and for securing the information needed to support the application follow. RRB Form AA–5, *Application for Substitution of Payee*, obtains information needed to determine the selection of a representative payee who will serve in the best interest of the beneficiary. RRB Form G–478, *Statement Regarding Patient's Capability to Manage Payments*, obtains information about an annuitant's capability to manage payments. The form is completed by the annuitant's personal physician or by a medical officer, if the annuitant is in an institution. It is not required when a court has appointed an individual or institution to manage the annuitant's funds or, in the absence of such appointment, when the annuitant is a minor. The RRB also provides representative payees with a booklet at the time of their appointment. The booklet, RRB Form RB–5, *Your Duties as Representative Payee-Representative Payee's Record,* advises representative payees of their responsibilities under 20 CFR 266.9 and provides a means for the representative payee to maintain records pertaining to the receipt and use of RRB benefits. The booklet is provided for the representative payee's convenience. The RRB also accepts records that were kept by representative payee's as part of a common business practice.

Completion is voluntary. One response is requested of each respondent. The RRB is proposing non-burden impacting editorial changes to Forms AA–5 and G–478. No changes are proposed for the Booklet RB–5. The estimated completion time(s) is estimated at 17 minutes for Form AA–5, 6 minutes for Form G–478 and 60 minutes for Booklet RB–5. The RRB estimates that approximately 3,000 Form AA–5's, 2,000 Form G–478's and 15,300 RB–5's are completed annually.

Additional Information or Comments: To request more information or to obtain a copy of the information collection justification, forms, and/or supporting material, please call the RRB Clearance Officer at (312) 751–3363 or send an e-mail request to *Charles.Mierzwa@RRB.GOV.* Comments regarding the information collection should be addressed to Ronald J. Hodapp, Railroad Retirement Board, 844 North Rush Street, Chicago, Illinois 60611–2092 or send an e-mail to *Ronald.Hodapp@RRB.GOV.* Written comments should be received within 60 days of this notice.

Charles Mierzwa,

Clearance Officer.

[FR Doc. E6–19964 Filed 11–24–06; 8:45 am]

BILLING CODE 7905–01–P

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

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 meeting during the week of November 27, 2006:

A Closed Meeting will be held on Wednesday, November 29, 2006 at 10 a.m.

Commissioners, Counsels to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the Closed Meeting. 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), (8), (9)(B) and (10) and 17 CFR 200.402(a) (3), (5), (7), (8), (9)(ii), and (10) permit consideration of the scheduled matters at the Closed Meeting.

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

The subject matters of the Closed Meeting scheduled for Wednesday, November 29, 2006 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: November 21, 2006.

Jill M. Peterson,

Assistant Secretary.

[FR Doc. 06–9423 Filed 11–22–06; 11:42 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–54790; File No. SR–Amex–2006–01]

Self-Regulatory Organizations; American Stock Exchange LLC; Notice of Filing and Order Granting Accelerated Approval to Proposed Rule Change and Amendments No. 1, 2, and 3 Thereto Relating to the Listing and Trading of Principal Protected Notes Linked to the Dow Jones-AIG ExEnergy Sub-Index

November 20, 2006.

Pursuant to Section 19(b)(1) [1] of the Securities Exchange Act of 1934 (''Act'') and Rule 19b–4 thereunder,[2] notice is hereby given that on January 3, 2006, the American Stock Exchange LLC (''Amex'' or ''Exchange'') filed with the Securities and Exchange Commission (''SEC'' or ''Commission'') the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. On March 21, Amex submitted Amendment No. 1 to the proposed rule change.[3] On May 24, 2006, Amex submitted Amendment No. 2 to the proposed rule change.[4] On November 13, 2006, Amex submitted Amendment No. 3 to the proposed rule change.[5] The Commission is publishing this notice and order to solicit comments on the proposed rule change, as amended, from interested persons and to approve the proposal on an accelerated basis.

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

The Exchange proposes to list and trade, principal protected notes, linked to the performance of the Dow Jones-AIG ExEnergy Sub-Index (the ''DJAIG ExEnergy Index'' or the ''Index'').

The text of the proposed rule change is available on Amex's Web site at *http://www.amex.com*, at Amex's principal office, and at the Commission's Public Reference Room.

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

[2] 17 CFR 240.19b–4.

[3] Amendment No. 1 superseded and replaced the original filing in its entirety.

[4] In Amendment No. 2, the Exchange makes representations regarding specialist prohibitions and accounts and clarifies certain aspects of the index methodology.

[5] Amendment No. 3 supersedes and replaces the original filing, Amendment No. 1, and Amendment No. 2 in its entirety.

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 these statements may be examined at the places specified in Item III below. The Exchange 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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Notes

Under Section 107A of the Amex Company Guide (the ''Company Guide''), the Exchange may approve for listing and trading securities which cannot be readily categorized under the listing criteria for common and preferred stocks, bonds, debentures, or warrants.[6] The Amex proposes to list for trading under Section 107A of the Company Guide principal protected notes linked to the performance of the Index (the ''Notes'').[7] Merrill Lynch will issue the Notes under the name ''Market Index Target-Term Securities'' or ''MITTS.'' The Notes will provide for participation in the positive performance of the Index during their term while reducing the risk exposure to investors through principal protection.

The Notes will conform to the initial listing guidelines under Section 107A[8] and continued listing guidelines under Sections 1001–1003[9] of the Company Guide. The Notes are senior non-convertible debt securities of Merrill Lynch. The Notes will have a term of no more than ten (10) years. Merrill Lynch will issue the Notes in denominations of whole units, with each unit representing a single Note. The original public offering price was $10 per Note[10] and thus the notes are currently trading over-the-counter but are not listed on any national securities exchange.[11] At a minimum, the Notes will entitle the owner at maturity to receive at least 100% of the principal investment amount. At maturity, the holder would receive the full principal investment amount of each Note plus a supplemental redemption amount (the ''Supplemental Redemption Amount'') based on the percentage change or performance of the Index over the term of the Note. The performance of the Index will be based on an arithmetic average of the levels of the Index at the close of market on five (5) business days shortly prior to the maturity of the Notes. The Notes are not callable by Merrill Lynch.

The Supplemental Redemption Amount that a holder of a Note will be entitled to receive is defined as the greater of zero or the product of $10, the performance of the Index and the Participation Rate (which is 106.92%). The performance of the Index will be determined at maturity based on the relation of the ''Ending Value''[12] to the ''Starting Value'' of the Index. The ''Ending Value'' is generally equal to the average of the closing levels of the Index, determined on five (5) separate calculation days. The ''Starting Value'' is the closing level of the Index on the date the Notes are priced for initial sale to the public. The Ending Value may be calculated by reference to fewer than five or even a single day's closing level if, during the period shortly before the maturity date of the Notes, there is a disruption in the trading of a sufficient number of commodity futures included in the Index or certain futures or option contracts relating to the Index.[13]

At maturity, a holder will receive a maturity payment amount per Note equal to:

$$\text{Principal Amount} + (\$10 \times \left(\frac{(\text{Ending Value} - \text{Starting Value})}{\text{Starting Value}} \right) \times \text{Participation Rate})$$

[6] *See* Securities Exchange Act Release No. 27753 (March 1, 1990), 55 FR 8626 (March 8, 1990) (approving File No. SR–Amex–89–29).

[7] Merrill Lynch & Co. (''Merrill Lynch''), Dow Jones & Company, Inc. (''Dow Jones'') and AIG International, Inc. (''AIGI'') have entered into a non-exclusive license agreement providing for the use of the Dow Jones-AIG ExEnergy Sub-Index by Merrill Lynch and certain affiliates and subsidiaries in connection with certain securities including the Notes. Dow Jones and AIGI are not responsible and will not participate in the issuance and creation of the Notes.

[8] The initial listing standards for the Notes require: (i) A market value of at least $4 million and (ii) a minimum public distribution requirement of one million trading units with a minimum of 400 public shareholders. In addition, the listing guidelines provide that the issuer has assets in excess of $100 million and stockholder's equity of at least $10 million, and pre-tax income of at least $750,000 in the last fiscal year or in two of the three prior fiscal years. In the case of an issuer that is unable to satisfy the earning criteria stated in Section 101 of the Company Guide, the Exchange will require the issuer to have the following: (i) assets in excess of $200 million and stockholders' equity of at least $10 million; or (ii) assets in excess of $100 million and stockholders' equity of at least $20 million.

[9] The Exchange's continued listing guidelines are set forth in Sections 1001 through 1003 of Part 10 to the Exchange's Company Guide. Section 1002(b) of the Company Guide states that the Exchange will consider removing from listing any security where, in the opinion of the Exchange, it appears that the extent of public distribution or aggregate market value has become so reduced to make further dealings on the Exchange inadvisable. With respect to continued listing guidelines for distribution of the Notes, the Exchange will rely, in part, on the guidelines for bonds in Section 1003(b)(iv). Section 1003(b)(iv)(A) provides that the Exchange will normally consider suspending dealings in, or removing from the list, a security if the aggregate market value or the principal amount of bonds publicly held is less than $400,000.

[10] Telephone conference among Florence Harmon, Senior Special Counsel, Commission, Kristie Diemer, Special Counsel, Commission, Jeffrey P. Burns, Vice President and Associate General Counsel, Amex, and Sudhir C. Bhattacharyya, Assistant General Counsel, Amex on November 16, 2006 (''November 16 Telephone Conference'').

[11] Telephone conference between Kristie Diemer, Special Counsel, Commission and Sudhir C. Bhattacharyya, Assistant General Counsel, Amex on November 20, 2006.

[12] The ''Ending Value'' is equal to the average of the closing levels of the Index, determined on each of the five calculation days shortly prior to maturity (*i.e.*, the calculation period). If there are fewer than five calculation days during the calculation period, due to a market disruption event, then the Ending Value will equal the average of the closing levels of the Index on those calculation days. If there is only one calculation day during the calculation period, then the Ending Value will equal the closing level of the Index on that calculation day. If no calculation days occur during the calculation period, then the Ending Value will equal the closing level of the Index determined on the last scheduled Index business day in the calculation period, regardless of the occurrence of a market disruption event on that scheduled Index business day.

[13] A ''market disruption event'' means any of the following events as determined by the calculation agent: (i) The suspension of or material limitation on trading for more than two hours of trading, or during the one-half hour period preceding the close of trading, on the applicable exchange (without taking into account any extended or after-hours trading session), in any futures contract used in the calculation of the Index or any successor index; (ii) the suspension of or material limitation on trading, in each case, for more than two hours of trading, or during the one-half hour period preceding the close of trading, on the applicable exchange (without taking into account any extended or after-hours trading session), whether by reason of movements in price otherwise exceeding levels permitted by the relevant exchange or otherwise, in option contracts or futures contracts related to the Index, or any successor index, which are traded on any major U.S. exchange; or (iii) the failure on any day of the applicable exchange to publish the official daily settlement prices for that day for any futures contract used in the calculation of the Index.

The Supplemental Redemption Amount may not be less than zero. If the Ending Value is less than the Starting Value, the amount paid at maturity will be 100% of the Principal Amount. The amount paid at maturity per Note will never be less than the Principal Amount.

Dow Jones-AIG ExEnergy Sub-Index

The Dow Jones-AIG Commodity Index and the DJAIG ExEnergy Index are proprietary indexes that AIGI International Inc. (''AIGI'') developed, that each year are determined by ''AIG-Financial Products Corp. (''AIG–FP'') [14], subject to oversight and approval of the Oversight Committee (defined below), and that Dow Jones calculates. The Index is designed to track rolling futures positions in a diversified basket of fifteen commodity futures (each, an ''Index Component'') which, plus energy commodities, comprise the Dow Jones-AIG Commodity Index.

The DJAIG ExEnergy Index tracks what is known as a rolling futures position, which is a position where, on a periodic basis, futures contracts on physical commodities specifying delivery on a nearby date must be sold and futures contracts on physical commodities that have not yet reached the delivery period must be purchased. An investor with a rolling futures position is able to avoid delivering underlying physical commodities while maintaining exposure to those commodities. The rollover for each Index Component occurs over a period of five Dow Jones-AIG business days each month according to a pre-determined schedule. Currently, Dow Jones calculates and disseminates the DJAIG ExEnergy Index level at least 15-second intervals from 8 a.m. to 3 p.m., Eastern time (''ET''),[15] and publishes a daily settlement price for the Index at approximately 5 p.m., ET each day the Amex is open for trading. Any disseminated value of the Index after 3 p.m. is static.

The fifteen commodities for 2006 that comprise the DJAIG ExEnergy Index are (weightings as of November 15, 2006 noted in parentheses): aluminum (9.31%); coffee (3.49%); copper (10.24%); corn (11.87%); cotton (3.48%); gold (8.41%); lean hogs (5.03%); live cattle (6.58%); nickel (6.54%); silver (3.33%); soybeans (9.81%); soybean oil (4.03%); sugar (2.73%); wheat (8.43%); and zinc (6.73%).[16]

Dow Jones-AIG Commodity Index.

The calculation of the DJAIG ExEnergy Index follows the same rules as the calculation of the Dow Jones-AIG Commodity Index; provided that the daily value of the DJAIG ExEnergy Index is determined by summing the product of the prices of the Index Components and their respective CIMs (as defined below).

The Dow Jones-AIG Commodity Index was created by Dow Jones and AIGI to provide a liquid and diversified benchmark for commodities. The Dow Jones-AIG Commodity Index was established on July 14, 1998 and is currently comprised of futures contracts on nineteen physical commodities.[17]

The nineteen commodities for 2006 that comprise the Dow Jones-AIG Commodity Index (the ''Dow Jones-AIG Commodity Index Commodities'') are (weightings as of November 15, 2006 noted in parentheses): aluminum (6.90%); coffee (2.59%); copper (7.59%); corn (8.80%); cotton (2.58%); crude oil (10.30%); gold (6.24%); heating oil (3.16%); lean hogs (3.73%); live cattle (4.88%); natural gas (9.34%); nickel (4.85%); silver (2.47%); soybeans (7.27%); soybean oil (2.99%); sugar (2.03%); unleaded gasoline (3.06%); wheat (6.25%); and zinc (4.99%).[18] Futures contracts on the Dow Jones-AIG Commodity Index are currently listed for trading on the Chicago Board of Trade (the ''CBOT''). The Dow Jones-AIG Commodity Index commodities currently trade on United States exchanges, with the exception of aluminum, nickel and zinc, which trade on the London Metal Exchange (the ''LME'').

The Index was created using the following four main principles:

- Economic significance. The Dow Jones-AIG Commodity Index is designed to reflect the importance of a diversified group of physical commodities to the world economy. To achieve a fair representation, the Dow Jones-AIG Commodity Index uses both liquidity data and dollar-adjusted production data in determining the relative quantities of the commodities. The Dow Jones-AIG Commodity Index primarily relies on the liquidity of a particular commodity (*i.e.*, the relative amount of trading activity of a particular commodity), as an important indicator of the value placed on that commodity by financial and physical market participants. In addition, production data is also identified to measure the importance of a commodity to the world economy. Production data alone would underestimate the economic significance of storable commodities, such as gold, relative to non-storable commodities, such as livestock. Production data alone also may underestimate the value that the financial community places on certain commodities and/or the amount of commercial activity related to various commodities. The Dow Jones-AIG Commodity Index accordingly relies on both futures market liquidity of commodities and production in determining relative weightings.
- Diversification. The Dow Jones-AIG Commodity Index is designed to provide diversified exposure to commodities as an asset class. Disproportionate weightings of any particular commodity or sector may increase the volatility and negate the concept of a broad-based commodity index. As described further below, diversification rules have been established and are applied annually. Additionally, the Dow Jones-AIG Commodity Index is re-balanced annually on a price-percentage basis in order to maintain diversified commodities exposure over time.
- Continuity. The Dow Jones-AIG Commodity Index is designed to be responsive to the changing nature of the commodity markets in a manner that does not completely reshape the character of the Dow Jones-AIG Commodity Index from year to year. The Dow Jones-AIG Commodity Index is intended to provide a stable benchmark, so that end-users may be reasonably confident that historical performance data is based on a structure that bears some resemblance to both the current and future composition of the Dow Jones-AIG Commodity Index.
- Liquidity. The Dow Jones-AIG Commodity Index is designed to provide a highly liquid index. Liquidity

[14] AIG–FP is not a broker-dealer or futures commission merchant; however, AIG–FP may have such affiliates. Therefore, AIG–FP (i) implemented and agrees to maintain procedures reasonably designed to prevent the use and dissemination by relevant employees of AIG–FP, in violation of applicable laws, rules and regulations, of material non-public information relating to changes in the composition or method of computation or calculation of the Index or the Dow Jones-AIG Commodity Index and (ii) agrees to periodically check the application of such procedures as they relate to personnel of AIG–FP responsible for such changes. Dow Jones has informed the Exchange that they do not have any affiliates engaged in the securities or commodities trading businesses and, as such, do not believe that such firewall procedures are necessary in its case. In addition, the Oversight Committee is subject to written policies that acknowledge their obligations with respect to material non-public information.

[15] November 16 Telephone Conference.

[16] E-mail from Sudhir C. Bhattacharyya, Assistant General Counsel, Amex, to Florence Harmon, Senior Special Counsel, Commission, dated November 17, 2006.

[17] A futures contract is an agreement that provides for the purchase and sale of a specified type and quantity of a commodity during a stated delivery month for a fixed price.

[18] November 16 Telephone Conference.

as a weighting factor helps to ensure that the Dow Jones-AIG Commodity Index can accommodate substantial investment flows. The liquidity of an index affects transaction costs associated with current investments and may also affect the reliability of historical price performance data.

Designated Contracts for Each Dow Jones-AIG Commodity Index Commodity

A futures contract, known as a Designated Contract, is selected by the Dow Jones-AIG Oversight Committee (the "Oversight Committee") [19] for each Dow Jones-AIG Commodity Index Commodity. The Oversight Committee was established by Dow Jones and AIGI to assist with the operation of the Dow Jones-AIG Commodity Index. The Exchange states that the Oversight Committee includes prominent members of the financial, academic and legal communities selected by AIGI and meets annually to consider any changes to be made to the Dow Jones-AIG Commodity Index for the coming year. The Oversight Committee may also meet at such other times as may be necessary.

With the exception of several LME contracts, where the Oversight Committee believes that there exists more than one futures contract with sufficient liquidity to be chosen as a Designated Contract for a Dow Jones-AIG Commodity Index Commodity, the Oversight Committee selects the futures contract that is traded in the U.S. and denominated in U.S. dollars. If more than one of those contracts exists, the Oversight Committee will select the most actively traded contract. Data concerning this Designated Contract will be used to calculate the Dow Jones-AIG Commodity Index. If a Designated Contract were to be terminated or replaced, a comparable futures contract would be selected, if available, to replace that Designated Contract.[20]

The Designated Contracts for the Dow Jones-AIG Commodity Index Commodities included in the Dow Jones-AIG Commodity Index for 2006 are traded on the LME, the CBOT, the New York Board of Trade (the "NYBOT"), the Chicago Mercantile Exchange, Inc. (the "CME") and the New York Mercantile Exchange (the "NYMEX").[21] The particular commodities futures exchange for each futures contract with Web site information is as follows: (i) Aluminum, nickel and zinc—LME at *http://www.lme.com*; (ii) corn, soybeans, soybean oil and wheat—CBOT at *http://www.cbot.com*; (iii) live cattle and lean hogs—CME at *http://www.cme.com*; (iv) coffee and sugar—NYBOT at *http://www.nybot.com* and (v) copper, crude oil, gold, heating oil, natural gas, silver and unleaded gasoline—NYMEX at *http://www.nymex.com*. In addition, various market data vendors and financial news publications publish futures prices and data. The Exchange represents that futures quotes and last sale information for the commodities underlying the Index are widely disseminated through a variety of major market data vendors worldwide, including Bloomberg and Reuters. In addition, the Exchange further represents that complete real-time data for such futures is available by subscription from Reuters and Bloomberg. The CBOT, LME and NYMEX also provide delayed futures information on current and past trading sessions and market news free of charge on their respective Web sites, and for a fee, will provide real-time futures data. The specific contract specifications for the futures contracts are also available from the futures exchanges on their Web sites, as well as other financial informational sources.

Annual Reweighting and Rebalancing of the Dow Jones-AIG Commodity Index.

The Dow Jones-AIG Commodity Index is reweighted and rebalanced each year in January on a price percentage basis. The annual weightings for the Dow Jones-AIG Commodity Index are determined each year in June or July by AIGI under the supervision of the Oversight Committee. The annual weightings are announced in July and implemented the following January. The weightings for 2006, as listed below, have been approved and became effective in January 2006.

The relative weightings of the component commodities included in the Dow Jones-AIG Commodity Index are determined annually according to both liquidity and dollar-adjusted production data. Each June, for each commodity designated for potential inclusion in the Dow Jones-AIG Commodity Index, liquidity is measured by the commodity liquidity percentage (the "CLP") and production by the commodity production percentage (the "CPP"). The CLP for each commodity is determined by taking a five-year average of the product of the trading volume and the historic dollar value of the Designated Contract for that commodity, and dividing the result by the sum of the products for all commodities that were designated for potential inclusion in the Dow Jones-AIG Commodity Index. The CPP is determined for each commodity by taking a five-year average of annual world production figures, adjusted by the historic dollar value of the Designated Contract, and dividing the result by the sum of the production figures for all the commodities that were designated for potential inclusion in the Dow Jones-AIG Commodity Index. The CLP and CPP are then combined (using a ratio of 2:1) to establish the Commodity Dow Jones-AIG Commodity Index Percentage (the "CIP") for each commodity. The CIP is then adjusted in accordance with the diversification rules described below to determine the commodities to be included in the Dow Jones-AIG Commodity Index and their respective percentage weights.

To ensure that no single commodity or commodity sector dominates the Dow Jones-AIG Commodity Index, the following diversification rules are applied to the annual reweighting and rebalancing of the Dow Jones-AIG Commodity Index, as of January of the applicable year:

- No related group of commodities designated as a Commodity Group (*e.g.*, energy, precious metals, livestock or grains) may constitute more than 33% of the Dow Jones-AIG Commodity Index;
- No single commodity may constitute more than 15% of the Dow Jones-AIG Commodity Index;
- No single commodity, together with its derivatives (*e.g.*, crude oil, together with heating oil and unleaded gasoline), may constitute more than 25% of the Dow Jones-AIG Commodity Index; and
- No single commodity in the Dow Jones-AIG Commodity Index may constitute less than 2% of the Dow Jones-AIG Commodity Index.

Following the annual reweighting and rebalancing of the Dow Jones-AIG Commodity Index in January, the percentage of any single commodity or group of commodities at any time prior to the next reweighting or rebalancing

[19] The Exchange has been informed by Merrill Lynch that none of the members of the Oversight Committee are officers, directors or employees of Merrill Lynch.

[20] The Oversight Committee may exclude any otherwise eligible contract from the Dow Jones-AIG Commodity Index if it determines that it has an inadequate trading window. The Dow Jones-AIG Commodity Index currently includes contracts traded on the London Metal Exchange ("LME"), which is located in London. During the hours where the LME is closed, Dow Jones uses the last price and uses the settlement price once it is available in order to publish the Dow Jones-AIG Commodity Index value through the end of the trading day. The Dow Jones-AIG Commodity Index value does not reflect any after-hours or overnight trading in contracts traded on the LME.

[21] November 16 Telephone Conference (confirming designated contracts for 2005 and 2006 are traded on same exchanges).

will fluctuate and may exceed or be less than the percentage set forth above.[22]

Following application of the diversification rules discussed above, CIPs are incorporated into the Dow Jones-AIG Commodity Index by calculating the new unit weights for each Dow Jones-AIG Commodity Index commodity. Near the beginning of each new calendar year (the ''CIM Determination Date''), the CIPs, along with the settlement prices on that date for Designated Contracts included in the Dow Jones-AIG Commodity Index, are used to determine a Commodity Index Multiplier (''CIM'') for each Dow Jones-AIG Commodity Index commodity. This CIM is used to achieve the percentage weightings of the Dow Jones-AIG Commodity Index commodities, in dollar terms, indicated by their respective CIPs. After the CIMs are calculated, they remain fixed throughout the year. As a result, the observed price percentage of each Dow Jones-AIG Commodity Index commodity will float throughout the year, until the CIMs are reset the following year based on new CIPs.

To avoid delivering the underlying physical commodities and to maintain exposure to the underlying physical commodities, periodically futures contracts on physical commodities specifying delivery on a nearby date must be sold and futures contracts on physical commodities that have not yet reached the delivery period must be purchased. The rollover for each contract occurs over a period of five DJ-AIG Business Days [23] each month according to a pre-determined schedule. This process is known as ''rolling'' a futures position. The Dow Jones-AIG Commodity Index is a ''rolling index.''

The Dow Jones AIG-Commodity Index is calculated by Dow Jones by applying the impact of the changes to the futures prices of commodities included in the Dow Jones-AIG Commodity Index (based on the commodities' relative weightings). Once the CIMs are determined as discussed above, the calculation of the Dow Jones-AIG Commodity Index is a mathematical process whereby the CIMs for the Dow Jones-AIG Commodity Index commodities are multiplied by the daily settlement prices in U.S. dollars for the applicable Designated Contracts. These products are then summed. During the rollover period, the sum includes both nearby and deferred contracts weighted according to the specified roll percentage. The percentage change in this sum from the prior day is then applied to the prior Dow Jones-AIG Commodity Index value. Finally, the value of one day's interest is added, calculated using the most recent (lagged by one day) 91-Day U.S. Treasury Bill Auction High Rate to arrive at the current Dow Jones-AIG Commodity Index value.

Dow Jones-AIG Commodity Index Calculation Disruption Events.

From time to time, the Exchange states that disruptions can occur in trading futures contracts on various commodity futures exchanges. The daily calculation of the Dow Jones-AIG Commodity Index and the Index will be adjusted in the event that AIGI determines that any of the following index calculation disruption events exists: (i) The termination or suspension of, or material limitation or disruption in the trading of any futures contract used in the calculation of the Dow Jones-AIG Commodity Index on that day; (ii) the settlement price of any futures contract used in the calculation of the Dow Jones-AIG Commodity Index reflects the maximum permitted price change from the previous day's settlement price; (iii) the failure of an exchange to publish official settlement prices for any futures contract used in the calculation of the Dow Jones-AIG Commodity Index; or (iv) with respect to any futures contract used in the calculation of the Dow Jones-AIG Commodity Index that trades on the LME, a business day on which the LME is not open for trading. In the case of a temporary disruption in connection with the trading of the futures contracts of the commodities comprising the Index, the Exchange believes that it is unnecessary for a filing pursuant to Section 19(b) under the Act [24] to be submitted to the Commission. The Exchange submits that for a temporary disruption of said futures contracts, AIGI will typically use the prior day's price for an Index commodity or commodities. In exceptional cases, AIGI may employ a ''fair value'' price. However, the Exchange represents that if the use of a prior day's price or ''fair value'' pricing for an Index commodity or commodities is more than of a temporary nature, a rule filing will be submitted pursuant to Section 19(b) of the Act [25] seeking approval to continue trading the Notes. Unless such approval is received, the Exchange will commence delisting the Notes.

Exchange Rules Applicable to the Notes

The Notes are cash-settled in U.S. dollars and do not give the holder any right or other ownership interest in the Index or commodities comprising the Index. The Notes are designed for investors who desire to participate in, or gain exposure to, an index composed of a basket of actively-traded commodities, are willing to hold the investment to maturity, and who want to limit risk exposure by receiving principal protection of their investment amount.

The Notes will trade as equity securities subject to the Amex equity trading rules including, among others, rules governing priority, parity and precedence of orders, specialist responsibilities, account opening, and customer suitability requirements. In addition, the Notes will be subject to the equity margin rules of the Exchange.[26] The Exchange will, prior to trading the Notes, distribute a circular to the membership providing guidance with regard to member firm compliance responsibilities (including suitability recommendations) when handling transactions in the Notes and highlighting the special risks and characteristics of the Notes. With respect to suitability recommendations and risks, the Exchange will require members, member organizations and employees thereof recommending a transaction in the Notes: (i) To determine that such transaction is suitable for the customer, and (ii) to have a reasonable basis for believing that the customer can evaluate the special characteristics of, and is able to bear the financial risks of such transaction. In addition, Merrill Lynch will deliver a prospectus in connection with the initial sales of the Notes. The circular will also reference that the Commission has no jurisdiction over the trading of the physical commodities or the futures contracts or on such commodities upon which the value of the Notes is based.[27]

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[22] The Exchange represents and clarifies that the weightings of the components of the DJAIG ExEnergy Index are determined in conjunction with the annual reweighting and rebalancing of the Dow Jones-AIG Commodity Index by assigning weightings of zero to the energy commodities included in the Dow Jones-AIG Commodity Index and proportionally increasing the weightings of the remaining commodities. For example, assume the Dow Jones-AIG Commodity Index includes five equally weighted (20%) commodities, including an energy commodity. If the energy component were assigned a weight of 0%, the weightings of the remaining four non-energy components comprising the DJAIG ExEnergy Index would be increased pro rata and assigned equal weightings of 25%.

[23] A DJ–AIG Business Day (''DJ–AIG Business Day'') is a day on which the sum of the CIPs for the Dow Jones-AIG Commodity Index commodities that are available to trade is greater than 50%.

[24] 15 U.S.C. 78s(b).

[25] *Id.*

[26] *See* Amex Rule 462.

[27] November 16 Telephone Conference.

Criteria for Initial and Continued Listing

The Exchange represents that it prohibits the initial and/or continued listing of any security that is not in compliance with Rule 10A–3 under the Act.[28] The Exchange also has a general policy that prohibits the distribution of material, non-public information by its employees. The Notes will be subject to the criteria in Section 107D of the Company Guide for initial and continued listing. The continued listing criteria provides for the delisting or removal from listing of the Notes under any of the following circumstances:

- If the aggregate market value or the principal amount of the Notes publicly held is less than $400,000;
- If the value of the Index is no longer calculated or widely disseminated by a major market data vendor on at least a 15-second basis during the time the Notes trade on the Exchange; or
- If such other event shall occur or condition exists which in the opinion of the Exchange makes further dealings on the Exchange inadvisable.

Additionally, the Exchange represents that it will file a proposed rule change pursuant to Rule 19b–4 under the Act,[29] seeking approval to continue trading the Notes and unless approved, the Exchange will commence delisting the Notes if:

- Dow Jones and AIG–FP substantially change either the index component selection methodology or the weighting methodology;
- If a new component is added to the Index (or pricing information is used for a new or existing component) that constitutes more than 10% of the weight of the Index with whose principal trading market the Exchange does not have a comprehensive surveillance sharing agreement; or
- If a successor or substitute index is used in connection with the Notes. The filing will address, among other things the listing and trading characteristics of the successor or substitute index and the Exchange's surveillance procedures applicable thereto.

Trading Halts

The Exchange will halt trading in the Notes if the circuit breaker parameters of Exchange Rule 117 have been reached. In exercising its discretion to halt or suspend trading in the Notes, the Exchange may consider factors such as those set forth in Exchange Rule 918C(b), in addition to other factors that may be relevant. In particular, if the Dow Jones-AIG Commodity Index value is not being disseminated as required, the Exchange may halt trading during the day in which the interruption to the dissemination of the Dow Jones-AIG Commodity Index value occurs. If the interruption to the dissemination of the Dow Jones-AIG Commodity Index value persists past the trading day in which it occurred, the Exchange will halt trading no later than the beginning of the trading day following the interruption.[30]

Specialist Prohibitions

The Exchange submits that current Rule 1203A will be applicable to the Notes. In connection with the Notes, Rule 1203A provides that the prohibitions in Rule 175(c) apply to a specialist in the Notes, so that the specialist or affiliated person may not act or function as a market maker in the underlying commodities, related futures contracts or options, or any other related commodity derivative. Consistent with Rule 193, an affiliated person of the specialist may be afforded an exemption to act in a market making capacity, other than as a specialist in the Notes on another market center, in the underlying commodities, related futures or options, or any other related commodity derivative. In particular, Rule 1203A provides that an approved person of the specialist that has established and obtained Exchange approval for procedures restricting the flow of material, non-public market information between itself and the specialist member organization, and any member, officer, or employee associated therewith, may act in a market making capacity, other than as a specialist in the Notes on another market center, in the underlying commodity, related commodity futures or options on commodity futures, or any other related commodity derivatives.

Additionally, the Exchange further submits that Rule 1204A will be applicable to the Notes. Rule 1204A was adopted to ensure that specialists provide the Exchange with all the necessary information relating to their trading in physical commodities and related futures contracts and options thereon or any other related commodities derivative. This Rule further reminds members that, in connection with trading the physical asset or commodities, futures or options on futures, or any other related derivatives, the use of material, non-public information received from any person associated with a member, member organization or employee of such person regarding trading by such person or employee in the physical asset or commodities, futures or options on futures, or any other related derivatives is prohibited by the Exchange.

Surveillance

The Exchange represents that its surveillance procedures are adequate to properly monitor the trading of the Notes. Specifically, the Amex will rely on its existing surveillance procedures governing exchange-traded funds, trust issued receipts (including the iShares Comex Gold Trust, streetTRACKS Gold Trust and DB Commodity Index Tracking Fund) and index-linked securities.[31] With regard to the Index Components, the Exchange currently has in place a comprehensive surveillance sharing arrangement with the NYMEX and the LME, for the purpose of providing information in connection with trading in or related to futures contracts traded on their respective exchanges comprising the Index. The Exchange also notes that the CBOT, CME, and NYBOT are members of the Intermarket Surveillance Group (''ISG''). As a result, the Exchange asserts that it can obtain market surveillance information, including customer identity information, from the CBOT, CME, LME, NYBOT, and NYMEX, if necessary, due to regulatory concerns that may arise in connection with the futures contracts.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6 of the Act,[32] in general, and furthers the objectives of Section 6(b)(5) of the Act,[33] in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, and to remove impediments to and perfect the mechanism of a free and open market and a national market system.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange believes that the proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

[28] *See* Rule 10A–3(c)(1), 17 CFR 240.10A–3(c)(1).

[29] 17 CFR 240.19b–4.

[30] November 16 Telephone Conference. The Exchange deleted inconsistent language regarding trading halts.

[31] The Commission requested, and the Exchange agreed, to remove the phrase ''which have been deemed adequate under the Act'' at the end of this sentence. November 16 Telephone Conference.

[32] 15 U.S.C. 78f.

[33] 15 U.S.C. 78f(b)(5).

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

No written comments were solicited or received with respect to the proposed rule change.

III. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change, as amended, is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (*http://www.sec.gov/rules/sro.shtml*); or
- Send an e-mail to *rule-comments@sec.gov*. Please include File Number SR–Amex–2006–01 on the subject line.

Paper Comments

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

All submissions should refer to File Number SR–Amex–2006–01. 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/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 Section, 100 F Street, NE., Washington, DC 20549. Copies of such filing also will be available for inspection and copying at the principal office of Amex. 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 SR–Amex–2006–01 and should be submitted on or before December 18, 2006.

IV. Commission's Findings and Order Granting Accelerated Approval of Proposed Rule Change

The Commission finds that the proposed rule change, as amended, is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.[34] In particular, the Commission believes that the proposal is consistent with Section 6(b)(5) of the Act,[35] which requires that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and in general to protect investors and the public interest.

A. Surveillance

Information sharing agreements with primary markets are an important part of a self-regulatory organization's ability to monitor for trading abuses with respect to derivative securities. The Commission believes that Amex's comprehensive surveillance sharing agreements with the NYMEX and the LME for the purpose of providing information in connection with the Notes create the basis for Amex to monitor for fraudulent and manipulative practices in the trading of the Notes.

Moreover, Amex Rules, including Rule 1204A, give Amex the authority to request information to monitor for fraudulent and manipulative trading facilities. The Commission believes that these rules provide the Amex with the tools necessary to adequately surveil trading in the Notes.

B. Dissemination of Information

The Commission believes that sufficient venues for obtaining reliable information exist so that investors in the Notes can monitor the underlying Index Components, the Dow Jones-AIG Commodity Index, and the Index. There is a considerable amount of information about the Index Components, the Dow Jones-AIG Commodity Index, and the Index available through public Web sites, and real time intraday prices and daily closing prices for the Index Components are available by subscription from major market vendors.

The Commission notes that the amount paid at maturity, per Note, will be based on the percentage change or performance of the Index over the term of the Note. As more specifically described herein, the amount paid at maturity, per Note, will consist of at least 100% of the Principal Amount, plus a Supplemental Redemption Amount, but it will never be less than the Principal Amount.

The Commission believes that the wide availability of such information will facilitate transparency and reduce the potential of unfair informational advantage with respect to the Notes and, when coupled with the principal-protected nature of the Notes, will diminish the risk of manipulation.

C. Listing and Trading

The Commission finds that the Exchange's proposed rules and procedures for the listing and trading of the Notes are consistent with the Act. The Notes will trade as equity securities subject to the Amex equity trading rules including, among others, rules governing priority, parity and precedence of orders, specialist responsibilities, account opening, and customer suitability requirements. In addition, the Notes will be subject to the equity margin rules of the Exchange, set forth in Amex Rule 462. The Commission believes that the listing and delisting criteria for the Notes should help to maintain a minimum level of liquidity and therefore minimize the potential for manipulation of the Notes.

The Commission notes that prior to trading the Notes, Amex will distribute a circular to the membership providing guidance with regard to member firm compliance responsibilities and highlighting the special risks and characteristics of the Notes. Specifically, the Exchange will require those recommending a transaction in the Notes to determine that such transaction is suitable for the customer, and to have a reasonable basis for believing that the customer can evaluate the special characteristics of, and bear the financial risks of, such transaction. The Commission believes that the information circular will inform members about the terms, characteristics and risks in trading the Notes.

D. Accelerated Approval

The Commission finds good cause for approving this proposed rule change, as amended, before the thirtieth day after the publication of notice thereof in the **Federal Register**. The Commission notes that this principal protected product is similar to other products already

[34] In approving this proposal, the Commission has considered its impact on efficiency, competition, and capital formation. *See* 15 U.S.C. 78c(f).

[35] 15 U.S.C. 78f(b)(5).

approved by the Commission.[36] Therefore, accelerating approval of this proposed rule change should benefit investors who desire to participate in an index composed of a basket of actively-traded commodities, who are willing to hold the investment to maturity, and who want to limit risk exposure, by creating, without undue delay, opportunities for such investments.

V. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,[37] that the proposed rule change, as amended (SR–Amex–2006–01), is hereby approved on an accelerated basis.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[38]

Nancy M. Morris,

Secretary.

[FR Doc. E6–19978 Filed 11–24–06; 8:45 am]

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[36] *See e.g.,* Securities Exchange Act Release No. 54731 (November 9, 2006), 71 FR 66814 (notice and order granting accelerated approval to the New York Stock Exchange LLC to list and trade two series of principal protected, commodity-linked securities); Securities Exchange Act Release No. 54033 (June 22, 2006), 71 FR 37131 (June 29, 2006) (order approving the listing and trading of principal protected notes linked to the Metals-China basket on Amex).

[37] 15 U.S.C. 78s(b)(2).

[38] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–54777; File No. SR–Amex–2006–89]

Self-Regulatory Organizations; American Stock Exchange LLC; Notice of Filing of Proposed Rule Change and Amendment No. 1 Thereto To Establish Fees for the Receipt and Use of Proprietary Market Data Disseminated by the Exchange

November 17, 2006.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the ''Act'') [1] and Rule 19b–4 thereunder,[2] notice is hereby given that on September 22, 2006, the American Stock Exchange LLC (''Amex'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. On November 15, 2006, the Exchange filed Amendment No. 1 to the proposed rule change.[3] The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

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

[2] 17 CFR 240.19b–4.

[3] Amendment No. 1 replaces the original filing in its entirety.

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

The Exchange proposes to amend the Amex Fees Schedule to establish fees for the receipt and use of proprietary market data disseminated by the Exchange. The text of the proposed rule change is available on Amex's Web site (*http://www.amex.com*), at Amex's principal office, 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, Amex 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. The Exchange 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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

Through the new Auction and Electronic Market Integration trading platform (known as AEMI), the Exchange's hybrid trading system, the Exchange plans to make available for dissemination on a real-time basis [4] a compilation of all visible limit orders resident in the AEMI central limit order book (''AEMI Depth of Book''). The Exchange proposes that AEMI Depth of Book information be made available to market data vendors, broker-dealers, private network providers, and other entities by means of data feeds. The Exchange believes that, by making the AEMI Depth of Book available, the Exchange would be enhancing market transparency and fostering competition among orders and markets. With the adoption of Regulation NMS, the Commission rescinded ''the prohibition on SROs and their members from disseminating their trade reports independently.'' The Commission requires such dissemination to be fair, reasonable and not unreasonably discriminatory. The Exchange believes that the Exchange's data distribution and proposed fees would be consistent with these standards and reflect an equitable allocation of the Exchange's overall costs to users of its facilities.

[4] It should be noted that the Exchange makes available to vendors the best bids and offers that are included in the AEMI limit order book data no earlier than it makes those best bids and offers available to the processors under the CQ Plan and the Reporting Plan for Nasdaq/National Market System Securities Traded on an Exchange on an Unlisted or Listed Basis (the ''UTP Plan'').

The Exchange proposes to establish the Market Data Fee Schedule for the receipt and use of various forms of Amex market data. The Market Data Fee Schedule being proposed is limited to market data for equities and exchange-traded fund shares (''ETFs'') trading on the AEMI system. Amex plans to implement use of the AEMI system over a period of time, commencing with four products. The Exchange will monitor the operation of AEMI and will deploy additional products when appropriate. It is anticipated that all equity and ETF products will be trading on AEMI prior to the implementation of Regulation NMS in February 2007. The Exchange would begin charging for the AEMI Depth of Book data once all products are trading on the AEMI system and the market data is available for all products. When AEMI is expanded to other product lines, such as options, the Exchange may further amend its fee schedule to include fees for the receipt and use of Amex market data for those products. As the Market Data Fee Schedule details, the Exchange is proposing to assess data access fees and professional and nonprofessional device fees for the AEMI Depth of Book. The Exchange states that these categories of fees are consistent with fees the New York Stock Exchange's (''NYSE'') charges for the receipt and use of their market data through the NYSE OpenBook [5] and the fees proposed to be charged for the NYSE Arca, Inc.'s (''NYSE Arca'') ArcaBook.[6]

- *Data Access Fees. Direct Access.*—The Exchange proposes to impose a monthly fee of $2,000 for a data recipient to gain direct access to the data feeds through which the Exchange makes AEMI market data available.
- *Indirect Access.*—The Exchange proposes to impose a monthly fee of $1,500 for a data recipient to gain indirect access to the data feeds through which the Exchange makes AEMI market data available. ''Indirect access'' refers to access to an AEMI market data

[5] NYSE OpenBook provides information relating to limit orders.

[6] The ArcaBook provides a compilation of all limit orders resident in the NYSE Arca limit order book. *See* Securities Exchange Act Release No. 53952 (June 7, 2006), 71 FR 33496 (June 9, 2006) (notice of filing of proposed rule change for SR–NYSEArca–2006–21).