

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 submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change 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. Copies of such filing also will be available for inspection and copying at the principal office of each of the SROs. 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 Number S7-966 and should be submitted on or before February 16, 2007.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>15</sup>

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

[FR Doc. E7-1220 Filed 1-25-07; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

### Sunshine Act Meetings

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Pub. L. 94-409, that the Securities and Exchange Commission will hold the following meetings during the week of January 29, 2007:

Open Meetings will be held on Wednesday, January 31, 2007 at 10 a.m. and 2 p.m. in the Auditorium, Room LL-002, and Closed Meetings will be held on Wednesday, January 31, 2007 at 11 a.m. and Thursday, February 1, 2007 at 2 p.m.

Commissioners, Counsels to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the Closed Meetings. Certain staff members who have an interest in the matters may also be present.

The General Counsel of the Commission, or his designee, has

certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(3), (5), (7), 9(B) and (10) and 17 CFR 200.402(a) (3), (5), (7), 9(ii) and (10) permit consideration of the scheduled matters at the Closed Meetings.

Commissioner Casey, as duty officer, voted to consider the items listed for the closed meetings in closed session.

The subject matter of the Open Meeting scheduled for Wednesday, January 31, 2007 at 10 a.m. will be:

The Commission will hear oral argument on an appeal by Phlo Corporation, a beverage manufacturer and an issuer of publicly traded securities that also acts as transfer agent for its own securities, its president and chief executive officer James B. Hovis ("J. Hovis"), and its executive vice president and secretary, Anne P. Hovis ("A. Hovis"), who also served as Phlo's general counsel, (together, "Respondents") from the decision of an administrative law judge. The law judge found that Phlo willfully violated provisions requiring transfer agents to turnaround at least ninety percent of all routine items received in a month within three business days and willfully failed to make records available for examination by Commission staff. The law judge concluded that A. Hovis willfully aided and abetted and was a cause of Phlo's failure to complete transfers in a timely manner and failure to make records available for examination.

The law judge further found that Phlo failed to make timely filings of annual and quarterly reports with the Commission between March 2003 and November 2005. The law judge found that J. Hovis willfully aided and abetted and was a cause of Phlo's violations of the periodic reporting requirements.

The law judge assessed civil money penalties of \$100,000 against Phlo, \$25,000 against J. Hovis, and \$50,000 against A. Hovis, revoked Phlo's registration as a transfer agent, barred A. Hovis from associating with any transfer agent, and imposed cease-and-desist orders as to all Respondents.

Among the issues likely to be argued are whether Respondents violated the provisions charged, and, if so, whether and to what extent sanctions should be imposed.

The subject matter of the Closed Meeting scheduled for January 31, 2007 at 11 a.m. will be:

Post-argument discussion.

The subject matter of the Open Meeting scheduled for January 31, 2007 at 2 p.m. will be:

1. The Commission will consider whether to propose amendments to extend its interactive data voluntary reporting program to permit mutual funds to submit as exhibits to their registration statements supplemental tagged information contained in the risk/return summary section of their prospectuses. The risk/return summary section contains key mutual fund information, including investment objectives and strategies, risks, and costs.

2. The Commission will consider whether to propose rules to implement provisions of the Credit Rating Agency Reform Act of 2006.

The subject matter of the Closed Meeting scheduled for Thursday, February 1, 2007 will be:

Formal orders of investigation;  
Institution and settlement of injunctive actions;  
Institution and settlement of administrative proceedings of an enforcement nature;  
Resolution of litigation claims;  
An adjudicatory matter; and  
Other matters relating to enforcement proceedings

At times, changes in Commission priorities require alterations in the scheduling of meeting items.

For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact:

The Office of the Secretary at (202) 551-5400.

Dated: January 24, 2007.

**Nancy M. Morris,**

*Secretary.*

[FR Doc. 07-372 Filed 1-24-07; 3:57 pm]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55136; File No. SR-FICC-2006-17]

### Self-Regulatory Organizations; Fixed Income Clearing Corporation; Order Approving Proposed Rule Change Relating to Clearing Fund Deficiency Calls

January 19, 2007.

#### I. Introduction

October 16, 2006, the Fixed Income Clearing Corporation ("FICC") filed with the Securities and Exchange Commission ("Commission") a proposed rule change pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> to adjust the deadline for satisfying a clearing fund deficiency call from 10:30 a.m. to 9:30 a.m. in the Schedule of Timeframes in FICC's Government Securities Division ("GSD") rulebook. The proposed rule change was published for comment in the **Federal Register** on December 6, 2006.<sup>2</sup> No comment letters were received on the proposal. This order approves the proposal.

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

<sup>2</sup> Securities Exchange Act Release No. 54819 (Nov. 27, 2006), 71 FR 70817.

<sup>15</sup> 17 CFR 200.30-3(a)(34).

## II. Description of the Proposal

FICC is amending GSD's rules to change the time when payment of clearing fund deficiency calls is due from netting members. In 2005, the Commission approved a FICC rule filing that established the Federal Reserve's National Settlement System ("NSS") as the method by which GSD netting members would satisfy their funds-only settlement amounts.<sup>3</sup> FICC believes that that rule filing improved GSD's funds-only settlement process because it created a more automated and centralized payment system for the satisfaction of funds-only settlement debits and credits. In NSS, the GSD funds-only settlement debit and credit process is completed by 10 a.m.<sup>4</sup> each business day.

Currently, clearing fund deficiency call payments are due from GSD netting members at 10:30 a.m. Clearing fund deficiencies due to FICC from netting members have to be satisfied prior to the release of funds-only settlement credits. When a netting member has not satisfied its clearing fund deficiency payment by approximately 9:50 a.m., GSD removes that member from the automated NSS process and settles with them manually outside the NSS system. Such manual processing results in administrative burdens for FICC staff and undermines the efficiencies FICC sought to achieve by using the NSS system.

For this reason, FICC is changing the time when GSD clearing fund deficiency calls must be satisfied to 9:30 a.m. from 10:30 a.m.<sup>5</sup> Doing so should enable GSD to resolve any unsatisfied deficiencies with netting members well in advance of the 10 a.m. completion of the funds-only settlement process that takes place through NSS and should allow GSD to better utilize the automated NSS process.

As is currently the case in its rules, FICC will reserve the right to extend this deadline on days that there are operational or systems difficulties that would reasonably prevent members from satisfying a deficiency call by 9:30 a.m.

## III. Discussion

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder

applicable to a registered clearing agency. In particular, the Commission believes the proposal is consistent with the requirements of Section 17A(b)(3)(F),<sup>6</sup> which, among other things, requires that FICC's rules are designed to assure the safeguarding of securities and funds that are in its custody or control or for which it is responsible. Adjusting the time when clearing fund deficiency calls must be satisfied by members from 10:30 a.m. to 9:30 a.m. will require FICC members to satisfy their clearing fund deficiency calls before the completion of FICC's fund-only settlement process through NSS. This will enable FICC to eliminate much of the burdensome manual processing in this area and will allow FICC to benefit from the efficiencies provided by a more complete use of NSS. With members satisfying their clearing fund deficiencies earlier and with more use of the automated and centralized NSS, FICC will be better able to reduce settlement risks to itself and to its members.

## IV. Conclusion

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of the Act and in particular with the requirements of Section 17A of the Act<sup>7</sup> and the rules and regulations thereunder.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>8</sup> that the proposed rule change (File No. SR-FICC-2006-17) be, and hereby is, approved.<sup>9</sup>

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>10</sup>

**Florence E. Harmon,**

*Deputy Secretary.*

[FR Doc. E7-1182 Filed 1-25-07; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55140; File No. SR-ISE-2006-71]

### Self-Regulatory Organizations; International Securities Exchange, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Rule 2113 (Long and Short Sales)

January 19, 2007.

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 November 30, 2006, the International Securities Exchange, LLC ("ISE" or "Exchange") 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 substantially by the Exchange. The Exchange filed the proposed rule change as a "non-controversial" rule change under Rule 19b-4(f)(6) under the Act,<sup>3</sup> which rendered 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 is proposing to amend ISE Rule 2113 (Long and Short Sales) to expand the scope of the rule. The text of the proposed rule change is available at the Exchange, the Commission's Public Reference Room, and <http://www.iseoptions.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 Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposal. The text of these 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 aspects of such statements.

<sup>3</sup> Securities Exchange Act Release No. 52853 (Nov. 29, 2005), 70 FR 72682 (Dec. 6, 2005) [SR-FICC-2005-14].

<sup>4</sup> All times referenced herein are New York times.

<sup>5</sup> This rule filing does not affect a netting member's obligation to make its funds-only settlement payment to FICC on time.

<sup>6</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>7</sup> 15 U.S.C. 78q-1.

<sup>8</sup> 15 U.S.C. 78s(b)(2).

<sup>9</sup> In approving the proposed rule change, the Commission considered the proposal's impact on efficiency, competition and capital formation. 15 U.S.C. 78c(f).

<sup>10</sup> 17 CFR 200.30-3(a)(12).

<sup>1</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).