy of the Commission's estimate of the burden of the collections of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burdens 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 Charles Boucher, Director/CIO, 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*.

November 19, 2009.

Florence E. Harmon,

Deputy Secretary.

[FR Doc. E9–28226 Filed 11–24–09; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Rule 17Ad–16; SEC File No. 270–363; OMB Control No. 3235–0413]

Proposed Collection; Comment Request

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

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 the existing collection of information provided for in Rule 17Ad–13 (17 CFR 240.17Ad–13) under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*) (''Exchange Act''). The Commission plans to submit this existing collection of information to the Office of Management and Budget for extension and approval.

Rule 17Ad–16 requires a registered transfer agent to provide written notice to the appropriate qualified registered securities depository when assuming or terminating transfer agent services on behalf of an issuer or when changing its name or address. In addition, transfer agents that provide such notice shall maintain such notice for a period of at least two years in an easily accessible place. This rule addresses the problem of certificate transfer delays caused by transfer requests that are directed to the wrong transfer agent or the wrong address.

We estimate that the transfer agent industry submits 3,000 Rule 17Ad–16 notices to appropriate qualified registered securities depositories. The staff estimates that the average amount of time necessary to create and submit each notice is approximately 15 minutes per notice. Accordingly, the estimated total industry burden is 750 hours per year (15 minutes multiplied by 3,000 notices filed annually).

Because the information needed by transfer agents to properly notify the appropriate registered securities depository is readily available to them and the report is simple and straightforward, the cost is relatively minimal. The average cost to prepare and send a notice is approximately $7.50 (15 minutes at $30 per hour). This yields an industry-wide cost estimate of $22,500 (3,000 notices multiplied by $7.50 per notice).

Written comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission's estimates of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be 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.

Comments should be directed to Charles Boucher, 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: November 18, 2009.

Florence E. Harmon,

Deputy Secretary.

[FR Doc. E9–28227 Filed 11–24–09; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–61032; File No. PCAOB–2009–01]

Public Company Accounting Oversight Board; Notice of Filing of Proposed Amendment to Board Rules Relating to Inspections

November 19, 2009.

Pursuant to Section 107(b) of the Sarbanes-Oxley Act of 2002 (the ''Act''), notice is hereby given that on July 2, 2009, the Public Company Accounting Oversight Board (the ''Board'' or ''PCAOB'') filed with the Securities and Exchange Commission (the ''SEC'' or ''Commission'') the proposed rule changes described in Items I, II, and III below, which items have been prepared by the Board. The Commission is publishing this notice to solicit comments on the proposed rule from interested persons.

I. Board's Statement of the Terms of Substance of the Proposed Rule

On June 25, 2009, the Board adopted an amendment to its rule relating to the

frequency of inspections. The proposed amendment adds a new paragraph (g) to existing Rule 4003. The text of the proposed amendment is set out below. Language added by the amendment is in italics.

Rule 4003. Frequency of Inspections

* * * * *

(g) With respect to any foreign registered public accounting firm concerning which the preceding provisions of this Rule, other than paragraphs (a) and (f), would set a 2009 deadline for the first Board inspection and that is headquartered in a country in which no foreign registered public accounting firm that the Board inspected before 2009 is headquartered, such deadline is extended to 2012, provided, however, that from among the group of all such firms, the Board shall conduct some first inspections in each of the years from 2009 to 2012, scheduled according to such criteria as the Board shall publicly announce.

II. Board's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule

In its filing with the Commission, the Board included statements concerning the purpose of, and basis for, the proposed rule. The text of these statements may be examined at the places specified in Item IV below. The Board has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Board's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule

(a) Purpose

The Sarbanes-Oxley Act of 2002 directs the Board to conduct a continuing program of inspections to assess registered public accounting firms' compliance with certain requirements.[1] The Act prescribes inspection frequency requirements but also authorizes the Board to adjust the frequency requirements by rule if the Board finds that an adjustment is consistent with the purposes of the Act, the public interest, and the protection of investors.[2] Inspection frequency requirements adopted by the Board are set out in PCAOB Rule 4003, ''Frequency of Inspections.''

The Board began a regular cycle of inspections of U.S. firms in 2004 and has conducted 982 such inspections, including repeat inspections of several firms. Inspections of non-U.S. firms began in 2005, and the Board has inspected 140 non-U.S. firms. Those firms are located in 26 jurisdictions.[3] There are, however, currently 68 non-U.S. firms that, by virtue of when they first issued audit reports after registering with the PCAOB, the Board is required to inspect for the first time by the end of 2009.[4] For the reasons described below, the Board has adopted Rule 4003(g), which would affect the timing of a subset of those 68 inspections. Specifically, Rule 4003(g) will give the Board the ability to postpone, for up to three years, first inspections that the Board is currently required to conduct before the end of 2009 in jurisdictions where the Board conducted no inspections before 2009. The amendment does not affect inspection frequency requirements concerning any other first inspections, or concerning any second or later inspections, of firms that issue audit reports for issuers.[5]

The PCAOB has recognized since the outset of its inspection program that inspections of non-U.S. firms pose special issues.[6] In its oversight of non-U.S. firms, the Board seeks, to the extent reasonably possible, to coordinate and cooperate with local authorities. Since 2003, when the PCAOB began operations, a number of jurisdictions have also developed their own auditor oversight authorities with inspection responsibilities or enhanced existing oversight systems.[7] The Board believes that it is in the interests of the public and investors for the Board to develop efficient and effective cooperative arrangements with its non-U.S. counterparts.[8] In jurisdictions that have their own inspection programs, this may include conducting joint inspections of firms that are subject to both regulators' authority.

Indeed, the Board has a specific framework for working cooperatively with its non-U.S. counterparts to conduct joint inspections and, to the extent deemed appropriate by the Board in any particular case, relying on inspection work performed by that counterpart.[9] PCAOB Rule 4011 permits non-U.S. firms that are subject to Board inspection to formally request that the Board, in conducting its inspection, rely on a non-U.S. inspection to the extent deemed appropriate by the Board. If a Rule 4011 request is made, Rule 4012 provides that the Board will, at an appropriate time before each inspection of the firm, determine the degree, if any, to which the Board may rely on the non-U.S. inspection. Rule 4012 describes aspects of the non-U.S. system that the Board will evaluate in making that determination. Even where the Board does not work with a local regulator to conduct joint inspections, the Board communicates with its counterpart or other local authorities (such as securities regulators or other government agencies and ministries) regarding its inspections to be conducted in the jurisdiction.

In some jurisdictions, the PCAOB's ability to conduct inspections, either by itself or jointly with a local regulator, is complicated by the concerns of local authorities about potential legal obstacles and sovereignty issues. The Board seeks to work with the home-country authorities to try to resolve these and any other concerns.[10]

The effort involved in attempting to resolve potential conflicts of law, or to evaluate a non-U.S. system in response to a Rule 4011 request, can be

[1] *See* Section 104(a) of the Act.

[2] *See* Section 104(b) of the Act.

[3] The Board has inspected non-U.S. firms located in Argentina, Australia, Bermuda, Brazil, Canada, Chile, Colombia, Greece, Hong Kong, India, Indonesia, Ireland, Israel, Japan, Kazakhstan, Mexico, New Zealand, Norway, Panama, Peru, the Russian Federation, Singapore, South Africa, South Korea, Chinese-Taipei, and the United Kingdom.

[4] This discussion does not include, or apply to, 21 non-U.S. firms whose first inspection deadline has been moved from 2008 to 2009 under Rule 4003(f).

[5] Existing Rule 4003 effectively sets deadlines for the Board's inspections not only of firms that issue audit reports, but also of firms that play a substantial role in the preparation or furnishing of an audit report (as defined in PCAOB Rule 1001(p)(ii)). The Board has previously submitted for Commission approval amendments to Rules 4003(b) and 4003(d) that would eliminate from the Rule any frequency requirement or deadline for the Board to inspect a firm that plays a substantial role but does not issue an audit report. Unless and until the Commission approves such a rule change, however, the extension in proposed rule 4003(g) would (if approved by the Commission) apply to required 2009 PCAOB inspections of non-U.S. firms (in jurisdictions encompassed by the rule's terms) that have played a substantial role as well as to required 2009 inspections of non-U.S. firms that have issued audit reports.

[6] *See* Briefing Paper, Oversight of Non-U.S. Public Accounting Firms (October 28, 2003) (hereinafter ''Oversight of Non-U.S. Firms''); Final Rules Relating to the Oversight of Non-U.S. Public Accounting Firms, PCAOB Release No. 2004–005 (June 9, 2004).

[7] In 2006, for instance, the European Union enacted a directive requiring the creation of an effective system of public oversight for statutory auditors and audit firms within each Member State. See The Directive 2006/43/EC of the European Parliament and the Council (May 17, 2006) (the ''Eighth Directive''). In addition, among others, Canada created the Canadian Public Accountability Board, and in Australia, the responsibilities of the Australian Securities and Investments Commission were expanded to include auditor oversight. In Asia, Japan established the Certified Public Accountants and Auditing Oversight Board, South Korea delegated responsibility for auditor oversight to its Financial Supervisory Service, and Singapore established the Accounting and Corporate Regulatory Authority.

[8] *See* Oversight of Non-U.S. Firms at 2–3.

[9] *See* PCAOB Rules 4011 and 4012; *see also* Oversight of Non-U.S. Firms at 2–3.

[10] *See* Oversight of Non-U.S. Firms at 3.

substantial. The effort typically involves negotiating the principles of an arrangement for cooperation consistent with the inspection obligations that the Act imposes on the Board. It also involves the Board gaining a detailed understanding of the other jurisdiction's auditor oversight system in order for the Board to determine the degree of reliance it is willing to place on inspection work performed under that system in a particular inspection year.

Additional effort is involved in coordinating the scheduling of specific inspections. Where possible, the Board seeks to conduct inspections jointly with local authorities both to take advantage of potential efficiencies and to avoid imposing unnecessary regulatory burdens on firms. Like the PCAOB, several of these other authorities proceed according to inspection frequency requirements. While some of the Board's counterparts are established and have inspection programs, many have only recently begun inspections or are still building up their inspections resources. As a result, synchronizing the inspections schedules of these authorities and the PCAOB's requirements is sometimes difficult.

Notwithstanding these challenges, the Board has so far conducted 140 non-U.S. inspections. Moreover, 61 of those inspections, in six jurisdictions, have been conducted jointly with other auditor oversight authorities, while inspections in 20 jurisdictions have been conducted solely by the PCAOB.[11]

As noted above, under existing Rule 4003, there are 68 non-U.S. firms that, by virtue of when they first issued audit reports after registering with the PCAOB, the Board is required to inspect for the first time by the end of 2009. Those firms are located in 36 jurisdictions, including several jurisdictions in which the Board has already conducted first inspections of other firms. Of those firms, 49 are located in 24 jurisdictions where the Board has not conducted any inspections to date. Most of those 24 jurisdictions have or soon will have a local auditor oversight authority with which the Board would seek to work toward cooperative arrangements before conducting inspections. Because of the steps involved in concluding such arrangements and to evaluate the local system, the Board has concerns about proceeding as if that work can be completed for all of the jurisdictions in which the PCAOB has not previously conducted inspections in time to conduct the required inspections by the end of 2009.

Accordingly, the Board is adopting a new paragraph (g) to Rule 4003 to allow the Board to postpone, for up to three years, the first inspection of any non-U.S. firm that the Board is currently required to conduct by the end of 2009 and that is in a jurisdiction where the Board has not conducted an inspection before 2009.

In determining the schedule for completion of the inspections subject to new paragraph (g), the Board will implement its proposal to sequence these 49 inspections such that certain minimum thresholds will be satisfied in each of the years from 2009 to 2012. The minimum thresholds relate to U.S. market capitalization of firms' issuer audit clients. The Board will begin by ranking the 49 firms according to the total U.S. market capitalization of a firm's foreign private issuer audit clients.[12] Working from the top of the list (highest U.S. market capitalization total) down, the 49 firms will be distributed over 2009 to 2012 such that, at a minimum, the following criteria are satisfied:

- By the end of 2009, the Board will inspect firms whose combined issuer audit clients' U.S. market capitalization constitutes at least 35 percent of the aggregate U.S. market capitalization of the audit clients of all 49 firms;
- By the end of 2010, the Board will inspect firms whose combined issuer audit clients' U.S. market capitalization constitutes at least 90 percent of that aggregate;
- By the end of 2011, the Board will inspect firms whose combined issuer audit clients' U.S. market capitalization constitutes at least 99.9 percent of that aggregate; and
- The Board will inspect the remaining firms in 2012.[13]

In addition to meeting those market capitalization thresholds, the Board also will satisfy certain criteria concerning the number of those 49 firms that will be inspected in each year. Specifically, the Board will conduct at least four of the 49 inspections in 2009, at least 11 more in 2010, and at least 14 more in 2011.[14]

It is important to note that the distribution described above will not operate to prevent an inspection from occurring earlier than called for by the schedule. Any inspection may be moved to an earlier year for a variety of reasons, such as the presence of risk factors (including risk factors relating to referred work[15] that the firm performs on audits for which it is not the principal auditor), synchronization of schedules with a local regulator for purposes of a joint inspection, or simply the opportunity and the availability of resources to do an inspection earlier (including availability of inspectors with specialized industry knowledge and relevant language skills). In addition, the Board will at least annually review updated market capitalization data and consider whether there have been any changes that warrant moving a particular inspection forward to an earlier year.

Conversely, the Board does not intend to make changes that would move an inspection of one of these 49 firms to a later year than in the initial distribution except as the result of a development relating to the market capitalization of the firm's issuer clients. Specifically, if a firm's issuer audit client market capitalization drops significantly and the firm performs no significant amount of referred work on audits, its inspection might be delayed to a later year. In any event, the Board will not, for any reason, move one of these 49 inspections to a later year than in the initial distribution without publicly describing the change and the reason for it.

In the Board's view, this adjustment to the inspection frequency requirement is consistent with the purposes of the Act, the public interest, and the protection of investors. The Board believes that its approach to implementing Rules 4011 and 4012, developing cooperative arrangements, and conducting joint inspections with foreign regulators is enhancing the Board's efforts to carry out its inspection responsibilities. There is long-term value in accepting a limited delay in inspections to continue working toward

[11] Joint inspections have been conducted in Australia, Canada, South Korea, Norway, Singapore and the United Kingdom.

[12] For purposes of the ranking described here, the Board will use the average monthly market capitalization on which each issuer's share of the Board's 2008 accounting support fee was based. Thus, the market capitalization figure used for the ranking does not include the value of any referred work performed by the firm.

[13] Under existing provisions of Rule 4003 that are not affected by this amendment, 2012 would also be the deadline for the Board to conduct the second inspection of those of the 49 firms whose first inspection occurs in 2009.

[14] The issuer audit client U.S. market capitalization currently associated with a significant number of the 49 firms is relatively low, and even zero in a number of cases where firms appear to have stopped issuing audit reports for issuers. As a result, approximately 92% of the relevant issuer market capitalization is associated with 15 of the 49 firms.

[15] Because the PCAOB is still in the process of gathering information about each firm's referred work, the 2009 inspections will not use referred work as a risk factor for purposes of scheduling.

cooperative arrangements where it appears reasonably possible to reach them. The Board also believes that the additional time to conduct certain inspections will have the added benefit of giving the Board more time to continue to enhance its inspection program, particularly in the areas of risk assessment and pre-inspection planning, and the Board intends to do so.

The Board recognizes that some non-U.S. firms may be reluctant to comply with PCAOB inspection demands because of a concern that doing so might violate local law or the sovereignty of their home country. The Board believes that the purposes of the Act, the public interest, and the protection of investors are better served, up to a point, by delaying some of the first inspections to work toward a cooperative resolution than by precipitating legal disputes involving conflicts between U.S. and non-U.S. law that could arise if the Board sought to enforce compliance with its preferred schedule without regard for the concerns of non-U.S. authorities.

The Board does not intend, however, to make any further adjustments to the inspection frequency requirements applicable to firms whose first inspection was due no later than 2009. While the Board will continue to work toward cooperation and coordination with authorities in the relevant jurisdictions, the Board will make inspection demands on the firms early enough in the year in which they are scheduled for inspection according to the above described sequencing to allow the Board to conduct the inspections during that year.[16]

(b) Statutory Basis

The statutory basis for the proposed rule is Title I of the Act.

B. Board's Statement on Burden on Competition

The Board does not believe that the proposed rule will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule imposes no burden beyond the burdens clearly imposed and contemplated by the Act.

C. Board's Statement on Comments on the Proposed Rule Received From Members, Participants or Others

The Board released the proposed rule amendment for public comment in Release No. 2008–007 (December 4, 2008). A copy of Release No. 2008–007 and the comment letters received in response to the PCAOB's request for comment are available on the PCAOB's Web site at *http://www.pcaobus.org/Rules/Docket_027.* The Board received twenty-four written comment letters. The Board has carefully considered the comment letters, as discussed below.

Several commenters suggested that the Board exercise its authority under Section 106 of the Act to exempt firms that cannot cooperate with PCAOB inspections due to legal conflicts or sovereignty-based opposition from their local governments. The Board believes that it is not in the interests of investors or the public to exempt non-U.S. firms from the Act's inspection requirement given that the Board has previously determined not to exempt non-U.S. firms from the Act's registration requirements and given that an inspection is the Board's primary tool of oversight.[17]

The Board also received several comment letters addressing the length of the proposed extension for certain firms with 2009 deadlines. Some comment letters expressed concern about the inspection delay of up to three years but ultimately expressed qualified support for the Board's decision. These comments urged the Board to permit no further delays and to proceed as described above by sequencing the inspection of firms subject to the extension based on certain thresholds relating to the U.S. market capitalization of firms' issuer audit clients. Some comments also suggested that the Board should utilize the additional time provided by the proposed extension to enhance its international inspections program, particularly in the areas of risk assessment and pre-inspection planning.

Other comment letters supported the Board's decision to extend the inspection deadlines, but some qualified their support by noting that three years may not be enough time to overcome the legal conflicts and sovereignty concerns in all relevant jurisdictions. Several comments expressed support for the Board's plan to sequence the deferred inspections in time based on the U.S. market capitalization of the firms' clients, but some also noted that this plan did not adequately take into account the varying degree of legal conflicts present in the different jurisdictions and might have the effect of requiring early on during the three year period the inspection of firms in jurisdictions with legal obstacles that cannot be overcome quickly.

As explained above, the Board believes that an extension of up to three years for the relevant firms is the appropriate course. Distributing the affected firms across three years strikes the proper balance between avoiding unnecessary delays in the inspection of registered firms and allowing reasonable time for the Board to continue its efforts to reach cooperative arrangements with the relevant home-country regulators. The Board believes that any longer or further extension would not be in the interests of investors or the public.

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

Within 60 days of the date of publication of this notice in the **Federal Register** or within such longer period as (i) 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 Board consents, the Commission will:

(A) By order approve such proposed rule change, or

(B) Institute proceedings to determine whether the proposed rule change 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 requirements of Title I of the Act. Comments may be submitted by any of the following methods:

[16] Apart from the proposed rule amendment, the Board has implemented certain practices to provide additional transparency with regard to the Board's international inspections program. These practices include (1) making a public announcement, near the beginning of each year until 2012, identifying all non-U.S. jurisdictions in which there are firms that the Board will inspect that year, (2) maintaining a public list of all registered firms that have not yet had their first Board inspection even though more than four years have passed since the end of the calendar year in which they first issued an audit report while registered with the Board, and (3) making biannual public announcements of the Board's progress toward meeting the thresholds described above with respect to the number of firms to be inspected and the aggregate market capitalization of firm clients. The Board also maintains on its Web site a list of all jurisdictions in which there are registered firms that the Board has inspected. Additional details concerning these practices are provided in PCAOB Release No. 2009–003, available on the Board's Web site at *http://www.pcaobus.org/Rules/Docket_027.*

[17] When it first became operational, the Board considered whether to exempt non-U.S. firms from registration with the Board. The Board determined that exempting non-U.S. firms would not protect the interests of investors or further the public interest given that registration is the predicate to all of the Board's other oversight programs. See Registration System for Public Accounting Firms, PCAOB Release No. 2003–007 (May 6, 2003) at 13.

Electronic Comments

- Use the Commission's Internet comment form (*http://www.sec.gov/rules/pcaob.shtml*); or
- Send an e-mail to *rule-comments@sec.gov.* Please include File Number PCAOB–2009–01 on the subject line.

Paper Comments

Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549–1090.

All submissions should refer to File Number PCAOB–2009–01. 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/pcaob/shtml*). Copies of the submission, 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 Section, 100 F Street, NE., Washington, DC 20549 on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of the PCAOB. All comments received will be posted without change; we do 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 PCAOB–2009–01 and should be submitted on or before December 16, 2009.

By the Commission.

Elizabeth M. Murphy,

Secretary.

[FR Doc. E9–28239 Filed 11–24–09; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–61025; File No. SR–NYSEArca–2009–102]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by NYSE Arca, Inc. Amending Rule 7.25

November 18, 2009.

Pursuant to Section 19(b)(1) [1] of the Securities Exchange Act of 1934 (the ''Act'') [2] and Rule 19b–4 thereunder,[3] notice is hereby given that, on November 6, 2009, NYSE Arca, Inc. (''NYSE Arca'' or the ''Exchange'') filed with the Securities and Exchange Commission (the ''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend Rule 7.25 to remove the requirement that for each security in which a Market Maker is registered as a Lead Market Maker, the Lead Market Maker also register as an Odd Lot Dealer in that security. The text of the proposed rule change is available at the Exchange, the Commission's Public Reference Room, and *http://www.nyse.com*.

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

In its filing with the Commission, the self-regulatory organization 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 those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

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

1. Purpose

The Exchange proposes to amend Rule 7.25 to remove the requirement that for each security in which a Market Maker is registered as a Lead Market Maker (''LMM''), the LMM also register as an Odd Lot Dealer (''OLD'') in that security (the ''LMM–OLD requirement''). Going forward, LMMs may choose to register as an OLD, but will not be required to do so.

The LMM–OLD requirement was originally established in order to ensure that a mechanism existed whereby the Exchange could facilitate odd lot executions for its primary listings that could not otherwise be routed away to another market center for execution.[4] This historical concern no longer exists. All orders in primary listings, whether odd lot or round lot, are eligible for routing to away market centers. Any eligible unexecuted balance of odd lot orders, like round lot orders, shall be routed to away market centers for execution pursuant to NYSE Arca Equities Rule 7.37(d). Also, for purposes of ranking and execution, round lot, mixed lot and odd lot orders are treated in the same manner on the NYSE Arca Marketplace.[5] As a result, it is no longer necessary to require LMMs to register as OLDs. Instead, as with all market makers, LMMs may choose to register as an OLD, but will not be required to do so.

In addition, until recently, the Exchange paid a $0.02 per share credit to market makers that executed against an odd lot order. This rebate represented a higher than standard rebate, and acted as an incentive for market makers to register as OLDs. However, the Exchange notes that as of August 3, 2009, the Exchange eliminated all distinct odd lot pricing and now makes no distinction with respect to the rates applied to odd lot and round lot executions.[6]

The Exchange is not otherwise altering any other rights or obligations of LMMs.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with and furthers the objectives of Section 6(b)(5) of the Act,[7] in that it is designed to promote just and equitable principles of

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

[2] 15 U.S.C. 78a.

[3] 17 CFR 240.19b–4.

[4] *See* Securities Exchange Act Release No. 52827 (November 23, 2005), 70 FR 72139 (December 1, 2005) (order approving SR–PCX–2005–56).

[5] If there is an Odd Lot Dealer registered in the security, the order shall be matched in the Odd Lot Tracking Order Process pursuant to Rule 7.37(c). If there is no Odd Lot Dealer registered in that security, the odd lot will be routed away pursuant to NYSE Arca Equities Rule 7.37(d).

[6] *See* Securities Exchange Act Release No. 60495 (August 13, 2009), 74 FR 41957 (August 19, 2009) (notice of filing and immediate effectiveness of SR–NYSEArca–2009–72).

[7] 15 U.S.C. 78f(b)(5).