

Commission, Office of Filings and Information Services, Washington, DC 20549.

*Extension:* Regulation SHO; SEC File No. 270-534; OMB Control No. 3235-0589.

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 collection of information summarized below. The Commission plans to submit this existing collection of information to the Office of Management and Budget for extension and approval.

### Regulation SHO

Proposed Regulation SHO, Rule 201 (17 CFR 242.200 through 242.203) requires each broker-dealer that effects a sell order in any equity security to mark the order "long," "short," or "short exempt." Proposed Regulation SHO, Rule 201 causes a collection of information because the rule's requirement that each order ticket be marked either "long," "short," or "short exempt" is a disclosure to third parties and the public imposed on ten or more persons.

The information required by the rule is necessary for the execution of the Commission's mandate under the Exchange Act to prevent fraudulent, manipulative, and deceptive acts and practices by broker-dealers. The purpose of the information collected is to enable regulators to monitor whether a person effecting a short sale is acting in accordance with proposed Regulation SHO. Without the requirement that each order or an equity security be marked either "long," "short," or "short exempt," there would be no means to police compliance with Regulation SHO.

We assume that all of the approximately 6,752 registered broker-dealers effect sell orders in securities covered by proposed Regulation SHO. For purposes of the Paperwork Reduction Act, the Commission staff has estimated that a total of 1,164,755,007 trades are executed annually.

This is an average of approximately 172,505 annual responses by each respondent. Each response of marking orders "long," "short" or "short exempt" takes approximately .000139 hours (.5 seconds) to complete. Thus, the total approximate estimated annual hour burden per year is 161,900 burden hours (1,164,755,007 responses @ 0.000139 hours/response). A reasonable estimate for the paperwork compliance for the proposed rules for each broker-dealer is approximately 24 burden hours

(172,505 responses @ .000139 hours/response) or (161,900 burden hours/6,752 respondents).

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

Please direct your written comments to R. Corey Booth, Director/CIO, Office of Information Technology, 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](mailto:PRA_Mailbox@sec.gov). Comments must be submitted to OMB within 60 days of this notice.

Dated: July 31, 2006.

**Nancy M. Morris,**  
*Secretary.*

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### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-54272; File No. SR-CBOE-2006-59]

#### Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Order Granting Accelerated Approval of Proposed Rule Change and Amendment No. 1 Thereto Relating to Extension of the Options Intermarket Linkage Fees Pilot Program

August 3, 2006.

On June 15, 2006, the Chicago Board Options Exchange, Incorporated ("CBOE" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to amend its Fees Schedule to extend until July 31, 2007 the Options Intermarket Linkage ("Linkage") fee pilot program ("Pilot Program"). The proposed rule

change was published for comment in the **Federal Register** on July 6, 2006.<sup>3</sup> The Commission received no comments on the proposal. On August 3, 2006, the Exchange filed Amendment No. 1 to the proposed rule change.<sup>4</sup> This order approves the proposed rule change, as amended, on an accelerated basis.

The Exchange's fees for Principal and Principal Acting as Agent orders are operating under the Pilot Program. These Linkage-related fees expired on July 31, 2006.<sup>5</sup> The Exchange proposes to retroactively extend from August 1, 2006 through July 31, 2007 the Pilot Program.<sup>6</sup>

After careful review, the Commission finds that the proposed rule change, as amended, is consistent with the requirements of the Act and the rules and regulations applicable thereunder to a national securities exchange.<sup>7</sup> More specifically, the Commission finds that the proposal is consistent with Section 6(b) of the Act<sup>8</sup> in general, and furthers the objectives of Section 6(b)(4) of the Act<sup>9</sup> in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among CBOE members and other persons using its facilities. The Commission believes that: (i) The prospective extension of the Pilot Program will give the Exchange and the Commission further opportunity to evaluate whether the fees are appropriate; and (ii) the retroactive extension of the Pilot Program will permit the pilot to continue on an uninterrupted basis for the two days between the expiration of the pilot on July 31, 2006 and the date of this approval order.

The Commission finds good cause, pursuant to Section 19(b)(2) of the Act,<sup>10</sup> for approving the proposed rule change prior to the 30th day after the date of publication of notice thereof in the **Federal Register**. Specifically, the Commission notes that accelerated approval of the proposal will allow the Pilot Program to continue without

<sup>3</sup> Securities Exchange Act Release No. 54064 (June 29, 2006), 71 FR 38438.

<sup>4</sup> See *infra*, at note 6.

<sup>5</sup> See Securities Exchange Act Release No. 52073 (July 20, 2005), 70 FR 43474 (July 27, 2005) (SR-CBOE-2005-54).

<sup>6</sup> In Amendment No. 1, in light of the expiration of the Pilot Program, the Exchange modified its proposal to request that the Pilot Program be extended retroactively. Amendment No. 1 is a technical amendment and is not subject to notice and comment.

<sup>7</sup> In approving the proposed rule change, as amended, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>8</sup> 15 U.S.C. 78f(b).

<sup>9</sup> 15 U.S.C. 78f(b)(4).

<sup>10</sup> 15 U.S.C. 78s(b)(2).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

interruption as the Exchange and the Commission further consider the appropriateness of Linkage fees.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>11</sup> that the proposed rule change (SR-CBOE-2006-59), as amended, is hereby approved on an accelerated basis.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>12</sup>

Nancy M. Morris,  
Secretary.

[FR Doc. E6-13003 Filed 8-9-06; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-54275; File No. SR-CBOE-2006-61]

### Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to the Modified ROS Opening Procedure Cut-Off Times

August 4, 2006.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on July 27, 2006, the Chicago Board Options Exchange, Incorporated ("Exchange" or "CBOE") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Exchange has designated the proposed rule change as constituting a non-controversial rule change under Rule 19b-4(f)(6) under the Act,<sup>3</sup> which renders the proposal effective upon filing with the Commission. 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 modify certain cut-off times applicable to its modified Rapid Opening System ("ROS") opening procedure for the calculation of settlement prices of volatility indexes. Proposed new

language is *italicized*; proposed deletions are in brackets:

\* \* \* \* \*

#### Rule 6.2A. Rapid Opening System

This rule has no applicability to series trading on the CBOE Hybrid Opening System. Such series will be governed by Rule 6.2B.

(a)—(c) No change.

\* \* \* Interpretation and Policies:

.01—.02 No change.

.03 Modified ROS Opening Procedure For Calculation of Settlement Prices of Volatility Indexes.

All provisions set forth in Rule 6.2A and the accompanying interpretations and policies shall remain in effect unless superseded or modified by this Rule 6.2A.03. To facilitate the calculation of a settlement price for futures and options contracts on volatility indexes, the Exchange shall utilize a modified ROS opening procedure for any index option series with respect to which a volatility index is calculated (including any index option series opened under Rule 6.2A.01). This modified ROS opening procedure will be utilized only on the final settlement date of the options and futures contracts on the applicable volatility index in each expiration month.

The following provisions shall be applicable when the modified ROS opening procedure set forth in this Rule 6.2A.03 is in effect for an index option with respect to which a volatility index is calculated:

(i)—(iv) No change.

(v) All index option orders for participation in the modified ROS opening procedure that are related to positions in, or a trading strategy involving, volatility index options or futures, and any change to or cancellation of any such order:

(A) must be received prior to 8 a.m. (CT), and

(B) may not be cancelled or changed after 8 a.m. (CT), unless the order is not executed in the modified ROS opening procedure and the cancellation or change is submitted after the modified ROS opening procedure is concluded (provided that any such order may be changed or cancelled after 8:00 a.m. (CT) and prior to [8:25 a.m. (CT)] *applicable cut-off time established in accordance with paragraph (vi)* in order to correct a legitimate error, in which case the member submitting the change or cancellation shall prepare and maintain a memorandum setting forth the circumstances that resulted in the change or cancellation and shall file a

copy of the memorandum with the Exchange no later than the next business day in a form and manner prescribed by the Exchange).

In general, the Exchange shall consider index option orders to be related to positions in, or a trading strategy involving, volatility index options or futures for purposes of this Rule 6.2A.03(v) if the orders possess the following three characteristics:

(i)—(iii) No change.

Whether index option orders are related to positions in, or a trading strategy involving, volatility index options or futures for purposes of this Rule 6.2A.03(v) depends upon specific facts and circumstances. Order types other than those provided above may also be deemed by the Exchange to fall within this category of orders if the Exchange determines that to be the case based upon the applicable facts and circumstances.

The provisions of this Rule 6.2A.03(v) may be suspended by two Floor Officials in the event of unusual market conditions.

(vi) All other index option orders for participation in the modified ROS opening procedure, and any change to or cancellation of any such order, must be received prior to [8:25 a.m. (CT)] the applicable cut-off time in order to participate at the ROS opening price for the applicable index option series. *The applicable cut-off time for the affected index option series will be established by the appropriate Procedure Committee on a class-by-class basis, provided the cut-off time will be no earlier than 8:25 a.m. (CT) and no later than 8:30 a.m. (CT). All pronouncements regarding changes to the applicable cut-off time will be announced to the membership via Regulatory Circular that is issued at least one day prior to implementation.*

(vii)—(ix) No change.

\* \* \* \* \*

#### 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 Exchange 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.

<sup>11</sup> *Id.*

<sup>12</sup> 17 CFR 200.30-3(a)(12).

<sup>13</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 17 CFR 240.19b-4(f)(6).