

Issued in Washington, DC, on this 17th day of November 2006.

**Vincent K. Snowbarger,**

*Interim Director, Pension Benefit Guaranty Corporation.*

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## RAILROAD RETIREMENT BOARD

### Proposed Collection; Comment Request

**SUMMARY:** In accordance with the requirement of Section 3506(c)(2)(A) of the Paperwork Reduction Act of 1995 which provides opportunity for public comment on new or revised data collections, the Railroad Retirement Board (RRB) will publish periodic summaries of proposed data collections.

*Comments are invited on:* (a) Whether the proposed information collection is necessary for the proper performance of the functions of the agency, including whether the information has practical utility; (b) the accuracy of the RRB's estimate of the burden of the collection of the information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden related to the collection of information on respondents, including the use of automated collection techniques or other forms of information technology.

*Title and purpose of information collection:* Appeal Under the Railroad Retirement and Railroad Unemployment Insurance Act; OMB 3220-0007 Under Section 7(b)(3) of the Railroad Retirement Act (RRA), and section 5(c) of the Railroad Unemployment Insurance Act (RUIA) any person aggrieved by a decision on his or her application for an annuity or benefit under that Act has the right to appeal to the RRB. This right is prescribed in 20 CFR 260 and 20 CFR 320. The notification letter sent to the individual at the time of the original action on the application informs the applicant of such right. When an individual protests a decision, the concerned bureau reviews the entire file and any additional evidence submitted and sends the applicant a letter explaining the basis of the determination. The applicant is then notified that if he or she wishes to protest further, they can appeal to the RRB's Bureau of Hearings and Appeals. The procedure pertaining to the filing of such an appeal is prescribed in 20 CFR 260.5 and 260.9 and 20 CFR 320.12 and 320.38.

The form prescribed by the RRB for filing an appeal under the RRA or RUIA is form HA-1, *Appeal Under the*

*Railroad Retirement Act or Railroad Unemployment Insurance Act.* The form asks the applicant to furnish the basis for the appeal and what additional evidence, if any, is to be submitted. Completion is voluntary, however if the information is not provided the RRB cannot process the appeal.

The RRB proposes no changes to Form HA-1. The completion time for the HA-1 is estimated at 20 minutes per response. The RRB estimates that approximately 650 Form HA-1'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](mailto: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](mailto:Ronald.Hodapp@RRB.GOV). Written comments should be received within 60 days of this notice.

**Charles Mierzwa,**

*Clearance Officer.*

[FR Doc. E6-20345 Filed 11-30-06; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[File No. 22-28824]

### Application and Opportunity for Hearing: Software Brokers of America, Inc.

November 27, 2006.

The Securities and Exchange Commission gives notice that Software Brokers of America, Inc. has filed an application under Section 304(d) of the Trust Indenture Act of 1939. Software Brokers of America asks the Commission to exempt from the certificate or opinion delivery requirements of Section 314(d) of the 1939 Act certain provisions of an indenture dated August 25, 2005, as supplemented by an indenture dated October 31, 2006, between Intcomex, Inc., Software Brokers of America, Intcomex Holdings, LLC, Intcomex Holdings SPC-I, LLC, and The Bank of New York, as trustee. The indenture relates to 11¾% Second Priority Senior Secured Notes due 2011.

Section 304(d) of the 1939 Act, in part, authorizes the Commission to exempt conditionally or unconditionally any indenture from one

or more provisions of the 1939 Act. The Commission may provide an exemption under Section 304(d) if it finds that the exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the 1939 Act.

Section 314(d) requires the obligor to furnish to the indenture trustee certificates or opinions of fair value from an engineer, appraiser or other expert upon any release of collateral from the lien of the indenture. The engineer, appraiser or other expert must opine that the proposed release will not impair the security under the indenture in contravention of the provisions of the indenture. The application requests an exemption from Section 314(d) for specified dispositions of collateral that are made in Software Brokers of America's ordinary course of business.

In its application, Software Brokers of America alleges that:

1. The indenture permits Software Brokers of America to dispose of collateral in the ordinary course of its business;

2. Intcomex will deliver to the trustee annual consolidated financial statements audited by certified independent accountants; and

3. Software Brokers of America will deliver to the trustee a semi-annual certificate stating that all dispositions of collateral during the relevant six-month period occurred in Software Brokers of America's ordinary course of business and that all of the proceeds were used as permitted by the indenture.

Any interested persons should look to the application for a more detailed statement of the asserted matters of fact and law. The application is on file in the Commission's Public Reference Section, File Number 22-28824, 100 F Street, NE., Washington, DC 20549.

The Commission also gives notice that any interested persons may request, in writing, that a hearing be held on this matter. Interested persons must submit those requests to the Commission no later than December 27, 2006. Interested persons must include the following in their request for a hearing on this matter:

—The nature of that person's interest; —the reasons for the request; and —the issues of law or fact raised by the application that the interested person desires to refute or request a hearing on.

The interested person should address this request for a hearing to: Nancy M. Morris, Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549-1090. At

any time after December 27, 2006, the Commission may issue an order granting the application, unless the Commission orders a hearing.

For the Commission, by the Division of Corporation Finance, pursuant to delegated authority.

Nancy M. Morris,  
Secretary.

[FR Doc. E6-20310 Filed 11-30-06; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-54816; File No. SR-NSCC-2006-09]

### Self-Regulatory Organizations; National Securities Clearing Corporation; Order Approving Proposed Rule Change To Allow Cash, Next Day, and Seller's Option Equity Trades To Be Processed in the Continuous Net Settlement System and To Modify the Clearing Fund Formula To Mitigate the Risk Associated With the Shorter Settlement Cycle of Cash and Next Day Settling Trades

November 27, 2006.

#### I. Introduction

On July 24, 2006, the National Securities Clearing Corporation ("NSCC") filed with the Securities and Exchange Commission ("Commission") proposed rule change SR-NSCC-2006-09 pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act").<sup>1</sup> Notice of the proposal was published in the **Federal Register** on September 29, 2006.<sup>2</sup> The Commission received no comment letters. For the reasons discussed below, the Commission is approving the proposed rule change.

#### II. Description

NSCC seeks to modify its procedures for equity trade processing to enable cash,<sup>3</sup> next day,<sup>4</sup> and seller's option<sup>5</sup> equity trades received on a locked-in basis from self-regulatory organizations ("SROs") and Qualified Special Representatives ("QSRs") to be processed in NSCC's Continuous Net

Settlement ("CNS") system.<sup>6</sup> NSCC is also proposing to add a new element to its clearing fund formula to cover trades, such as cash and next day settling CNS trades, that settle in less than three days.<sup>7</sup>

#### A. Cash, Next Day, and Seller's Option Equity Trades Processed in CNS

Currently, cash, next day, and seller's option equity trades are recorded or compared, as applicable, and are reported by NSCC to its members but are not settled through NSCC's facilities. Instead these trades currently settle on a trade-for-trade basis directly between counterparties.

When NSCC updated and revised CNS in 2004 (referred to as the "CNS Rewrite"), a major aspect included a new platform for the system that accommodates real-time updates, including the capacity to add trades to the settlement process on a real-time basis for late input into CNS until noon of settlement day.<sup>8</sup> At that time, rule changes were made to permit as-of regular way equity trades, *i.e.*, trades settling on a T+3 basis that are either recorded or compared after trade date, to be submitted to NSCC up to the cut-off time designated by NSCC on T+3 for processing in CNS for settlement on their originally designated settlement dates. Given the system's real-time capabilities, members would now also like to have cash, next day, and seller's option equity trades in CNS-eligible CUSIPS made eligible for processing in CNS. This would provide members with the benefits of netting, automated trade processing, and NSCC's trade guaranty. Accordingly, NSCC proposes to amend its Procedure II (Trade Comparison and Recording Service) to permit cash, next day, and seller's option equity transactions submitted by SROs and QSRs on behalf of members to be processed for settlement through the facilities of NSCC.

Cash trades submitted after the cut-off time designated by NSCC, which is currently 11:30 a.m., would only be recorded and reported by NSCC and would, as is the current situation, have to be settled directly between the parties

outside of NSCC.<sup>9</sup> Next day as-of trades if received prior to the applicable cut-off time, would be processed for settlement on their originally designated settlement date.<sup>10</sup> If such trades were received after the applicable cut-off time, the trade would be assigned the next settlement day for settlement. Seller's option equity trades would be accepted for processing so long as the parties' designated settlement date is not more than 180 days beyond the trade date. Finally, trades that are (i) designated "special trades,"<sup>11</sup> (ii) in non-CNS eligible securities, (iii) in securities undergoing corporate actions, or (iv) scheduled to settle between the ex-dividend date and the record date would continue to be processed on a trade-for-trade basis outside NSCC's facilities.

Conforming changes as needed are also being made to Procedure IV (Special Representative Service), Procedure V (Balance Order Accounting Operation), and Procedure VII (CNS Accounting Operation).

#### B. Shortened Process Trade Component in the Clearing Fund Formula

NSCC is also proposing to modify its clearing fund formula (Procedure XV) by including an additional component that is intended to mitigate the risk associated with trades that are processed on a settlement cycle shorter than three days such as cash and next day settling CNS trades. Because NSCC's trade guaranty would attach to these trades prior to the scheduled collection of clearing fund monies, the proposed new additional component is intended to mitigate risk by calculating an average clearing fund requirement for this type of activity (referred to in the proposed rules and this release as "Specified Activity") based upon historical activity.<sup>12</sup>

Specified Activity positions would be isolated and a charge would be applied using not less than two standard deviations. The new component would equal the average of a member's charges for Specified Activity on the three highest days with the Special Activity charges calculated over the most recent

<sup>9</sup> NSCC announced the 11:30 a.m. cut-off time in its Important Notice A#6220, P&S#5790 (March 23, 2006), which is the same as the current cut-off time for receipt of next day as-of trade input. Any changes to the cut-off times would be announced by NSCC through an Important Notice.

<sup>10</sup> *Id.*

<sup>11</sup> A "special trade" is defined in NSCC's rules to mean a transaction reported to NSCC involving a security either which the parties thereto agree to settle on a member-to-member basis or which NSCC designates as settling on a member-to-member basis.

<sup>12</sup> This component is also being added to Appendix 1.

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

<sup>2</sup> Securities Exchange Act Release No. 54482 (September 22, 2006), 71 FR 57588.

<sup>3</sup> A "cash trade" is a trade that settles on the same day as the trade.

<sup>4</sup> A "next day trade" is a trade that settles on the day after the trade ("T+1").

<sup>5</sup> A "seller's option trade" is a trade that gives the seller the right to deliver the securities on a specified date ranging from not less than two but not more than 180 days after the trade.

<sup>6</sup> Cash and next day trades in debt securities are compared but are not settled through NSCC. NSCC is not at this time seeking to make such trades eligible for CNS.

<sup>7</sup> NSCC plans to implement the proposed rule change in the first quarter of 2007. NSCC will notify the Commission and issue an Important Notice when it is prepared to implement the proposed rule change.

<sup>8</sup> Securities Exchange Act Release No. 50026 (July 15, 2004), 69 FR 43650 [File No. SR-NSCC-2004-01].