

This meeting will be held at the National Science Foundation, 4201 Wilson Blvd., Arlington, VA 22230.

Please refer to the National Science Board Web site (<http://www.nsf.gov/nsb/notices/>) for information or schedule updates, or *contact*: Blane Dahl, National Science Foundation, 4201 Wilson Blvd., Arlington, VA 22230. Telephone: (703) 292-7000.

Ann Ferrante,
Writer-Editor.

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SECURITIES AND EXCHANGE COMMISSION

Proposed Collection; Comment Request

Upon written request, copies available from: U.S. Securities and Exchange Commission, Office of Investor Education and Advocacy, Washington, DC 20549-0213.

Extension:

Rule 15g-2; SEC File No. 270-381; OMB Control No. 3235-0434.

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.

The "Penny Stock Disclosure Rules" (Rule 15g-2, 17 CFR 240.15g-2) require broker-dealers to provide their customers with a risk disclosure document, as set forth in Schedule 15G, prior to their first non-exempt transaction in a "penny stock." As amended, the rule requires broker-dealers to obtain written acknowledgement from the customer that he or she has received the required risk disclosure document. The amended rule also requires broker-dealers to maintain a copy of the customer's written acknowledgement for at least three years following the date on which the risk disclosure document was provided to the customer, the first two years in an accessible place.

The risk disclosure documents are for the benefit of the customers, to assure that they are aware of the risks of trading in "penny stocks" before they enter into a transaction. The risk disclosure documents are maintained by the broker-dealers and may be reviewed

during the course of an examination by the Commission.

There are approximately 253 broker-dealers that could potentially be subject to current Rule 15g-2. The Commission estimates that approximately 5% of registered broker-dealers are engaged in penny stock transactions, and thereby subject to the Rule (5% \times approximately 5,063 registered broker-dealers = 253 broker-dealers). The Commission estimates that each one of these firms processes an average of three new customers for penny stocks per week. Thus, each respondent processes approximately 156 penny stock disclosure documents per year. If communications in tangible form alone are used to satisfy the requirements of Rule 15g-2, then the copying and mailing of the penny stock disclosure document takes no more than two minutes. Thus, the total associated burden is approximately 2 minutes per response, or an aggregate total of 312 minutes per respondent. Since there are 253 respondents, the current annual burden is 78,936 minutes (312 minutes per each of the 253 respondents) or 1,316 hours for this third party disclosure burden. In addition, broker-dealers incur a recordkeeping burden of approximately two minutes per response when filing the completed penny stock disclosure documents as required pursuant to the Rule 15(g)(2)(c), which requires a broker-dealer to preserve a copy of the written acknowledgement pursuant to Rule 17a-4(b) of the Exchange Act. Since there are approximately 156 responses for each respondent, the respondents incur an aggregate recordkeeping burden of 78,936 minutes (253 respondents \times 156 responses for each \times 2 minutes per response) or 1,316 hours, under Rule 15g-2. Accordingly, the current aggregate annual hour burden associated with Rule 15g-2 (that is, assuming that all respondents provide tangible copies of the required documents) is approximately 2,632 hours (1,316 third party disclosure hours + 1,316 recordkeeping hours).

The burden hours associated with Rule 15g-2 may be slightly reduced when the penny stock disclosure document required under the rule is provided through electronic means such as e-mail from the broker-dealer (*e.g.*, the broker-dealer respondent may take only one minute, instead of the two minutes estimated above, to provide the penny stock disclosure document by e-mail to its customer). In this regard, if each of the customer respondents estimated above communicates with his or her broker-dealer electronically, the total ongoing respondent burden is

approximately 1 minute per response, or an aggregate total of 156 minutes (156 customers \times 1 minutes per respondent). Assuming 253 respondents, the annual third party disclosure burden, if electronic communications were used by all customers, is 39,468 minutes (156 minutes per each of the 253 respondents) or 658 hours. If all respondents were to use electronic means, the recordkeeping burden is 78,936 minutes or 1,316 hours (the same as above). Thus, if all broker-dealer respondents obtain and send the documents required under the rules electronically, the aggregate annual hour burden associated with Rule 15g-2 is 1,974 (658 hours + 1,316 hours).

In addition, if the penny stock customer requests a paper copy of the information on the Commission's Web site regarding microcap securities, including penny stocks, from his or her broker-dealer, the printing and mailing of the document containing this information takes no more than two minutes per customer. Because many investors have access to the Commission's Web site via computers located in their homes, or in easily accessible public places such as libraries, then, at most, a quarter of customers who are required to receive the Rule 15g-2 disclosure document request that their broker-dealer provide them with the additional microcap and penny stock information posted on the Commission's Web site. Thus, each broker-dealer respondent processes approximately 39 requests for paper copies of this information per year or an aggregate total of 78 minutes per respondent (2 minutes per customer \times 39 requests per respondent). Since there are 253 respondents, the estimated annual burden is 19,734 minutes (78 minutes per each of the 253 respondents) or 329 hours. This is a third party disclosure type of burden.

We have no way of knowing how many broker-dealers and customers will choose to communicate electronically. Assuming that 50 percent of respondents continue to provide documents and obtain signatures in tangible form and 50 percent choose to communicate electronically to satisfy the requirements of Rule 15g-2, the total aggregate burden hours is 3,948 ((aggregate burden hours for documents and signatures in tangible form \times 0.50 of the respondents = 1,316 hours) + (aggregate burden hours for electronically signed and transmitted documents \times 0.50 of the respondents = 987 hours) + (aggregate burden hours for recordkeeping of tangible documents \times 0.50 of the respondents = 658) + (aggregate burden hours for

recordkeeping of electronically filed documents = 658) + (329 burden hours for those customers making requests for a copy of the information on the Commission's Web site)).

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.

The Commission may not conduct or sponsor a collection of information unless it displays a currently valid control number. No person shall be subject to any penalty for failing to comply with a collection of information subject to the PRA that does not display a valid Office of Management and Budget (OMB) control number.

Comments should be directed to: Thomas Bayer, Chief Information Officer, Securities and Exchange Commission, C/O Remi Pavlik-Simon, 6432 General Green Way, Alexandria, Virginia 22312 or send an e-mail to: PRA_Mailbox@sec.gov. Comments must be submitted within 60 days of this notice.

June 21, 2011.

Cathy H. Ahn,
Deputy Secretary.

[FR Doc. 2011-16006 Filed 6-24-11; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Public Law 94-409, that the Securities and Exchange Commission will hold an Open Meeting on June 29, 2011 at 10 a.m., in the Auditorium, Room L-002.

The subject matter of the Open Meeting will be:

Note: The Commission will consider whether to propose rules under Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act to establish business conduct standards for security-

based swap dealers and major security-based swap participants.

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: June 22, 2011.

Elizabeth M. Murphy,
Secretary.

[FR Doc. 2011-16086 Filed 6-23-11; 11:15 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-64706; File No. SR-FINRA-2011-027]

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing of Proposed Rule Change To Amend FINRA Trade Reporting Rules Relating to OTC Transactions in Equity Securities That Are Part of a Distribution and Transfers of Equity Securities To Create or Redeem Instruments Such as ADRs and ETFs

June 20, 2011.

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 9, 2011, Financial Industry Regulatory Authority, Inc. ("FINRA") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by FINRA. 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

FINRA is proposing to amend FINRA Rules 6282, 6380A, 6380B and 6622 relating to trade reporting over-the-counter ("OTC") transactions in equity securities to (1) Clarify the existing exception for transactions that are part of a distribution of securities and impose certain notice requirements on members relying on the exception for transactions that are part of an "unregistered secondary distribution"; and (2) expressly exclude from the trade

reporting requirements transfers of equity securities for the purpose of creating or redeeming instruments such as American Depositary Receipts ("ADRs") and exchange-traded funds ("ETFs").

The text of the proposed rule change is available on FINRA's Web site at <http://www.finra.org>, at the principal office of FINRA and at the Commission's Public Reference Room.

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

In its filing with the Commission, FINRA 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 these statements may be examined at the places specified in Item IV below. FINRA has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

Background

Under FINRA trade reporting rules, members are required to report OTC transactions in equity securities to FINRA unless they fall within an express exception. As a general matter, when members report OTC trades, FINRA facilitates the public dissemination of the trade information and/or assesses regulatory transaction fees under Section 3 of Schedule A to the FINRA By-Laws ("Section 3")³ and the Trading Activity Fee ("TAF").⁴ Under FINRA trade reporting rules, certain transactions and transfers are not reported to FINRA at all (e.g., trades executed and reported through an exchange and transfers made pursuant to an asset purchase agreement that has been approved by a bankruptcy court), while other transactions must be

³ Pursuant to Section 31 of the Act, FINRA and the national securities exchanges are required to pay transaction fees and assessments to the SEC that are designed to recover the costs related to the government's supervision and regulation of the securities markets and securities professionals. FINRA obtains its Section 31 fees and assessments from its membership in accordance with Section 3.

⁴ The TAF is one of the member regulatory fees FINRA uses to fund its member regulation activities, market regulation activities, financial monitoring and policymaking, rulemaking and enforcement activities. Among others, the TAF is assessed for the sale of all exchange registered securities wherever executed and OTC equity securities. See FINRA By-Laws, Schedule A, 1(b)(2).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.