

the Adviser, or an affiliated person of the Adviser, other than any advisory fees paid to the Adviser or its affiliated person by the Unaffiliated Fund, in connection with the investment by the Fund of Funds in the Unaffiliated Fund. Any Sub-Adviser will waive fees otherwise payable to the Sub-Adviser, directly or indirectly, by the Fund of Funds in an amount at least equal to any compensation received by the Sub-Adviser, or an affiliated person of the Sub-Adviser, from an Unaffiliated Fund, other than any advisory fees paid to the Sub-Adviser or its affiliated person by the Unaffiliated Investment Company, in connection with the investment by the Fund of Funds in the Unaffiliated Investment Company made at the direction of the Sub-Adviser. In the event that the Sub-Adviser waives fees, the benefit of the waiver will be passed through to the Fund of Funds.

11. With respect to Registered Separate Accounts that invest in a Fund of Funds, no sales load will be charged at the Fund of Funds level or at the Underlying Fund level. Other sales charges and service fees, as defined in NASD Conduct Rule 2830, if any, will be charged at the Fund of Funds level or at the Underlying Fund level, not both. With respect to other investments in a Fund of Funds, any sales charges and/or service fees charged with respect to shares of a Funds of Funds will not exceed the limits applicable to a funds of funds set forth in NASD Conduct Rule 2830.

12. No Underlying Fund will acquire securities of any other investment company or company relying on section 3(c)(1) or 3(c)(7) of the Act in excess of the limits contained in section 12(d)(1)(A) of the Act, except to the extent that such Underlying Fund: (a) Receives securities of another investment company as a dividend or as a result of a plan of reorganization of a company (other than a plan devised for the purpose of evading section 12(d)(1) of the Act); or (b) acquires (or is deemed to have acquired) securities of another investment company pursuant to exemptive relief from the Commission permitting such Underlying Fund to: (i) Acquire securities of one or more affiliated investment companies for short-term cash management purposes, or (ii) engage in interfund borrowing and lending transactions.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

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

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55829; File No. SR-DTC-2006-20]

### Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Modify DTC's Fee Schedule

May 30, 2007.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on December 20, 2006, The Depository Trust Company ("DTC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change described in Items I, II, and III below, which items have been prepared primarily by DTC. DTC filed the proposed rule change pursuant to Section 19(b)(3)(A)(ii) and Rule 19b-4(f)(2) thereunder so that the proposed rule change was effective upon filing with the Commission.<sup>2</sup> The Commission is publishing this notice to solicit comments on the proposed rule change from interested parties.

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

The purpose of the proposed rule change would revise fees for certain services provided by DTC, including (1) decreases to certain fees related to settlement services as part of DTC's continuing efforts to more closely align fees with costs, (2) increases to certain fees related to securities processing, custody and asset servicing, and underwriting services to realign fees with costs, (3) introduction of fees for to discourage certain activities that increase industry inefficiencies, and (4) introduction of new fees related to cost recovery for certain manually intensive services, systems development, or use of Investor's Voluntary Redemptions and Sales Service ("IVORS").<sup>3</sup>

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

In its filing with the Commission, DTC 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. DTC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.<sup>4</sup>

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

DTC is revising its fees for certain services provided by DTC. These changes include (1) Decreases to certain settlement services fees as part of DTC's continuing efforts to more closely align fees with costs and (2) increases to certain fees related to securities processing, custody and asset servicing, and underwriting services to realign fees with costs.

In addition, DTC is implementing fees to discourage activities which increase industry inefficiencies. Changes in these fees for 2007 include fee increases for (1) Withdrawal by transfer (in connection with DTC's continuing efforts to discourage use of physical certificates), (2) deposit services (to encourage the use of the paperless legal deposit services), and (3) custody services (to encourage the elimination of positions in nontransferable securities). DTC is introducing new fees for (1) manually intensive photocopy and research requests performed in the reorganization service, (2) cost recovery relating to the ongoing development of the new issue information dissemination service under DTC's underwriting services, and (3) transactions processed using the rollover feature of the IVORS.<sup>5</sup>

These proposed fee revisions are consistent with DTC's overall pricing philosophy to align service fees with underlying costs, to discourage manual and exception processing, and to encourage immobilization and dematerialization of securities. The effective date for these fee adjustments was January 2, 2007.

DTC believes that the proposed rule change is consistent with the requirements of Section 17A of the Act<sup>6</sup> and the rules and regulations thereunder that are applicable to DTC because it clarifies and updates DTC's fee schedule. As such, the rule change provides for the equitable allocation of fees among its participants.

<sup>4</sup> The Commission has modified the text of the summaries prepared by the DTC.

<sup>5</sup> For more information on the IVORS rollover feature, see Exchange Act Release No. 34-50279 (August 27, 2004) 69 FR 50279 (September 7, 2004) [File No. SR-DTC-2004-08].

<sup>6</sup> 15 U.S.C. 78q-1.

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

<sup>2</sup> 15 U.S.C. 78s(b)(3)(A)(ii) and 17 CFR 240.19b-4(f)(2).

<sup>3</sup> The text of the DTC's specific fee changes is set forth in its filing, which can be found at <http://www.dtc.org/impNtc/mor/index.html#2006>.

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

DTC does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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

No written comments relating to the proposed rule change have been solicited or received. DTC will notify the Commission of any written comments received by the DTC.

### **III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action**

The foregoing rule change has become effective upon filing pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>7</sup> and Rule 19b-4(f)(2)<sup>8</sup> thereunder because it is establishing or changing a due, fee, or other charge applicable only to a participant. At any time within sixty days of the filing of such rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

### **IV. Solicitation of Comments**

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change 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](mailto:rule-comments@sec.gov). Please include File Number SR-DTC-2006-20 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-DTC-2006-20. 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 filings also will be available for inspection and copying at the principal office of DTC and on DTC's Web site, <http://www.dtcc.com>. 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-DTC-2006-20 and should be submitted on or before June 26, 2007.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>9</sup>

**J. Lynn Taylor,**

*Assistant Secretary.*

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### **SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-55830, File No. SR-MSRB-2006-09]**

### **Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Order Approving Proposed Rule Change and Amendment No. 1 Thereto Relating to MSRB Rule G-21, on Advertising, and MSRB Rule G-27, on Supervision**

May 30, 2007.

On November 21, 2006, the Municipal Securities Rulemaking Board ("MSRB"), filed with the Securities and Exchange Commission ("SEC" or "Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change consisting of (i) Amendments to Rule G-21, on

advertising, and Rule G-27, on supervision, and (ii) an interpretation (the "proposed interpretive notice") on general advertising disclosures, blind advertisements and annual reports relating to municipal fund securities. The MSRB amended the proposed rule change on February 12, 2007 ("Amendment No. 1"). The proposed rule change and Amendment No. 1 thereto were published for comment in the **Federal Register** on February 23, 2007.<sup>3</sup> The Commission received one comment letter regarding the proposal.<sup>4</sup> On May 14, 2007, the MSRB filed a response to the comment letter.<sup>5</sup> This order approves the proposed rule change as modified by Amendment No. 1.

The proposed rule change consists of (i) Amendments to Rule G-21, on advertising, and Rule G-27, on supervision, and (ii) an interpretation (the "proposed interpretive notice") on general advertising disclosures, blind advertisements and annual reports relating to municipal fund securities. In 2005, the MSRB adopted new section (e) of Rule G-21 that established specific standards for advertisements by brokers, dealers and municipal securities dealers of municipal fund securities, including interests in 529 college savings plans.<sup>6</sup> This section of the rule was modeled in part on Rule 482 adopted by the SEC under the Securities Act of 1933, as amended, and also codified previous MSRB interpretive guidance on advertisements of municipal fund securities. On May 12, 2006, the MSRB published interpretive guidance on certain elements of amended Rule G-21 as they apply to advertisements of 529 plans.<sup>7</sup>

<sup>3</sup> See Securities Exchange Act Release No. 55302 (February 15, 2007), 72 FR 8222 (February 23, 2007) ("Commission's Notice").

<sup>4</sup> See letter from Jacqueline T. Williams, Chair, College Savings Plans Network, dated March 16, 2007.

<sup>5</sup> See letter from Ernesto A. Lanza, Senior Associate General Counsel, MSRB, to Nancy M. Morris, Secretary, Commission, dated May 14, 2007 ("MSRB's Response Letter").

<sup>6</sup> Municipal fund securities are defined in Rule D-12. 529 college savings plans are established by states under Section 529(b)(A)(ii) of the Internal Revenue Code as "qualified tuition programs" through which individuals make investments for the purpose of accumulating savings for qualifying higher education costs of beneficiaries. Section 529 of the Internal Revenue Code also permits the establishment of so-called prepaid tuition plans by states and higher education institutions. All references to 529 plans are intended to encompass only 529 college savings plans established under Section 529(b)(A)(ii).

<sup>7</sup> See Rule G-21 Interpretive Letter—529 College Savings Plan Advertisements, MSRB Interpretation of May 12, 2006, published in MSRB Notice 2006-13 (May 15, 2006) (the "May 2006 Interpretation"). The proposed rule change supersedes this May 2006 Interpretation.

<sup>7</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>8</sup> 17 CFR 240.19b-4(f)(2).

<sup>9</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.