

SECURITIES AND EXCHANGE COMMISSION

This file is maintained pursuant to the Freedom of Information Act (5 U.S.C. 552). It contains a copy of each decision, order, rule or similar action of the Commission, for April 2007, with respect to which the final votes of individual Members of the Commission are required to be made available for public inspection pursuant to the provisions of that Act.

Unless otherwise noted, each of the following individual Members of the Commission voted affirmatively upon each action of the Commission shown in the file:

CHRISTOPHER COX, CHAIRMAN

CYNTHIA A. GLASSMAN, COMMISSIONER

PAUL S. ATKINS, COMMISSIONER

ROEL C. CAMPOS, COMMISSIONER

ANNETTE L. NAZARETH, COMMISSIONER

2 Documents

ADMINISTRATIVE PROCEEDING
File No. 3-12608

**ORDER INSTITUTING
PROCEEDINGS AND NOTICE
OF HEARING PURSUANT TO
SECTION 12(j) OF THE
SECURITIES EXCHANGE ACT
OF 1934**

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reports since it filed a Form 10-QSB for the period ended March 31, 1999, which reported that the company had a net loss of \$386,989 for that quarter. As of March 26, 2007, the company's common stock (symbol "NCDT") was traded on the over-the-counter markets.

3. Peninsula Holdings Group Ltd. (CIK No. 1108107) is a revoked Nevada corporation located in Boca Raton, Florida with a class of equity securities registered with the Commission pursuant to Exchange Act Section 12(g). Peninsula is delinquent in its periodic filings with the Commission having not filed any periodic reports since it filed a Form 10-KSB for the period ended December 31, 2003, which reported an operating loss of \$2.8 million for fiscal year 2003. The company also failed to make any periodic filings for the periods ended December 31, 2001 through and including September 30, 2003. As of March 26, 2007, the company's common stock (symbol "PHGTA") was traded on the over-the-counter markets.

B. DELINQUENT PERIODIC FILINGS

4. As discussed in more detail above, all of the respondents are delinquent in their periodic filings with the Commission (*see* Chart of Delinquent Filings, attached hereto as Appendix 1), have repeatedly failed to meet their obligations to file timely periodic reports, and failed to heed delinquency letters sent to them by the Division of Corporation Finance requesting compliance with their periodic filing obligations or, through their failure to maintain a valid address on file with the Commission as required by Commission rules, did not receive such letters.

5. Exchange Act Section 13(a) and the rules promulgated thereunder require issuers of securities registered pursuant to Exchange Act Section 12 to file with the Commission current and accurate information in periodic reports, even if the registration is voluntary under Section 12(g). Specifically, Rule 13a-1 requires issuers to file annual reports (Forms 10-K or 10-KSB), and Rule 13a-13 requires issuers to file quarterly reports (Forms 10-Q or 10-QSB).

6. As a result of the foregoing, Respondents failed to comply with Exchange Act Section 13(a) and Rules 13a-1 and 13a-13 thereunder.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate for the protection of investors that public administrative proceedings be instituted to determine:

A. Whether the allegations contained in Section II are true and, in connection therewith, to afford the Respondents an opportunity to establish any defenses to such allegations; and,

B. Whether it is necessary and appropriate for the protection of investors to suspend for a period not exceeding twelve months, or revoke the registration of each

class of securities of the Respondents identified in Section II registered pursuant to Section 12 of the Exchange Act.

IV.

IT IS HEREBY ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice [17 C.F.R. § 201.110].

IT IS HEREBY FURTHER ORDERED that Respondents shall file an Answer to the allegations contained in this Order within ten (10) days after service of this Order, as provided by Rule 220(b) of the Commission's Rules of Practice [17 C.F.R. § 201.220(b)].

If Respondents fail to file the directed Answers, or fail to appear at a hearing after being duly notified, the Respondents may be deemed in default and the proceedings may be determined against it upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f), and 310 of the Commission's Rules of Practice [17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f), and 201.310].

This Order shall be served forthwith upon Respondents personally or by certified, registered, or Express Mail, or by other means of verifiable delivery.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 120 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice [17 C.F.R. § 201.360(a)(2)].

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.


Nancy M. Morris
Secretary

Attachment

Appendix A

Chart of Delinquent Filings In the Matter of *Financialweb.com, Inc., et al.*

Company Name	Form Type	Period Ended	Due Date	Date Received	Months Delinquent (rounded up)
<i>Financialweb.com, Inc.</i>	10-QSB	09/30/00	11/14/00	Not filed	77
	10-KSB	12/31/00	04/02/01	Not filed	72
	10-QSB	03/31/01	05/15/01	Not filed	71
	10-QSB	06/30/01	08/14/01	Not filed	68
	10-QSB	09/30/01	11/14/01	Not filed	65
	10-KSB	12/31/01	04/01/02	Not filed	60
	10-QSB	03/31/02	05/15/02	Not filed	59
	10-QSB	06/30/02	08/14/02	Not filed	56
	10-QSB	09/30/02	11/14/02	Not filed	53
	10-KSB	12/31/02	03/31/03	Not filed	49
	10-QSB	03/31/03	05/15/03	Not filed	47
	10-QSB	06/30/03	08/14/03	Not filed	44
	10-QSB	09/30/03	11/14/03	Not filed	41
	10-KSB	12/31/03	03/30/04	Not filed	37
	10-QSB	03/31/04	05/17/04	Not filed	35
	10-QSB	06/30/04	08/16/04	Not filed	32
	10-QSB	09/30/04	11/15/04	Not filed	29
	10-KSB	12/31/04	03/31/05	Not filed	25
	10-QSB	03/31/05	05/16/05	Not filed	23
	10-QSB	06/30/05	08/15/05	Not filed	20
	10-QSB	09/30/05	11/14/05	Not filed	17
	10-KSB	12/31/05	03/31/06	Not filed	13
	10-QSB	03/31/06	05/15/06	Not filed	11
	10-QSB	06/30/06	08/14/06	Not filed	8
	10-QSB	09/30/06	11/14/06	Not filed	5
	10-KSB	12/31/06	04/02/07	Not filed	0
Total Filings Delinquent	26				
<i>Net Command Tech, Inc.</i>	10-QSB	06/30/99	08/16/99	Not filed	92
	10-QSB	09/30/99	11/15/99	Not filed	89
	10-KSB	12/31/99	03/30/00	Not filed	85
	10-QSB	03/31/00	05/15/00	Not filed	83
	10-QSB	06/30/00	08/14/00	Not filed	80
	10-QSB	09/30/00	11/14/00	Not filed	77
	10-KSB	12/31/00	04/02/01	Not filed	72
	10-QSB	03/31/01	05/15/01	Not filed	71

Company Name	Form Type	Period Ended	Due Date	Date Received	Months Delinquent (rounded up)
Net Command Tech, Inc. (continued)	10-QSB	06/30/01	08/14/01	Not filed	68
	10-QSB	09/30/01	11/14/01	Not filed	65
	10-KSB	12/31/01	04/01/02	Not filed	60
	10-QSB	03/31/02	05/15/02	Not filed	59
	10-QSB	06/30/02	08/14/02	Not filed	56
	10-QSB	09/30/02	11/14/02	Not filed	53
	10-KSB	12/31/02	03/31/03	Not filed	49
	10-QSB	03/31/03	05/15/03	Not filed	47
	10-QSB	06/30/03	08/14/03	Not filed	44
	10-QSB	09/30/03	11/14/03	Not filed	41
	10-KSB	12/31/03	03/30/04	Not filed	37
	10-QSB	03/31/04	05/17/04	Not filed	35
	10-QSB	06/30/04	08/16/04	Not filed	32
	10-QSB	09/30/04	11/15/04	Not filed	29
	10-KSB	12/31/04	03/31/05	Not filed	25
	10-QSB	03/31/05	05/16/05	Not filed	23
	10-QSB	06/30/05	08/15/05	Not filed	20
	10-QSB	09/30/05	11/14/05	Not filed	17
	10-KSB	12/31/05	03/31/06	Not filed	13
	10-QSB	03/31/06	05/15/06	Not filed	11
	10-QSB	06/30/06	08/14/06	Not filed	8
	10-QSB	09/30/06	11/14/06	Not filed	5
	10-KSB	12/31/06	04/02/07	Not filed	0

Total Filings Delinquent 31

Peninsula Holdings Group Ltd.

10-KSB	12/31/01	04/01/02	Not filed	60
10-QSB	03/31/02	05/15/02	Not filed	59
10-QSB	06/30/02	08/14/02	Not filed	56
10-QSB	09/30/02	11/14/02	Not filed	53
10-KSB	12/31/02	03/31/03	Not filed	49
10-QSB	03/31/03	05/15/03	Not filed	47
10-QSB	06/30/03	08/14/03	Not filed	44
10-QSB	09/30/03	11/14/03	Not filed	41
10-KSB	12/31/03	03/30/04	Filed late ¹	8

¹Peninsula Holdings filed its Form 10-KSB for the period ended December 31, 2003 on November 12, 2004.

Company Name	Form Type	Period Ended	Due Date	Date Received	Months Delinquent (rounded up)
Peninsula Holdings Group Ltd. (continued)	10-QSB	03/31/04	05/17/04	Not filed	35
	10-QSB	06/30/04	08/16/04	Not filed	32
	10-QSB	09/30/04	11/15/04	Not filed	29
	10-KSB	12/31/04	03/31/05	Not filed	25
	10-QSB	03/31/05	05/16/05	Not filed	23
	10-QSB	06/30/05	08/15/05	Not filed	20
	10-QSB	09/30/05	11/14/05	Not filed	17
	10-KSB	12/31/05	03/31/06	Not filed	13
	10-QSB	03/31/06	05/15/06	Not filed	11
	10-QSB	06/30/06	08/14/06	Not filed	8
	10-QSB	09/30/06	11/14/06	Not filed	5
	10-KSB	12/31/06	04/02/07	Not filed	0

Total Filings Delinquent 20

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
April 12, 2007

ADMINISTRATIVE PROCEEDING
File No. 3-12617

In the Matter of

Commonwealth Growth Fund II,
Medical Asset Management, Inc.,
NexTech Enterprises
International, Inc.,
Pentagenic Pharmaceuticals, Inc., and
Star Tech Health Services, Inc.,

Respondents.

ORDER INSTITUTING
PROCEEDINGS AND NOTICE
OF HEARING PURSUANT TO
SECTION 12(j) OF THE
SECURITIES EXCHANGE ACT
OF 1934

I.

The Securities and Exchange Commission ("Commission") deems it necessary and appropriate for the protection of investors that public administrative proceedings be, and hereby are, instituted pursuant to Section 12(j) of the Securities Exchange Act of 1934 ("Exchange Act").

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENTS

1. Commonwealth Growth Fund II (CIK No. 810387) is a California limited partnership located in Sacramento, California with a class of equity securities registered with the Commission pursuant to Exchange Act Section 12(g). Commonwealth is delinquent in its periodic filings with the Commission, having not filed a periodic report since it filed a Form 10-Q for the period ended September 30, 1998.

2. Medical Asset Management, Inc. (CIK No. 861822) is a void Delaware corporation located in Laguna Hills, California with a class of equity securities registered with the Commission pursuant to Exchange Act Section 12(g). Medical Asset is delinquent in its periodic filings with the Commission, having not filed a periodic report since it filed a Form 10-QSB for the period ended September 30, 1997, which reported that the company had a net loss of \$2.8 million for the prior three months.

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3. NexTech Enterprises International, Inc. (CIK No. 889662) is a void Delaware corporation located in Westlake Village, California with a class of equity securities registered with the Commission pursuant to Exchange Act Section 12(g). NexTech is delinquent in its periodic filings with the Commission, having not filed any periodic reports since it filed a Form 10-QSB for the period ending December 31, 1997, which reported a net loss from operations of \$1.2 million for the previous nine months.

4. Pentagenic Pharmaceuticals, Inc. (CIK No. 1069480) is a revoked Nevada corporation located in Irwindale, California with a class of equity securities registered with the Commission pursuant to Exchange Act Section 12(g). Pentagenic is delinquent in its periodic filings with the Commission having not filed any periodic reports since it filed a Form 10-SB registration statement on September 16, 1998.

5. Star Tech Health Services, Inc. (CIK No. 1058586) is a revoked Nevada corporation located in Las Vegas, Nevada with a class of equity securities registered with the Commission pursuant to Exchange Act Section 12(g). Star Tech is delinquent in its periodic filings with the Commission, having not filed a periodic report since it filed a Form 10-QSB for the period ended September 30, 1999, which reported a net loss of \$1,710 for the fiscal year ended December 31, 1998.

B. DELINQUENT PERIODIC FILINGS

6. As discussed in more detail above, all of the respondents are delinquent in their periodic filings with the Commission (*see* Chart of Delinquent Filings, attached hereto as Appendix 1), have repeatedly failed to meet their obligations to file timely periodic reports, and failed to heed delinquency letters sent to them by the Division of Corporation Finance requesting compliance with their periodic filing obligations or, through their failure to maintain a valid address on file with the Commission as required by Commission rules, did not receive such letters.

7. Exchange Act Section 13(a) and the rules promulgated thereunder require issuers of securities registered pursuant to Exchange Act Section 12 to file with the Commission current and accurate information in periodic reports, even if the registration is voluntary under Section 12(g). Specifically, Rule 13a-1 requires issuers to file annual reports (Forms 10-K or 10-KSB), and Rule 13a-13 requires issuers to file quarterly reports (Forms 10-Q or 10-QSB).

8. As a result of the foregoing, Respondents failed to comply with Exchange Act Section 13(a) and Rules 13a-1 and 13a-13 thereunder.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate for the protection of investors that public administrative proceedings be instituted to determine:

A. Whether the allegations contained in Section II are true and, in connection therewith, to afford the Respondents an opportunity to establish any defenses to such allegations; and,

B. Whether it is necessary and appropriate for the protection of investors to suspend for a period not exceeding twelve months, or revoke the registration of each class of securities of the Respondents identified in Section II registered pursuant to Section 12 of the Exchange Act.

IV.

IT IS HEREBY ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice [17 C.F.R. § 201.110].

IT IS HEREBY FURTHER ORDERED that Respondents shall file an Answer to the allegations contained in this Order within ten (10) days after service of this Order, as provided by Rule 220(b) of the Commission's Rules of Practice [17 C.F.R. § 201.220(b)].

If Respondents fail to file the directed Answers, or fail to appear at a hearing after being duly notified, the Respondents may be deemed in default and the proceedings may be determined against it upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f), and 310 of the Commission's Rules of Practice [17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f), and 201.310].

This Order shall be served forthwith upon Respondents personally or by certified, registered, or Express Mail, or by other means of verifiable delivery.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 120 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice [17 C.F.R. § 201.360(a)(2)].

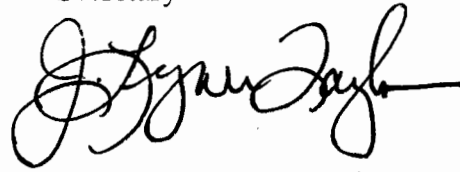
In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section

553 delaying the effective date of any final Commission action.

By the Commission.

Attachment

Nancy M. Morris
Secretary

A handwritten signature in cursive script, appearing to read "J. Lynn Taylor", with a long horizontal flourish extending to the right.

By: J. Lynn Taylor
Assistant Secretary

Appendix I
Chart of Delinquent Filings
In the Matter of Commonwealth Growth Fund II, et al.

Company Name	Form Type	Period Ended	Due Date	Date Received	Months Delinquent (rounded up)
Commonwealth Growth Fund II	10-K	12/31/98	03/31/99	Not filed	96
	10-Q	03/31/99	05/17/99	Not filed	94
	10-Q	06/30/99	08/16/99	Not filed	91
	10-Q	09/30/99	11/15/99	Not filed	88
	10-K	12/31/99	03/30/00	Not filed	84
	10-Q	03/31/00	05/15/00	Not filed	82
	10-Q	06/30/00	08/14/00	Not filed	79
	10-Q	09/30/00	11/14/00	Not filed	76
	10-K	12/31/00	04/02/01	Not filed	71
	10-Q	03/31/01	05/15/01	Not filed	70
	10-Q	06/30/01	08/14/01	Not filed	67
	10-Q	09/30/01	11/14/01	Not filed	64
	10-K	12/31/01	04/01/02	Not filed	59
	10-Q	03/31/02	05/15/02	Not filed	58
	10-Q	06/30/02	08/14/02	Not filed	55
	10-Q	09/30/02	11/14/02	Not filed	52
	10-K	12/31/02	03/31/03	Not filed	48
	10-Q	03/31/03	05/15/03	Not filed	46
	10-Q	06/30/03	08/14/03	Not filed	43
	10-Q	09/30/03	11/14/03	Not filed	40
	10-K	12/31/03	03/30/04	Not filed	36
	10-Q	03/31/04	05/17/04	Not filed	34
	10-Q	06/30/04	08/16/04	Not filed	31
	10-Q	09/30/04	11/15/04	Not filed	28
	10-K	12/31/04	03/31/05	Not filed	24
	10-Q	03/31/05	05/16/05	Not filed	22
	10-Q	06/30/05	08/15/05	Not filed	19
	10-Q	09/30/05	11/14/05	Not filed	16
	10-K	12/31/05	03/31/06	Not filed	12
	10-Q	03/31/06	05/15/06	Not filed	10
	10-Q	06/30/06	08/14/06	Not filed	7
	10-Q	09/30/06	11/14/06	Not filed	4

Company Name	Form Type	Period Ended	Due Date	Date Received	Months Delinquent (rounded up)
Commonwealth Growth Fund II					
	10-K	12/31/06	04/02/07	Not filed	0
Total Filings Delinquent		33			
Medical Asset Management, Inc.					
	10-KSB	12/31/97	03/31/98	Not filed	108
	10-QSB	03/31/98	05/15/98	Not filed	106
	10-QSB	06/30/98	08/14/98	Not filed	103
	10-QSB	09/30/98	11/16/98	Not filed	100
	10-KSB	12/31/98	03/31/99	Not filed	96
	10-QSB	03/31/99	05/17/99	Not filed	94
	10-QSB	06/30/99	08/16/99	Not filed	91
	10-QSB	09/30/99	11/15/99	Not filed	88
	10-KSB	12/31/99	03/30/00	Not filed	84
	10-QSB	03/31/00	05/15/00	Not filed	82
	10-QSB	06/30/00	08/14/00	Not filed	79
	10-QSB	09/30/00	11/14/00	Not filed	76
	10-KSB	12/31/00	04/02/01	Not filed	71
	10-QSB	03/31/01	05/15/01	Not filed	70
	10-QSB	06/30/01	08/14/01	Not filed	67
	10-QSB	09/30/01	11/14/01	Not filed	64
	10-KSB	12/31/01	04/01/02	Not filed	59
	10-QSB	03/31/02	05/15/02	Not filed	58
	10-QSB	06/30/02	08/14/02	Not filed	55
	10-QSB	09/30/02	11/14/02	Not filed	52
	10-KSB	12/31/02	03/31/03	Not filed	48
	10-QSB	03/31/03	05/15/03	Not filed	46
	10-QSB	06/30/03	08/14/03	Not filed	43
	10-QSB	09/30/03	11/14/03	Not filed	40
	10-KSB	12/31/03	03/30/04	Not filed	36
	10-QSB	03/31/04	05/17/04	Not filed	34
	10-QSB	06/30/04	08/16/04	Not filed	31
	10-QSB	09/30/04	11/15/04	Not filed	28
	10-KSB	12/31/04	03/31/05	Not filed	24
	10-QSB	03/31/05	05/16/05	Not filed	22

Company Name	Form Type	Period Ended	Due Date	Date Received	Months Delinquent (rounded up)
	10-QSB	06/30/05	08/15/05	Not filed	19
Medical Asset Management, Inc.					
	10-QSB	09/30/05	11/14/05	Not filed	16
	10-KSB	12/31/05	03/31/06	Not filed	12
	10-QSB	03/31/06	05/15/06	Not filed	10
	10-QSB	06/30/06	08/14/06	Not filed	7
	10-QSB	09/30/06	11/14/06	Not filed	4
	10-KSB	12/31/06	04/02/07	Not filed	0
Total Filings Delinquent		37			

**NexTech
Enterprises**

10-KSB	03/31/98	06/29/98	Not filed	105
10-QSB	06/30/98	08/14/98	Not filed	103
10-QSB	09/30/98	11/16/98	Not filed	100
10-QSB	12/31/98	02/15/99	Not filed	97
10-KSB	03/31/99	06/29/99	Not filed	93
10-QSB	06/30/99	08/16/99	Not filed	91
10-QSB	09/30/99	11/15/99	Not filed	88
10-QSB	12/31/99	02/14/00	Not filed	85
10-KSB	03/31/00	06/29/00	Not filed	81
10-QSB	06/30/00	08/14/00	Not filed	79
10-QSB	09/30/00	11/14/00	Not filed	76
10-QSB	12/31/00	02/14/01	Not filed	73
10-KSB	03/31/01	06/29/01	Not filed	69
10-QSB	06/30/01	08/14/01	Not filed	67
10-QSB	09/30/01	11/14/01	Not filed	64
10-QSB	12/31/01	02/14/02	Not filed	61
10-KSB	03/31/02	07/01/02	Not filed	56
10-QSB	06/30/02	08/14/02	Not filed	55
10-QSB	09/30/02	11/14/02	Not filed	52
10-QSB	12/31/02	02/14/03	Not filed	49
10-KSB	03/31/03	06/30/03	Not filed	45
10-QSB	06/30/03	08/14/03	Not filed	43
10-QSB	09/30/03	11/14/03	Not filed	40
10-QSB	12/31/03	02/16/04	Not filed	37
10-KSB	03/31/04	06/29/04	Not filed	33

Company Name	Form Type	Period Ended	Due Date	Date Received	Months Delinquent (rounded up)
	10-QSB	06/30/04	08/16/04	Not filed	31
	10-QSB	09/30/04	11/15/04	Not filed	28

**NexTech
Enterprises**

10-QSB	12/31/04	02/14/05	Not filed	25
10-KSB	03/31/05	06/29/05	Not filed	21
10-QSB	06/30/05	08/15/05	Not filed	19
10-QSB	09/30/05	11/14/05	Not filed	16
10-QSB	12/31/05	02/14/06	Not filed	13
10-KSB	03/31/06	06/29/06	Not filed	9
10-QSB	06/30/06	08/14/06	Not filed	7
10-QSB	09/30/06	11/14/06	Not filed	4
10-QSB	12/31/06	02/14/07	Not filed	1

Total Filings Delinquent 36

**Pentagenic
Pharmaceuticals,
Inc.**

10-QSB	09/30/98	11/16/98	Not filed	100
10-KSB	12/31/98	03/31/99	Not filed	96
10-QSB	03/31/99	05/17/99	Not filed	94
10-QSB	06/30/99	08/16/99	Not filed	91
10-QSB	09/30/99	11/15/99	Not filed	88
10-KSB	12/31/99	03/30/00	Not filed	84
10-QSB	03/31/00	05/15/00	Not filed	82
10-QSB	06/30/00	08/14/00	Not filed	79
10-QSB	09/30/00	11/14/00	Not filed	76
10-KSB	12/31/00	04/02/01	Not filed	71
10-QSB	03/31/01	05/15/01	Not filed	70
10-QSB	06/30/01	08/14/01	Not filed	67
10-QSB	09/30/01	11/14/01	Not filed	64
10-KSB	12/31/01	04/01/02	Not filed	59
10-QSB	03/31/02	05/15/02	Not filed	58
10-QSB	06/30/02	08/14/02	Not filed	55
10-QSB	09/30/02	11/14/02	Not filed	52
10-KSB	12/31/02	03/31/03	Not filed	48
10-QSB	03/31/03	05/15/03	Not filed	46

Company Name	Form Type	Period Ended	Due Date	Date Received	Months Delinquent (rounded up)
	10-QSB	06/30/03	08/14/03	Not filed	43
	10-QSB	09/30/03	11/14/03	Not filed	40
	10-KSB	12/31/03	03/30/04	Not filed	36
Pentagenic Pharmaceuticals, Inc.					
	10-QSB	03/31/04	05/17/04	Not filed	34
	10-QSB	06/30/04	08/16/04	Not filed	31
	10-QSB	09/30/04	11/15/04	Not filed	28
	10-KSB	12/31/04	03/31/05	Not filed	24
	10-QSB	03/31/05	05/16/05	Not filed	22
	10-QSB	06/30/05	08/15/05	Not filed	19
	10-QSB	09/30/05	11/14/05	Not filed	16
	10-KSB	12/31/05	03/31/06	Not filed	12
	10-QSB	03/31/06	05/15/06	Not filed	10
	10-QSB	06/30/06	08/14/06	Not filed	7
	10-QSB	09/30/06	11/14/06	Not filed	4
	10-KSB	12/31/06	04/02/07	Not filed	0

Total Filings Delinquent 34

Star Tech Health Services, Inc.

10-QSB	06/30/01	08/14/01	Not filed	67
10-QSB	09/30/01	11/14/01	Not filed	64
10-KSB	12/31/01	04/01/02	Not filed	59
10-QSB	03/31/02	05/15/02	Not filed	58
10-QSB	06/30/02	08/14/02	Not filed	55
10-QSB	09/30/02	11/14/02	Not filed	52
10-KSB	12/31/02	03/31/03	Not filed	48
10-QSB	03/31/03	05/15/03	Not filed	46
10-QSB	06/30/03	08/14/03	Not filed	43
10-QSB	09/30/03	11/14/03	Not filed	40
10-KSB	12/31/03	03/30/04	Not filed	36
10-QSB	03/31/04	05/17/04	Not filed	34
10-QSB	06/30/04	08/16/04	Not filed	31
10-QSB	09/30/04	11/15/04	Not filed	28
10-KSB	12/31/04	03/31/05	Not filed	24
10-QSB	03/31/05	05/16/05	Not filed	22

Company Name	Form Type	Period		Date Received	Months
		Ended	Due Date		Delinquent (rounded up)
	<i>10-QSB</i>	06/30/05	08/15/05	Not filed	19
	<i>10-QSB</i>	09/30/05	11/14/05	Not filed	16
	<i>10-KSB</i>	12/31/05	03/31/06	Not filed	12
	<i>10-QSB</i>	03/31/06	05/15/06	Not filed	10
Star Tech Health Services, Inc.					
	<i>10-QSB</i>	06/30/06	08/14/06	Not filed	7
	<i>10-QSB</i>	09/30/06	11/14/06	Not filed	4
	<i>10-KSB</i>	12/31/06	04/02/07	Not filed	0

Total Filings Delinquent 23

SECURITIES AND EXCHANGE COMMISSION

This file is maintained pursuant to the Freedom of Information Act (5 U.S.C. 552). It contains a copy of each decision, order, rule or similar action of the Commission, for April 2007, with respect to which the final votes of individual Members of the Commission are required to be made available for public inspection pursuant to the provisions of that Act.

Unless otherwise noted, each of the following individual Members of the Commission voted affirmatively upon each action of the Commission shown in the file:

CHRISTOPHER COX, CHAIRMAN

PAUL S. ATKINS, COMMISSIONER

ROEL C. CAMPOS, COMMISSIONER

ANNETTE L. NAZARETH, COMMISSIONER

KATHLEEN L. CASEY, COMMISSIONER

21 Documents

*Commissioner Nazareth
Not Participating*

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934

Release No. 55568 / April 2, 2007

ACCOUNTING AND AUDITING ENFORCEMENT

Release No. 2590 / April 2, 2007

ADMINISTRATIVE PROCEEDING

File No. 3-12605

In the Matter of

DANNY EDWARD MOUDY,

Respondent.

**ORDER INSTITUTING CEASE-AND-DESIST
PROCEEDINGS, MAKING FINDINGS, AND
IMPOSING A CEASE-AND-DESIST ORDER
PURSUANT TO SECTION 21C OF THE
SECURITIES EXCHANGE ACT OF 1934**

I.

The Securities and Exchange Commission ("Commission") deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 21C of the Securities Exchange Act of 1934 ("Exchange Act"), against Danny Edward Moudy ("Moudy" or "Respondent").

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the "Offer") which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission's jurisdiction over him and the subject matter of these proceedings, which are admitted, Respondent consents to the entry of this Order Instituting Cease-and-Desist Proceedings, Making Findings, and Imposing a Cease-and-Desist Order Pursuant to Section 21C of the Securities Exchange Act of 1934 ("Order"), as set forth below.

Document 1 of 21

III.

On the basis of this Order and Respondent's Offer, the Commission finds¹ that:

Summary

This matter arises out of certain improper accounting at UCAP, Inc. concerning its fiscal year ended September 30, 2002. At all relevant times, Moudy was UCAP's former chief executive officer ("CEO"), and knew or should have known that UCAP overstated mortgage revenue during fiscal year 2002. Specifically, Moudy caused UCAP to record only half of an adjustment necessary to make the company's financial statements comply with generally accepted accounting principles ("GAAP"). Moudy knew or should have known that failing to record the full mortgage revenue adjustment enabled UCAP to meet improperly a key financial covenant required to save the company's sole line of credit.

Respondent

1. Moudy, 57, of Benton, Arkansas, was UCAP's CEO from approximately November 2001 through May 2003, and again from approximately mid-October 2003 through February 28, 2004. Moudy also served as UCAP's chairman of the board from approximately November 2001 through April 20, 2004.

Other Relevant Entities

2. UCAP, a Colorado corporation, operated a mortgage banking business until it ceased operations on or about April 30, 2004. UCAP operated through its wholly-owned subsidiary, United Capital Mortgage Corporation ("UCMC"). UCMC's principal place of business was in Aurora, Colorado. UCMC filed for bankruptcy protection on November 2, 2004. UCAP's common stock was registered with the Commission pursuant to Section 12(g) of the Exchange Act from 1996 through August 23, 2005, and pursuant to Section 13(a) of the Exchange Act and Rules 13a-1 and 13a-13 thereunder, the company was obligated to file reports on Forms 10-KSB and 10-QSB during that time period. On August 23, 2005, the Commission revoked UCAP's securities registration pursuant to Section 12(j) of the Exchange Act. From July 2002 through August 23, 2005, UCAP's common stock was quoted on www.pinksheets.com, a service of Pink Sheets LLC. Prior to July 2002, it was quoted on the OTC Bulletin Board, a service of the NASDAQ Stock Market, Inc. Neither UCAP nor UCMC have any current operations.

¹ The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

Background

4. UCAP, through its operating subsidiary, UCMC, provided mortgage banking services to consumers nationwide. The company's mortgage revenue consisted of mortgage origination fees (the fees earned when borrowers closed on the loans), and the gain or loss on the sale of mortgages in the secondary market. The company's revenue, therefore, was contingent upon the volume of loans it placed and how quickly it could prepare mortgages for sale in the secondary market.

5. In fiscal years ended September 30, 2002 and 2003, among other things, UCAP planned to increase loan originations in order to increase revenue and the price of UCAP's common stock. UCAP's mortgage business was dependent on UCMC's single line of credit, which funded the mortgages that were originated. Significant increases to the line of credit were necessary to support UCAP's growth. Through its sole lender, the available credit grew from approximately \$30 million in January 2002 to at least \$125 million in September 2002. UCAP's lender required that certain financial covenants be met to maintain the line of credit. With respect to fiscal year 2002, among other things, (a) UCAP's subsidiary, UCMC, was required to maintain a minimum \$5 million tangible net worth; and (b) UCAP and UCMC were required to maintain audited financial statements pursuant to GAAP.

Improper Mortgage Revenue Adjustment

6. As early as fiscal year ended September 30, 2001, UCMC had not been recognizing mortgage revenue in accordance with GAAP. Specifically, UCMC had been recognizing mortgage revenue at the time borrowers closed mortgage loans, rather than when loans were sold in the secondary market as required by GAAP. UCAP's external auditor stated that he requested the company make an adjustment to UCAP's consolidated financial statements for fiscal year 2001 to correct the error. UCAP's auditor was informed that UCAP was in the process of purchasing a computer system that would enable UCMC to more easily track loans from origination through sale in the secondary market, and therefore the revenue recognition problem would be corrected in fiscal year 2002. On that basis, Moudy and others agreed to wait until fiscal year 2002 to address the adjustment. Moudy and others failed, however, to take adequate action to provide reasonable assurances in fiscal year 2002 that UCMC devised and maintained internal controls sufficient to recognize mortgage revenue properly under GAAP while the company was implementing the new computer system.

7. While conducting UCAP's audit field work for the fiscal year ended September 30, 2002, UCAP's auditor determined that UCMC was continuing improperly to recognize mortgage revenue. UCAP's auditor informed Moudy that a \$1.67 million adjustment to revenue was necessary to make UCAP's fiscal year 2002 financial statements comply with GAAP. Moudy at first agreed that the full amount of the revenue error, or \$1.67 million, would be recorded in UCAP's fiscal year 2002 consolidated financial statements in order to comply with GAAP. At an October 22, 2002 board of directors meeting, Moudy discussed the change in accounting for mortgage revenue.

8. Thereafter, at or about the time UCAP's consolidated fiscal year 2002 financial statements were being finalized, Moudy learned that UCMC might be in breach of the lender's \$5 million minimum tangible net worth covenant. In or about early January 2003, Moudy approved recording half of the required \$1.67 million revenue adjustment in UCAP's fiscal year 2002 financial statements and recording half in UCAP's fiscal year 2003 financial statements as a means of meeting the lender's minimum tangible net worth covenant.

9. Moudy knew or should have known that failing to book the full adjustment would not correct the GAAP error in fiscal year 2002. Moudy failed to inform UCAP's board of directors or audit committee that only half the revenue adjustment would be taken.

10. Moudy knew or should have known that recording only half of the required \$1.67 million revenue adjustment was in contravention to GAAP. On January 15, 2003, Moudy caused UCAP's fiscal year 2002 consolidated financial statements, included in UCAP's Form 10-KSB filed with the Commission, to include only half of the necessary \$1.67 million revenue adjustment. As a result, UCAP's 2002 Form 10-KSB understated the company's pre-tax loss by \$378,000 or seven percent.

11. Also on January 15, 2003, Moudy caused UCAP to issue an earnings release for fiscal 2002. Moudy should have known that the release incorrectly reported \$730,000 in pre-tax income, excluding non-recurring restructuring charges, resulting in an overstatement of 107 percent. UCAP should have reported a pre-tax income, excluding non-recurring restructuring charges, of \$353,000.

Legal Discussion

12. Section 13(a) of the Exchange Act and Rule 13a-1 thereunder require all issuers with securities registered under Section 12 of the Exchange Act to file annual reports with the Commission on Form 10-K. These reporting requirements necessarily include the requirement that the issuer supply accurate information. In addition, Rule 12b-20 requires that reports contain such further material information as may be necessary to make the required statements, in light of the circumstances under which they were made, not misleading. As a result of the conduct described above, UCAP violated, and Moudy caused UCAP's violations of, Section 13(a) of the Exchange Act and Rules 12b-20 and 13a-1 thereunder, with respect to UCAP's Form 10-KSB for the fiscal year ended September 30, 2002.

13. Also as a result of the conduct described above, UCAP violated, and Moudy caused UCAP's violations of, Section 13(b)(2)(A) of the Exchange Act, which requires reporting companies to make and keep books, records, and accounts which, in reasonable detail, accurately and fairly reflect their transactions and dispositions of their assets, and Section 13(b)(2)(B), which requires reporting companies to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP.

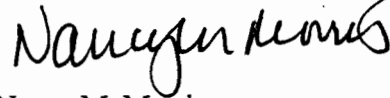
IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondent Moudy's Offer.

Accordingly, it is hereby ORDERED that:

Respondent Moudy cease and desist from causing any violations and any future violations of Sections 13(a), 13(b)(2)(A), and 13(b)(2)(B) of the Exchange Act and Rules 12b-20 and 13a-1 thereunder.

By the Commission.



Nancy M. Morris
Secretary

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
April 3, 2007

ADMINISTRATIVE PROCEEDING
File No. 3-12606

In the Matter of

KENNETH KO,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934
AND NOTICE OF HEARING

I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 ("Exchange Act") against Kenneth Ko ("Respondent").

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. Respondent, 37 years old, is a resident of Arlington Heights, Illinois. From August 1992 through October 1998, Respondent was employed at John Dawson & Associates ("JDAI"), a broker-dealer registered with the Commission, as JDAI's Director of Special Projects and a Managing Director. Respondent was responsible for providing technical support to JDAI employees, servicing computer and network systems used by JDAI's trading operations, serving as a liaison with JDAI's technical vendors and acting as an assistant to JDAI's largest producing broker.

B. RESPONDENT'S CRIMINAL CONVICTION

2. On June 7, 2006, Respondent pled guilty to obstruction of justice under 18 U.S.C. § 1505 before the United States District Court for the Northern District of Illinois, in United States v. Ko, Crim. Indictment No. 1:05-CR-901. On August 26, 2006, a judgment in the criminal case was entered against Ko. He was sentenced to a term of imprisonment for one month and supervised release for a period of two years.

Document 2 of 21

3. The counts of the criminal indictment to which Respondent pled guilty alleged, inter alia, that Respondent corruptly and knowingly endeavored to influence, obstruct and impede the due and proper administration of law before the Commission by knowingly making false statements under oath to Commission staff members investigating JDAI and certain of its officers, directors and employees.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II. are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations; and

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III. hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that the Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If the Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon the Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule

making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.


Nancy M. Morris
Secretary

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934

Release No. 55573 / April 3, 2007

ADMINISTRATIVE PROCEEDING

File No. 3-12607

In the Matter of

ANTHONY COPPOLA,

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS**

I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 ("Exchange Act") against Anthony Coppola ("Respondent").

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the "Offer") which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission's jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions ("Order"), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

Document 3 of 21

1. From 1993 through October 1998, Coppola was employed at John Dawson & Associates ("JDAI"), a broker-dealer registered with the Commission, as JDAI's margin clerk. His responsibilities in that position included handling margin-related issues in the firm's customer and employee accounts and, on occasion, handling issues related to JDAI's proprietary trading accounts.

2. On April 12, 2006, Coppola pled guilty to obstruction of justice under 18 U.S.C. § 1505 before the United States District Court for the Northern District of Illinois, in United States v. Coppola, Crim. Indictment No. 1:04-CR-1009. On July 19, 2006, a judgment in the criminal case was entered against Coppola. He was sentenced to a term of probation for a period of four years and home detention with electronic monitoring for a period of six months.

3. The counts of the criminal indictment to which Coppola pled guilty alleged, inter alia, that Coppola corruptly and knowingly endeavored to influence, obstruct and impede the due and proper administration of law before the Commission by knowingly making false statements under oath to Commission staff members investigating JDAI and certain of its officers, directors and employees.

IV.

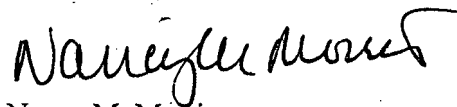
In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Coppola's Offer.

Accordingly, it is hereby ORDERED:

Pursuant to Section 15(b)(6) of the Exchange Act, that Respondent Coppola be, and hereby is barred from association with any broker or dealer.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.


Nancy M. Morris
Secretary

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 55587 / April 5, 2007

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 2593 / April 5, 2007

ADMINISTRATIVE PROCEEDING
File No. 3-12609

In the Matter of

MYRON F. OLESNYCKYJ, ESQ. :

Respondent. :

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO RULE 102(e) OF THE
COMMISSION'S RULES OF
PRACTICE, MAKING FINDINGS, AND
IMPOSING REMEDIAL SANCTIONS

I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted against Myron F. Olesnyckyj ("Respondent" or "Olesnyckyj") pursuant to Rule 102(e)(3)(i) of the Commission's Rules of Practice.¹

II.

¹ Rule 102(e)(3)(i) provides, in relevant part, that:

The Commission, with due regard to the public interest and without preliminary hearing, may, by order, . . . suspend from appearing or practicing before it any . . . attorney . . . who has been by name . . . permanently enjoined by any court of competent jurisdiction, by reason of his or her misconduct in an action brought by the Commission, from violating or aiding and abetting the violation of any provision of the Federal securities laws or of the rules and regulations thereunder.

Document 4 of 21

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the "Offer") which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission's jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.3 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Rule 102(e) of the Commission's Rules of Practice, Making Findings, and Imposing Remedial Sanctions ("Order"), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. Myron F. Olesnyckyj, age 45, is and has been an attorney licensed to practice in the States of New York and New Jersey. He joined Monster Worldwide, Inc. (formerly known as TMP Worldwide, Inc.) ("Monster") as general counsel in 1994. Monster suspended him from his position on September 19, 2006 and permanently terminated his employment on November 21, 2006. Olesnyckyj prepared and/or reviewed Monster's periodic filings, proxy statements and registration statements from at least 1997 through 2006.

2. Monster Worldwide, Inc., formerly known as TMP Worldwide, Inc., was, at all relevant times, a Delaware corporation and parent company of Monster.com, the leading global online careers and recruitment resource. Headquartered in New York with approximately 4,600 employees in 35 countries, Monster is a member of the S&P 500 Index and the NASDAQ 100. At all relevant times, Monster's common stock was registered with the Commission pursuant to Section 12(g) of the Exchange Act and traded on the NASDAQ National Market under the symbol "MNST." The Company's initial public offering of shares of its common stock occurred on December 12, 1996.

3. On March 26, 2007, a final judgment was entered against Olesnyckyj, permanently enjoining him from violating Section 17(a) of the Securities Act of 1933 ("Securities Act"), Sections 10(b), 13(b)(5) and 14(a) of the Exchange Act, and Rules 10b-5, 13b2-1, 13b2-2 and 14a-9 thereunder, and for aiding and abetting violations of Section 13(a), 13(b)(2)(A), and 13(b)(2)(B) of the Exchange Act and Rules 12b-20, 13a-1, 13a-11 and 13a-13 thereunder, in the civil action entitled Securities and Exchange Commission v. Myron F. Olesnyckyj, Civil Action Number 07 Civ. 1176 (HB), in the United States District Court for the Southern District of New York. Olesnyckyj was also prohibited from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act or that is required to file reports pursuant to Section 15(d) of the Exchange Act.

4. The Commission's complaint alleged that, among other things, that no later than 1997, Olesnyckyj and others engaged in a fraudulent scheme to grant undisclosed, in-the-money options to himself and others, by backdating stock option grants to coincide with historically low closing prices for Monster's stock. Olesnyckyj also directed the issuance of options to employees without obtaining approval from Monster's Compensation Committee as required by the terms of

the company's stock option plans and discarded documentation to prevent anyone from being able to detect the fraud. Olesnycky's fraudulent misconduct caused Monster, between fiscal year 1997 and fiscal year 2005, (i) to file materially false and misleading financial statements that materially understated its compensation expenses and materially overstated its quarterly and annual net income and earnings per share, and (ii) to make disclosures in its periodic filings and proxy statements that falsely portrayed Monster's options as having been granted at exercise prices equal to the fair market value of Monster's common stock on the date of the grant. Olesnycky also misled Monster's outside auditors in an attempt to conceal the scheme.

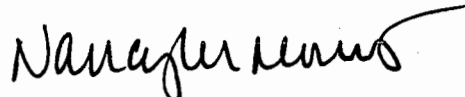
IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanction agreed to in Respondent Olesnycky's Offer.

Accordingly, it is hereby ORDERED, effective immediately, that:

Olesnycky is suspended from appearing or practicing before the Commission as an attorney.

By the Commission.



Nancy M. Morris
Secretary

SECURITIES AND EXCHANGE COMMISSION
Washington D.C.

SECURITIES AND EXCHANGE ACT OF 1934
Rel. No. 55597A / April 6, 2007

Admin. Proc. File No. 3-12229

In the Matter of the Application of

DENNIS A. PEARSON, JR.
13722 Trento Place
San Diego, CA 92130

For Review of Disciplinary Action Taken by

NASD

ORDER DENYING MOTION FOR RECONSIDERATION

On December 11, 2006, we issued an opinion and order dismissing the application for review of NASD disciplinary action filed by Dennis A. Pearson, Jr., formerly a registered representative associated with Intra Network Securities, Inc., a former NASD member firm. 1/ Pearson has filed a timely motion for reconsideration of our opinion and order.

We review Pearson's motion to reconsider under Rule 470 of the Commission's Rules of Practice. 2/ A motion for reconsideration is designed to correct manifest errors of law or fact or to permit the presentation of newly discovered evidence. 3/ Pearson's motion does not meet the

1/ Dennis A. Pearson, Jr., Securities Exchange Act Rel No. 54913 (Dec. 11, 2006), __ SEC Docket ____.


2/ 17 C.F.R. § 201.470.

3/ Leslie A. Arouh, Securities Exchange Act. Rel. No. 51254 (Feb. 25, 2005), 84 SEC Docket 3652, 3653. See also KPMG Peat Marwick LLP, Order Denying Request for Reconsideration, 55 S.E.C. 1, 3 n.7 (2001) (specifying that efficiency and fairness concerns embodied in federal court practice of rejecting motions for reconsideration unless correction of manifest errors of law or fact or presentation of newly discovered evidence is sought "likewise inform our review of motions for reconsideration under Rule 470").

rigorous standard required and thus affords no basis for reconsideration of our opinion and order. 4/

Accordingly, IT IS ORDERED that the motion for reconsideration filed by Dennis A. Pearson, Jr. be, and it hereby is, DENIED.

By the Commission.


Nancy M. Morris
Secretary

4/ Compare Robert Sayegh, Order Granting Request for Reconsideration, 54 S.E.C. 289 (1999) (granting motion for reconsideration in order to take into account change in applicable law).

Commissioner Nazareth
Not Participating

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
April 9, 2007

ADMINISTRATIVE PROCEEDING
File No. 3-12611

In the Matter of

GEOFFREY BROD,

Respondent.

ORDER INSTITUTING ADMINISTRATIVE
AND CEASE-AND-DESIST PROCEEDINGS
PURSUANT TO SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940
AND SECTIONS 9(b) AND 9(f) OF THE
INVESTMENT COMPANY ACT OF 1940

I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 203(f) of the Investment Advisers Act of 1940 ("Advisers Act") and Sections 9(b) and 9(f) of the Investment Company Act of 1940 ("Investment Company Act") against Geoffrey Brod ("Respondent" or "Brod").

II.

After an investigation, the Division of Enforcement alleges that:

Summary

1. This matter involves antifraud and reporting violations resulting from undisclosed personal stock trading by Geoffrey Brod, a former portfolio manager at Aeltus Investment Management, LLC (now known as ING Investment Management Co.), an investment adviser to certain mutual funds. From 1999 through 2003, Brod engaged in active personal short-term trading in stocks of public companies, including stock held or to be acquired by mutual funds under his management. During this period, Brod executed about 3,500 personal trades in stocks and made approximately \$410,000 in profit from these trades. Yet Brod concealed the trades by failing to disclose them as required by Commission Rules and Aeltus' Code of Ethics and by falsifying internal reports. As a result, Brod willfully violated certain antifraud and reporting provisions of the Investment Company Act and rules thereunder.

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A. RESPONDENT

2. Geoffrey Brod, 64, resides in Avon, Connecticut. From 1996 to 2003, Brod was a portfolio manager at Aeltus Investment Management, LLC, an investment adviser registered with the Commission. From 1996 to 2001, Brod managed the portfolios of several investment companies registered with the Commission and advised by Aeltus. From 2001 to 2003, Brod managed a hedge fund affiliated with Aeltus. Aeltus terminated Brod in 2003.

B. OTHER RELEVANT ENTITY

3. Aeltus Investment Management, LLC (now known as ING Investment Management Co.) is an investment adviser registered with the Commission since January 7, 1973. Located in Hartford, Connecticut, it currently manages both ING mutual funds that are registered with the Commission as investment companies as well as private client accounts. As of September 1, 2005, Aeltus managed nearly \$60 billion in assets. It was a wholly-owned subsidiary of Aetna, Inc. until December 2000, when it became an indirect wholly-owned subsidiary of ING Group. Aeltus changed its name to "ING Investment Management Co." in July 2004, but it will be referred to throughout this Order as "Aeltus" because that was the name of the entity during the period of the violations alleged.

C. BROD'S STOCK TRADING ACTIVITY

4. From 1999 through 2003, Brod engaged in active personal short-term trading in public company stocks, including stocks of companies held or to be acquired by mutual funds under his management. During this period, Brod had daily access to the holdings of mutual funds he managed and their purchases and sales of publicly traded securities. Brod's trading methodology dictated an extremely short-term trading pattern. From 1999 through 2003, Brod executed approximately 3,500 personal trades in stocks, and the holding period was usually two to seven days. Brod made about \$410,000 in profit from these trades.

5. The Commission's rules required Brod to submit to Aeltus quarterly and annual reports of his personal securities transactions during the quarter or the year. In addition, Aeltus' Code of Ethics, which applied to Brod, contained further restrictions on when and how Brod could trade in securities. Aeltus' Code of Ethics (i) required pre-clearance of all securities trades by portfolio managers, (ii) prohibited "Frequent Securities Transactions," which the code defined as more than 30 securities transactions in a quarter, (iii) prohibited short-term trading and required a holding period of 60 days to avoid conflicts of interest, (iv) required quarterly and annual reporting of all securities transactions and holdings, and (v) required annual certification of compliance with the Code. Aeltus' compliance department conducted annual NASD compliance meetings, in which employees were educated about, and reminded of, their obligations related to insider trading, personal trading, and outside business activities. Brod attended the annual compliance meeting from 1999 to 2003.

6. From 1999 through 2003, Brod engaged in active personal short-term trading in stocks, without complying with the Commission's reporting requirements and Aeltus' Code of Ethics. He never pre-cleared or reported his trades, and never complied with the 60-day holding period requirement. In addition, Brod submitted false quarterly and annual reports to Aeltus stating that he had no securities transactions or securities holdings to report for the periods, and falsely certified his annual compliance with Aeltus' Code of Ethics.

7. Brod did not comply with the Commission's reporting requirements or Aeltus' Code of Ethics because this would have prevented him from using his short-term trading strategy.

D. VIOLATIONS

8. Section 17(j) of the Investment Company Act prohibits persons affiliated with a registered investment company (a "fund" such as a mutual fund) from engaging in any acts, practices, or courses of business in connection with the purchase or sale of a security held or to be acquired by the fund that violate the Commission's rules adopted to prevent fraud. Rule 17j-1(b) (formerly Rule 17j-1(a))¹ makes it unlawful for persons affiliated with a fund to, among other things, make material misrepresentations or omissions to the fund. Rule 17j-1(d) (formerly Rule 17j-1(c)) further requires that persons employed by an investment adviser who have access to a fund's portfolio must timely submit reports regarding personal securities trading.

9. As a result of the conduct described above, Brod willfully violated Section 17(j) of the Investment Company Act and Rule 17j-1(b) (formerly Rule 17j-1(a)) thereunder. With access to important information about mutual funds he managed, Brod made, but did not disclose, thousands of transactions in public securities, including many stocks held or acquired by the funds that he managed. In addition, by submitting false quarterly and annual securities transactions reports and falsely certifying his compliance with Aeltus' Code of Ethics between 1999 and 2003, Brod made misrepresentations and omissions to the mutual funds he managed.

10. Also as a result of the conduct described above, Brod willfully violated Section 17(j) of the Investment Company Act and Rule 17j-1(d) (formerly Rule 17j-1(c)) thereunder by failing to report thousands of securities transactions that he was required to report given his access to the mutual funds' portfolios.

¹ Rule 17j-1 was amended in 1999 (effective on March 6, 2000). See Personal Investment Activities of Investment Company Personnel, Securities Act Rel. No. 7728 (Aug. 27, 1999). Brod's conduct prior to March 3, 2000 would violate the previously designated provisions of Rule 17j-1, which are referenced in parentheses.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative and cease-and-desist proceedings be instituted to determine:

A. Whether the allegations set forth in Section II are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 9(b) of the Investment Company Act and Section 203(f) of the Advisers Act including, but not limited to, civil penalties pursuant to Section 9(d) of the Investment Company Act and Section 203(i)(1)(A) of the Advisers Act; and

C. Whether, pursuant to Section 9(f) of the Investment Company Act, Respondent should be ordered to cease and desist from committing or causing violations of and any future violations of Section 17(j) of the Investment Company Act and Rules 17j-1(b) and 17j-1(d) thereunder and whether Respondent should be ordered to pay disgorgement pursuant to Section 9(f)(5) of the Investment Company Act and Section 203(j) of the Advisers Act.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened not earlier than 30 days and not later than 60 days from service of this Order at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

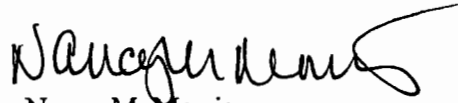
If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 300 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice, 17 C.F.R. § 201.360(a)(2).

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.



Nancy M. Morris
Secretary

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II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the "Offer") which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission's jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.3. below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Rule 102(e) of the Commission's Rules of Practice, Making Findings, and Imposing Remedial Sanctions ("Order"), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. Vinson, age 47, of Fort Worth, Texas, is an attorney licensed in Texas. From October 2003 through January 29, 2004, Vinson was president and chairman of the board of directors of Moliris Corp. ("Moliris"). From January 29, 2004 through August 2005, Vinson functioned as the *de facto* principal executive and principal financial officer of Moliris.
2. Moliris, now known as Digifonica International Corp.,² is a Florida corporation with its corporate offices, at relevant times, in Fort Worth, Texas. Moliris's common stock is registered with the Commission under Section 12(g) of the Exchange Act. Between October 2003 and August 2005, Moliris was controlled by Vinson and Clyde R. Parks. Except for a brief period between November 2003 and July 2004 in which Moliris manufactured corrugated boxes, it was essentially a public shell company with little or no operations.
3. On December 6, 2006, the Commission filed a complaint against Vinson in SEC v. Lindsey P. Vinson and Clyde R. Parks (Civil Action No. 3-06CV2240-D, USDC, N. D. Tx., Dallas Div.). On December 11, 2006, the court entered a final judgment ("Judgment") permanently enjoining Vinson, by consent, from future violations of Sections 10(b) and 13(b)(5) of the Exchange Act and Rules 10b-5, 13b2-1 and 13b2-2 thereunder, and aiding and abetting violations of Sections 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act and Rules 12b-20, 13a-1 and 13a-13 thereunder. Vinson was also ordered to pay \$200,597 in disgorgement of ill-gotten gains, plus prejudgment interest of \$29,321, among other relief. Pursuant to the Judgment, Vinson was also ordered to pay a civil penalty in the amount of \$200,000, prohibited from acting as an officer or director of any U.S. public company, and prohibited from participating in any penny stock offerings.
4. The Commission's complaint alleged that from about October 2003 through August 2005, Vinson, who had been previously enjoined by a federal court from violating the federal

² Effective July 5, 2006, the company changed its name to "Digifonica International Corp." For purposes of this Offer, any reference to "Moliris" should also be construed as a reference to Digifonica International Corp.


securities laws, with the assistance of Parks: (a) concealed Vinson's control of Moliris, (b) approved the filing of false and misleading Commission reports, and (c) in an attempt to profit from his activities, arranged for Moliris's stock to be listed and publicly traded on the OTC Bulletin Board ("OTC-BB") without disclosing his continuing role at Moliris, his SEC disciplinary background and his prior bankruptcies. After having obtained the OTC-BB listing, Vinson participated in the public release of false information regarding a change in Moliris's line of business and its business prospects. While engaging in the alleged misconduct, Vinson used Moliris's bank accounts to pay a variety of personal expenses.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanction agreed to in Respondent Vinson's Offer.

Accordingly, it is hereby ORDERED, effective immediately, that Vinson is suspended from appearing or practicing as an attorney before the Commission.

By the Commission.


Nancy M. Morris
Secretary

Commissioner Nazareth
Not Participating

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

April 11, 2007

ADMINISTRATIVE PROCEEDING
File No. 3-12614

In the Matter of

PARK FINANCIAL GROUP,
INC. and GORDON C.
CANTLEY,

Respondents.

ORDER INSTITUTING PUBLIC
ADMINISTRATIVE AND CEASE-AND-
DESIST PROCEEDINGS PURSUANT TO
SECTIONS 15(b) AND 21C OF THE
SECURITIES EXCHANGE ACT OF 1934

I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934 ("Exchange Act") against Park Financial Group, Inc. ("Park") and Gordon C. Cantley (collectively "Respondents").

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENTS

1. Park, a Winter Park, Florida broker-dealer, has been registered with the Commission since 1992 and is a member of the National Association of Securities Dealers ("NASD"). Over the course of the past 9 years, the NASD has brought numerous actions against Park for failing to comply with various broker-dealer regulations.

2. Cantley, 42, resides in Cocoa Beach, Florida. Cantley is president and owner of Park. He is also Park's financial operations principal and oversees the firm's trading department.

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B. OTHER RELEVANT INDIVIDUAL AND ENTITIES

3. Spear & Jackson, Inc., is a Nevada corporation incorporated in 1998. It is the surviving entity of a September 2002 reverse merger between Spear & Jackson and Megapro Tools, Inc. ("Megapro"), a Canadian-based tool company. Spear & Jackson is in the business of manufacturing and distributing a variety of garden and household tools. Spear & Jackson's common stock is registered with the Commission pursuant to Section 12(g) of the Exchange Act. From February 2002 to July 2003 ("relevant time period"), Spear & Jackson was quoted on the OTC Bulletin Board, and its principal offices were located in Boca Raton, Florida.

4. Dennis P. Crowley, 42, resides in Highland Beach, Florida. During the relevant time period, Crowley was Spear & Jackson's CEO, chairman of its board of directors, and owner of more than 50% of its outstanding common stock. Crowley, a former registered representative, was permanently barred from association with any NASD member in 1991.

5. International Media Solutions, LLC ("IMS"), now defunct, was formerly a privately held Florida limited liability company incorporated in 2003 with its headquarters in Longwood, Florida. IMS purported to be an investor relations firm and promoted Spear & Jackson securities during the relevant time period. IMS was never registered with the Commission in any capacity.

C. BACKGROUND

6. Beginning about January of 2002, Crowley engaged in a pump-and-dump scheme involving the securities of Spear & Jackson. Initially, Crowley secretly acquired approximately 800,000 shares of Megapro securities through the filing of a false Form S-8 and other fraudulent transfers. In September 2002, Crowley orchestrated and self-funded Megapro's acquisition of Spear & Jackson through a reverse merger in which Spear & Jackson emerged as the surviving entity. After the merger, Crowley became Spear & Jackson's president and chief executive officer and his secretly acquired Megapro shares became Spear & Jackson shares.

7. In February 2002, Crowley retained IMS to promote the stock of first Megapro and later Spear & Jackson to brokers and traders through the dissemination of false and misleading information intended to inflate artificially share prices. Crowley compensated IMS with large blocks of Spear & Jackson stock which he transferred from accounts he controlled and that were maintained at Park to an IMS brokerage account at Park. This promotion continued through July 2003. As discussed in more detail below, Crowley sold large amounts of his fraudulently obtained stock, reaping approximately \$2.5 million in personal profits.

8. On April 15, 2004, the Commission filed an emergency civil action against Spear & Jackson, Crowley, IMS, and IMS' principals, alleging violations of the antifraud, registration, reporting, and disclosure provisions of the federal securities laws. The District Court for the Southern District of Florida entered temporary restraining orders against all defendants, removed Crowley from his position as chief executive officer of Spear & Jackson, and appointed a corporate monitor to oversee and approve all corporate actions at the company.

9. In February and September of 2005, the court entered final judgments by consent against all of the defendants, and entered permanent injunctions against each. The defendants consented to the relief without admitting or denying the Commission's allegations. The court ordered Crowley to pay disgorgement and civil penalties in excess of \$6 million and imposed on Crowley an officer-and-director bar, a penny stock bar, and a Form S-8 stock bar that prohibits Crowley from owning or receiving S-8 issued securities. The Court also ordered IMS to pay disgorgement in excess of \$2 million, and each of its two principals to pay disgorgement and civil penalties in excess of \$420,000.

D. THE INVOLVEMENT OF PARK AND CANTLEY

10. Around the same time that Crowley began fraudulently acquiring Megapro shares, three companies located in the British Virgin Islands ("BVI Companies") opened brokerage accounts at Park. Although individuals other than Crowley opened the accounts and had trading authority, the BVI Companies were, in fact, nominees clandestinely controlled by Crowley.

11. The BVI Companies' accounts were unusual for Park and Cantley in several respects. First, Park rarely serviced foreign-based accounts. Second, the BVI Companies' accounts were opened over the telephone or by mail, and no one at Park, including Cantley, ever met any of the directors who allegedly controlled the accounts. Third, unlike most accounts maintained at Park, the BVI Companies' accounts required the written approval of at least two authorized individuals before any transaction could occur. Crowley was not one of those authorized people.

12. Also around this time, Crowley opened several corporate brokerage accounts at Park with Cantley. Previously, IMS had opened an account at Park, and IMS referred the BVI Companies to Park. At all relevant times, Cantley was the registered representative on the accounts of the BVI Companies, Crowley, and IMS.

13. In early 2002, Park began making a market in Megapro. Cantley oversaw Park's market making in Megapro, and subsequently Spear & Jackson. Cantley conducted and updated due diligence on Megapro and Spear & Jackson, including collecting all of their filings with the Commission and staying up-to-date with earnings releases and management issues. As a market maker, Park, through Cantley, closely monitored the share price of Megapro and Spear & Jackson and was aware of the sharp increase in price between January 2002 and July 2003, from approximately \$2 to almost \$16 per share on volume that often exceeded 100,000 shares per day.

14. Concurrent with the price and volume increase, the BVI Companies, through their Park accounts, began heavily trading in Spear & Jackson stock. During the relevant time period, the BVI Companies engaged in more than 200 transactions in Spear & Jackson stock, often selling shares on a daily basis, for an aggregate total sale of almost one million shares. Spear & Jackson was the only stock in which the BVI Companies traded during the relevant time period.

15. In the midst of this massive selling, Crowley called Park and Cantley on several occasions and gave him sell orders for the BVI Companies' accounts, which Park and Cantley

filled. One of the listed signatories on the BVI Companies' accounts purportedly told Cantley over the telephone that Crowley was authorized to trade in the accounts.

16. Cantley and Park executed Crowley's trade orders despite knowing that: the BVI Companies' account documents on file with Park required written approval from two authorized signatories to trade; Crowley was not an authorized signatory on any of the BVI Companies' accounts; Park's own written supervisory procedures required written authorization from any customer who grants third-party trading authority over the account; Crowley was the CEO of Spear & Jackson; Crowley only ordered trades in Spear & Jackson for the BVI Companies' accounts; and Crowley did not make a single trade in Spear & Jackson stock on any of the corporate accounts on which he was the listed owner, trader, or beneficiary, even though he was regularly calling Cantley for updates on Spear & Jackson's share price.

17. During this same time, Cantley and Park also knew that: the BVI Companies were transferring large amounts of Spear & Jackson stock to IMS' account; IMS was a stock promoter typically compensated for its services with stock; IMS was promoting Spear & Jackson; and Spear & Jackson's stock price was soaring.

18. In spite of these obvious red flags, Park and Cantley continued to effect transactions in the securities of Spear & Jackson for the BVI Companies' accounts.

D. FAILURE TO FILE SUSPICIOUS ACTIVITY REPORTS (SARs)

19. In April 2002, Congress passed the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001. The Patriot Act amended provisions of the Currency and Foreign Transactions Reporting Act of 1970 (commonly known as the "Bank Secrecy Act") and substantially expanded a broker-dealer's obligations to detect and prevent money laundering. The regulations implementing the Bank Secrecy Act mandate that, effective December 31, 2002, broker-dealers report suspicious transactions by filing a Suspicious Activity Report ("SAR") with the Financial Crimes Enforcement Network ("FinCEN") to report any transaction (or a pattern of transactions of which the transaction is a part) involving or aggregating to at least \$5,000 that it "knows, suspects, or has reason to suspect:" (1) involves funds derived from illegal activity or is conducted to disguise funds derived from illegal activities; (2) is designed to evade any requirements of the Bank Secrecy Act; (3) has no business or apparent lawful purpose and the broker-dealer knows of no reasonable explanation for the transaction after examining the available facts; or (4) involves use of the broker-dealer to facilitate criminal activity. 31 C.F.R. § 103.19(a)(2).

20. The failure to file a SAR as required by 31 C.F.R. § 103.19 is a violation of Section 17(a) of the Exchange Act and Rule 17a-8 thereunder, and is enforceable by the Commission.

21. From December 31, 2002 through July 2003, the three BVI Companies' brokerage accounts made approximately 98 transactions in Spear & Jackson securities that each totaled more than \$5,000. This included 9 share transfers to IMS, a stock promoter that Park knew was actively

promoting Spear & Jackson. These nine transfers involved more than 240,000 shares of Spear & Jackson stock worth in excess of \$1.2 million.

22. These nine large share transfers, as well as the remaining eighty-nine BVI Companies' sales of Spear & Jackson stock, were suspicious in many respects. As previously discussed, the BVI Companies' accounts were among only a few foreign-based accounts that Park maintained. The BVI Companies traded only in Spear & Jackson stock, and Spear & Jackson's CEO directed some of the trading, even though the account documents did not authorize him to trade in the accounts, and Park's own supervisory procedures required written authorization from any customer who grants third-party trading authority over the account. The nine share transfers were to a known stock promoter, which Park knew was actively promoting Spear & Jackson. All ninety-eight of the transfers and sales took place concurrent with unexplained sharp increases in the price and volume of Spear & Jackson's stock. Based on the information available to Park, the firm had reason to suspect that the transactions in Spear & Jackson stock occurring through the three BVI Companies' brokerage accounts involved the type of conduct that required the firm to generate and file a SAR.

23. Even though the SAR requirement did not become effective until December 31, 2002, in the months prior to the effective date, Park's compliance officer generated multiple SARs relating to in-house transfers of shares from the BVI Companies to IMS. He provided those reports to Cantley, who did not file them with FinCEN. The fact that the compliance officer generated the reports provided yet another red flag Park and Cantley ignored, and should have prompted Park and Cantley to generate and file SARs for the identical transactions (i.e., the nine share transfers to IMS discussed above) that occurred after the filing of SARs became mandatory.

E. VIOLATIONS

24. As a result of the conduct described above, Park and Cantley willfully aided and abetted and caused Crowley's violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. Additionally, Park willfully violated, and Cantley willfully aided and abetted and caused violations of, Section 17(a) of the Exchange Act and Rule 17a-8 thereunder.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative and cease-and-desist proceedings be instituted to determine:

A. Whether the allegations set forth in Section II. are true and, in connection therewith, to afford Respondents an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against Park pursuant to Section 15(b)(4) of the Exchange Act and against Cantley pursuant to Section 15(b)(6) of the Exchange Act including, but not limited to, disgorgement and civil penalties pursuant to Section 21B of the Exchange Act; and

C. Whether, pursuant to Section 21C of the Exchange Act, Respondents should be ordered to cease and desist from committing or causing violations of and any future violations of Sections 10(b) and 17(a) of the Exchange Act and Rules 10b-5 and 17a-8 thereunder and whether Respondents should be ordered to pay disgorgement pursuant to Section 21C(e) of the Exchange Act.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III. hereof shall be convened not earlier than 30 days and not later than 60 days from service of this Order at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondents shall file Answers to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondents fail to file the directed answers, or fail to appear at a hearing after being duly notified, the Respondents may be deemed in default and the proceedings may be determined against them upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 221(f) and 201.310.


This Order shall be served forthwith upon Respondents personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 300 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Nancy M. Morris
Secretary


By: Jill M. Peterson
Assistant Secretary

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

Commissioner Nazareth
Not Participating

SECURITIES EXCHANGE ACT OF 1934
Release No. 55622 / April 12, 2007

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 2595 / April 12, 2007

ADMINISTRATIVE PROCEEDING
File No. 3-12615

In the Matter of

JIMMY LYNN BRADLEY (CPA),

Respondent.

ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO RULE
102(e) OF THE COMMISSION'S RULES OF
PRACTICE, MAKING FINDINGS, AND
IMPOSING REMEDIAL SANCTIONS

I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted against Jimmy Lynn Bradley ("Respondent" or "Bradley") pursuant to Rule 102(e)(3)(i) of the Commission's Rules of Practice.¹

¹ Rule 102(e)(3)(i) provides, in relevant part, that:

The Commission, with due regard to the public interest and without preliminary hearing, may, by order, . . . suspend from appearing or practicing before it any . . . accountant . . . who has been by name . . . permanently enjoined by any court of competent jurisdiction, by reason of his or her misconduct in an action brought by the Commission, from violating or aiding and abetting the violation of any provision of the Federal securities laws or of the rules and regulations thereunder.

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II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the "Offer") which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission's jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.3. below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Rule 102(e) of the Commission's Rules of Practice, Making Findings, and Imposing Remedial Sanctions ("Order"), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. Bradley, age 44, is a resident of Katy, Texas. At all relevant times, he was a certified public accountant ("CPA") licensed in Arkansas. Bradley served as chief financial officer of UCAP, Inc. ("UCAP") from approximately March 2001 through May 2003 and again from October 2003 through April 2004. Bradley also served as a UCAP director from October 30, 2003 through April 20, 2004.

2. At all relevant times, UCAP was a Colorado corporation with its principal place of business in Aurora, Colorado. UCAP operated a mortgage banking business until it ceased operations on approximately April 30, 2004. UCAP's common stock was registered with the Commission pursuant to Section 12(g) of the Securities Exchange Act of 1934 ("Exchange Act") from 1996 through August 23, 2005, and the company was required to file reports with the Commission on Forms 10-KSB and 10-QSB. At all relevant times, UCAP's common stock traded in the Pink Sheets (on www.pinksheets.com, a service of Pink Sheets LLC). On August 23, 2005, the Commission revoked UCAP's securities registration pursuant to Section 12(j) of the Exchange Act.

3. On March 29, 2007, the Commission filed a complaint against Cole in SEC v. Jimmy Lynn Bradley, et al., Civil Action No. 07-CV-00629 (MSK), United States District Court for the District of Colorado. On April 9, 2007, the court entered an order permanently enjoining Bradley, by consent, from future violations of Sections 10(b) and 13(b)(5) of the Exchange Act and Rules 10b-5, 13a-14 and 13b2-1 thereunder, and from aiding and abetting violations of Sections 13(a) and 13(b)(2) of the Exchange Act and Rules 12b-20 and 13a-1 thereunder. The court further ordered that Bradley be barred from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act or that is required to file reports pursuant to Section 15(d) of the Exchange Act.

4. The Commission's complaint alleged, among other things, that Bradley knowingly allowed UCAP fraudulently to overstate revenue by recording only half of a revenue adjustment necessary to make UCAP's financial statements comply with generally accepted accounting

principles ("GAAP") and to overstate the value of real estate. Together, these machinations enabled UCAP to meet falsely a key financial covenant required to save the company's sole line of credit. Additionally, Bradley knowingly allowed UCAP to record revenue from a real estate transaction with a related party and fail to record an expense for a settlement agreement between UCAP and a third party. Moreover, on January 15, 2003, Bradley certified falsely UCAP's 2002 Form 10-KSB and filed it with the Commission. As a result, UCAP's financial statements for the annual period ended September 30, 2002 understated the company's pre-tax net loss by over \$1.8 million, or 26 percent, and were therefore false and misleading.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanction agreed to in Respondent Bradley's Offer.

Accordingly, it is hereby ORDERED, effective immediately, that:

A. Bradley is suspended from appearing or practicing before the Commission as an accountant.

B. After five years from the date of this order, Respondent may request that the Commission consider his reinstatement by submitting an application (attention: Office of the Chief Accountant) to resume appearing or practicing before the Commission as:

1. a preparer or reviewer, or a person responsible for the preparation or review, of any public company's financial statements that are filed with the Commission. Such an application must satisfy the Commission that Respondent's work in his practice before the Commission will be reviewed either by the independent audit committee of the public company for which he works or in some other acceptable manner, as long as he practices before the Commission in this capacity; and/or

2. an independent accountant. Such an application must satisfy the Commission that:

- (a) Respondent, or the public accounting firm with which he is associated, is registered with the Public Company Accounting Oversight Board ("Board") in accordance with the Sarbanes-Oxley Act of 2002, and such registration continues to be effective;

- (b) Respondent, or the registered public accounting firm with which he is associated, has been inspected by the Board and that inspection did not identify any criticisms of or potential defects in the Respondent's or the firm's quality control system that would indicate that the Respondent will not receive appropriate supervision;

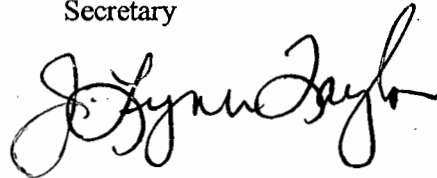
- (c) Respondent has resolved all disciplinary issues with the Board, and has complied with all terms and conditions of any sanctions imposed by the Board (other than reinstatement by the Commission); and

(d) Respondent acknowledges his responsibility, as long as Respondent appears or practices before the Commission as an independent accountant, to comply with all requirements of the Commission and the Board, including, but not limited to, all requirements relating to registration, inspections, concurring partner reviews and quality control standards.

C. The Commission will consider an application by Respondent to resume appearing or practicing before the Commission provided that his state CPA license is current and he has resolved all other disciplinary issues with the applicable state boards of accountancy. However, if state licensure is dependant on reinstatement by the Commission, the Commission will consider an application on its other merits. The Commission's review may include consideration of, in addition to the matters referenced above, any other matters relating to Respondent's character, integrity, professional conduct, or qualifications to appear or practice before the Commission.

By the Commission.

Nancy M. Morris
Secretary

A handwritten signature in cursive script, appearing to read "J. Lynn Taylor".

By: J. Lynn Taylor
Assistant Secretary

Commissioner Nazareth
Not Participating

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934

Release No. 55623 / April 12, 2007

ACCOUNTING AND AUDITING ENFORCEMENT

Release No. 2596 / April 12, 2007

ADMINISTRATIVE PROCEEDING

File No. 3-12616

In the Matter of

LESLEY DON COLE (CPA),

Respondent.

ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO RULE
102(e) OF THE COMMISSION'S RULES OF
PRACTICE, MAKING FINDINGS, AND
IMPOSING REMEDIAL SANCTIONS

I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted against Lesley Don Cole ("Respondent" or "Cole") pursuant to Rule 102(e)(3)(i) of the Commission's Rules of Practice.¹

¹ Rule 102(e)(3)(i) provides, in relevant part, that:

The Commission, with due regard to the public interest and without preliminary hearing, may, by order, . . . suspend from appearing or practicing before it any . . . accountant . . . who has been by name . . . permanently enjoined by any court of competent jurisdiction, by reason of his or her misconduct in an action brought by the Commission, from violating or aiding and abetting the violation of any provision of the Federal securities laws or of the rules and regulations thereunder.

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II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the "Offer") which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission's jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.3. below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Rule 102(e) of the Commission's Rules of Practice, Making Findings, and Imposing Remedial Sanctions ("Order"), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. Cole, age 46, of Roland, Arkansas, was employed as an audit partner with Moore Stephens Frost, PLC ("Moore Stephens") from approximately December 1989 until April 2003. Cole is currently a partner with Huffman Webb Smith & Cole, PLC, an accounting firm located in Little Rock, Arkansas. Cole is licensed as a CPA in Arkansas, Alabama, and Georgia. He registered as a CPA in Oklahoma.

2. At all relevant times, UCAP was a Colorado corporation with its principal place of business in Aurora, Colorado. UCAP operated a mortgage banking business until it ceased operations on approximately April 30, 2004. UCAP's common stock was registered with the Commission pursuant to Section 12(g) of the Securities Exchange Act of 1934 ("Exchange Act") from 1996 through August 23, 2005, and the company was required to file reports with the Commission on Forms 10-KSB and 10-QSB. At all relevant times, UCAP's common stock traded in the Pink Sheets (on www.pinksheets.com, a service of Pink Sheets LLC). On August 23, 2005, the Commission revoked UCAP's securities registration pursuant to Section 12(j) of the Exchange Act.

3. On March 29, 2007, the Commission filed a complaint against Cole in SEC v. Jimmy Lynn Bradley, et al., Civil Action No. 07-CV-00629 (MSK), United States District Court for the District of Colorado. On April 9, 2007, the court entered an order permanently enjoining Cole, by consent, from future violations of Section 10(b) of the Exchange Act and Rules 10b-5 and 13b2-1 thereunder, and from aiding and abetting violations of Sections 13(a) and 13(b)(2)(A) of the Exchange Act and Rules 12b-20 and 13a-1 thereunder. The court further ordered that Cole pay a \$25,000 civil penalty.

4. The Commission's complaint alleged, among other things, that Cole knowingly allowed UCAP fraudulently to overstate revenue by recording only half of a revenue adjustment necessary to make UCAP's financial statements comply with generally accepted accounting principles ("GAAP") and to overstate the value of real estate. Together, these actions enabled UCAP to meet falsely a key financial covenant required to save the company's sole line of

credit. Additionally, the Commission's complaint alleged that Cole knowingly allowed UCAP to record revenue from a real estate transaction with a related party and fail to record an expense for a settlement agreement between UCAP and a third party. Some of the terms and conditions of the settlement agreement were contained in UCAP's 2002 Form 10-KSB, but the financial statements did not contain an accrual for the liability. Moreover, the Commission's complaint alleged that Cole caused Moore Stephens to issue an unqualified audit report, falsely stating that the audit had been performed in accordance with generally accepted auditing standards, and that the financial statements were free of material misstatements and were presented in conformity with GAAP. As a result, UCAP's financial statements for the annual period ended September 30, 2002 understated the company's pre-tax net loss by over \$1.8 million, or 26 percent, and were therefore false and misleading.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanction agreed to in Respondent Cole's Offer.

Accordingly, it is hereby ORDERED, effective immediately, that:

A. Cole is suspended from appearing or practicing before the Commission as an accountant.

B. After five years from the date of this order, Respondent may request that the Commission consider his reinstatement by submitting an application (attention: Office of the Chief Accountant) to resume appearing or practicing before the Commission as:

1. a preparer or reviewer, or a person responsible for the preparation or review, of any public company's financial statements that are filed with the Commission. Such an application must satisfy the Commission that Respondent's work in his practice before the Commission will be reviewed either by the independent audit committee of the public company for which he works or in some other acceptable manner, as long as he practices before the Commission in this capacity; and/or

2. an independent accountant. Such an application must satisfy the Commission that:

(a) Respondent, or the public accounting firm with which he is associated, is registered with the Public Company Accounting Oversight Board ("Board") in accordance with the Sarbanes-Oxley Act of 2002, and such registration continues to be effective;

(b) Respondent, or the registered public accounting firm with which he is associated, has been inspected by the Board and that inspection did not identify any criticisms of or potential defects in the Respondent's or the firm's quality control system that would indicate that the Respondent will not receive appropriate supervision;

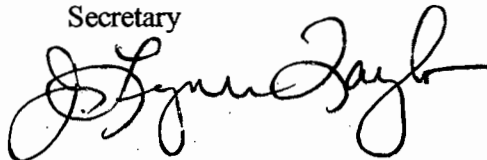
(c) Respondent has resolved all disciplinary issues with the Board, and has complied with all terms and conditions of any sanctions imposed by the Board (other than reinstatement by the Commission); and

(d) Respondent acknowledges his responsibility, as long as Respondent appears or practices before the Commission as an independent accountant, to comply with all requirements of the Commission and the Board, including, but not limited to, all requirements relating to registration, inspections, concurring partner reviews and quality control standards.

C. The Commission will consider an application by Respondent to resume appearing or practicing before the Commission provided that his state CPA license is current and he has resolved all other disciplinary issues with the applicable state boards of accountancy. However, if state licensure is dependant on reinstatement by the Commission, the Commission will consider an application on its other merits. The Commission's review may include consideration of, in addition to the matters referenced above, any other matters relating to Respondent's character, integrity, professional conduct, or qualifications to appear or practice before the Commission.

By the Commission.

Nancy M. Morris
Secretary

A handwritten signature in cursive script, appearing to read "J. Lynn Taylor".

By: J. Lynn Taylor
Assistant Secretary

/

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

April 13, 2007

**IN THE MATTER OF CERTAIN
COMPANIES QUOTED ON THE
PINK SHEETS:**

**ORDER OF SUSPENSION
OF TRADING**

**Amerossi EC Inc.
Irwin Resources, Inc.
Peopleline Telecom, Inc.**

File No. 500-1

It appears to the Securities and Exchange Commission that there is a lack of current and accurate information concerning the securities of the issuers listed below. As set forth below for each issuer, questions have arisen regarding the adequacy and accuracy of publicly disseminated information concerning, among other things: (1) the companies' assets, (2) the companies' business operations, (3) the companies' current financial condition, and/or (4) financing arrangements involving the issuance of the companies' shares.

1. **Amerossi EC Inc.** is a Wyoming company with offices in Bangkok, Thailand. Questions have arisen regarding the adequacy and accuracy of press releases concerning the company's operations.
2. **Irwin Resources, Inc.**, is a Delaware company with offices in Vancouver, British Columbia, Canada. Questions have arisen regarding the adequacy and accuracy of press releases concerning the company's current financial condition, management, operations, and transactions involving the issuance of the company's shares.
3. **Peopleline Telecom, Inc.** is a Nevada company based in Los Angeles, California. Questions have arisen regarding the adequacy and accuracy of press releases concerning the company's operations and concerning stock promoting activity.

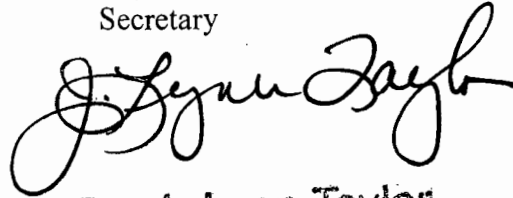
The Commission is of the opinion that the public interest and the protection of investors require a suspension of trading in the securities of the companies listed above.

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Therefore, it is ordered, pursuant to Section 12(k) of the Securities Exchange Act of 1934, that trading in the securities of the companies listed above is suspended for the period from 9:30 a.m. EDT, April 13, 2007, through 11:59 p.m. EDT, on April 26, 2007.

By the Commission.

Nancy M. Morris
Secretary

A handwritten signature in black ink, appearing to read "J. Lynn Taylor", written in a cursive style.

By: J. Lynn Taylor
Assistant Secretary

Chaitman Cox
Not Participating

ADMINISTRATIVE PROCEEDING
FILE NO. 3-12559

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION
April 17, 2007

In the Matter of

TRAUTMAN WASSERMAN & COMPANY, INC.,
GREGORY O. TRAUTMAN,
SAMUEL M. WASSERMAN,
MARK BARBERA,
JAMES A. WILSON, JR.,
JEROME SNYDER,
and
FORDE H. PRIGOT

ORDER GRANTING
INTERIM STAY

On February 5, 2007, the Commission filed an Order Instituting Proceedings ("OIP") against Trautman Wasserman & Company, Inc., Gregory O. Trautman, Samuel M. Wasserman, Mark Barbera, James A. Wilson, Jr., Jerome Snyder, and Forde H. Prigot (together, "Respondents"). The OIP alleged that Respondents engaged in late trading and deceptive market timing that resulted in numerous violations of the securities laws. The OIP authorized public administrative and cease-and-desist proceedings against Respondents, which included, as relevant to this Order, cease-and-desist proceedings against Barbera under Section 8A of the Securities Act of 1933, Section 21C of the Securities Exchange Act of 1934, and Section 9(f) of the Investment Company Act of 1940. 1/ The OIP also seeks cease-and-desist relief against the other six respondents under varying combinations of statutory authority. 2/ A hearing in this matter is scheduled to commence on June 4, 2007.

1/ 15 U.S.C. §§ 77h-1, 78u-3, 80a-9(f).

2/ The OIP seeks cease-and-desist relief under Securities Act Section 8A and Exchange Act Section 21C against Trautman Wasserman & Company, Inc.; under Securities Act Section 8A, Exchange Act Section 21C, and Investment Company Act Section 9(f) against Trautman, Wasserman, Wilson, and Barbera; and under Exchange Act Section 21C against Snyder and Prigot.

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Several procedural issues have arisen during the conduct of this proceeding before the law judge, many of which relate to the fact that respondent Wilson is a defendant in parallel criminal proceedings in New York. On March 13, 2007, the law judge granted an application by the Attorney General of the State of New York ("NYAG"), made pursuant to Rule of Practice 210(c)(3), 3/ to stay the proceeding until the conclusion of a parallel criminal proceeding against respondent Wilson. However, the law judge lifted the stay by order dated March 23, 2007 in response to an argument by Respondent Barbera that Exchange Act Section 21C(b) provides that "[t]he notice instituting proceedings . . . shall fix a hearing date not earlier than 30 days nor later than 60 days after service of the notice unless an earlier or later date is set by the Commission with the consent of any respondent so served." 4/

On March 28, 2007, the Division of Enforcement ("Division") notified the law judge by letter that it intended to file a motion with the Commission to withdraw those portions of the OIP that seek cease-and-desist relief against Barbera. In a letter of the same date, the NYAG, supported by the Division, requested that the law judge reconsider her decision to lift the stay. Barbera opposed those motions and reiterated his request for a hearing within sixty days of service of the OIP.

On March 30, 2007, the law judge issued an order following a prehearing conference. In her order, the law judge noted that, during the conference, she had denied the NYAG's request for reconsideration of her decision to lift the stay. 5/ The law judge also stated that, during this conference, all Respondents except Barbera objected to commencing the hearing within sixty days and voiced concerns that the April 13 hearing date would not allow them sufficient time to review the large number of documents they expected to receive eventually from the NYAG and to prepare their defenses. The law judge ordered that the April 13, 2007 hearing be rescheduled to June 4, 2007, and that the Division confer with the NYAG and make available to Respondents those portions of the investigative file that the NYAG believes can be disclosed "without damaging prosecution of the parallel criminal case," which "should include all material the NYAG has provided to Wilson."

-
- 3/ 17 C.F.R. § 201.210(c)(3). Rule 210(c)(3) provides that the Commission or hearing officer may grant criminal prosecutorial authorities leave to participate in a proceeding on a limited basis for the purpose of requesting a stay during the pendency of a criminal investigation or prosecution arising out of the same or similar facts at issue in the administrative proceeding, upon a showing that such a stay is "in the public interest or for the protection of investors."
- 4/ 15 U.S.C. § 78u-3(b). Securities Act Section 8A(b), 15 U.S.C. § 77h-1(b), and Investment Company Act Section 9(f)(2), 15 U.S.C. § 80a-9(f)(2), contain identical requirements.
- 5/ Pursuant to Rule 161(c)(2), 17 C.F.R. § 201.161(c)(2), the law judge also granted a joint motion by the Division and respondent Snyder to stay the proceedings as to Snyder to permit the Commission time to consider Snyder's recent settlement offer.

On April 5, 2007, the NYAG notified the law judge by letter that Wilson had pleaded guilty to one felony charge in New York State Supreme Court and that sentencing was scheduled for June 7, 2007. On April 9, 2007, the law judge issued an order ("Order") denying a request by the NYAG to adjourn the administrative proceeding until June 25, 2007, when Wilson will likely have been sentenced. In her Order, the law judge required that the Division make its complete investigative file available to Respondents, reasoning that, because Wilson had already pleaded guilty, revelation of the Division's entire investigative file no longer posed a danger to the NYAG's criminal case. The law judge's Order did not specify a date by which the Division was required to provide its files to Respondents, suggesting that the Division is under an immediate obligation to do so.

The law judge's Order also required that Respondent Barbera receive a hearing on April 13, 2007, a date sixty days after service of the OIP. On April 10, 2007, the Division filed a motion before the Commission seeking to withdraw the cease-and-desist proceedings against Barbera, arguing that withdrawal of those proceedings would permit the Division to proceed against all respondents at one hearing, thereby avoiding substantial prejudice to the Division's case-in-chief. The same day, the law judge issued an order cancelling Barbera's April 13 hearing and confirming that a hearing as to all respondents would commence on June 4, 2007.

Also on April 10, 2007, the NYAG filed a motion with the Commission requesting an "emergency stay" of the proceeding. The NYAG argues that until a defendant is sentenced, the proceedings against him are not final because the defendant may, at any time before sentencing, withdraw his plea and force the prosecution to try his case. The NYAG seeks an immediate stay of this proceeding and requests that the Commission review the order issued by the law judge on March 23 lifting a stay she had previously entered for the NYAG under Rule 210(c)(3) as well as her April 9 Order requiring full disclosure of the Division's investigative file. The NYAG argues that a stay of the administrative proceeding is in the public interest under Rule 210(c)(3). It also argues that immediate revelation of the Division's entire investigative file could "seriously jeopardize" the NYAG's criminal case, which "depends upon testimony and exhibits not yet disclosed to the respondents in this Administrative Proceeding, but which would of necessity become part of a Commission's hearing if it were to proceed ahead of the criminal case."

Respondents have not had the opportunity to respond to the NYAG's or the Division's motions. Respondent Barbera has indicated that he plans to file responses by April 19 and 20, 2007, respectively. We have determined under Rule of Practice 401 to order an interim stay to maintain the status quo ante pending our review of the pending motions and any responses

thereto. 6/ Under the circumstances, a brief, interim stay – which will permit us to consider and more fully evaluate the issues involved – would serve the public interest. 7/

Accordingly, it is ORDERED that the administrative proceedings against all Respondents and any discovery in connection with those proceedings be, and they hereby are, stayed pending consideration by the Commission of the motion by the New York Attorney General to stay the proceeding pending criminal proceedings against Wilson and the motion by the Division of Enforcement to withdraw cease-and-desist proceedings against Barbera.

By the Commission.


Nancy M. Morris
Secretary

6/ 17 C.F.R. § 201.401. Rule 401(b), 17 C.F.R. § 201.401(b), states that the Commission "may grant a stay in whole or in part, and may condition relief under this rule upon such terms, or upon the implementation of such procedures, as it deems appropriate."

7/ We emphasize that our determination to grant this interim stay should not be interpreted as suggesting that we have decided any matter regarding the merits of the motions submitted by any party in this proceeding.

SECURITIES AND EXCHANGE COMMISSION

17 CFR Part 230

[Release No. 33-8791; File No. S7-18-06]

RIN 3235-AJ73

COVERED SECURITIES PURSUANT TO SECTION 18 OF THE SECURITIES ACT OF 1933

AGENCY: Securities and Exchange Commission.

ACTION: Final rule.

SUMMARY: The Securities and Exchange Commission ("SEC" or "Commission") is adopting an amendment to a rule under Section 18 of the Securities Act of 1933 ("Securities Act") to designate securities listed, or authorized for listing, on the Nasdaq Capital Market tier of The NASDAQ Stock Market LLC ("Nasdaq") as covered securities for purposes of Section 18 of the Securities Act. Covered securities under Section 18 of the Securities Act are exempt from state law registration requirements. The Commission also is making a correction to the rule text to conform it to the language of Section 18 of the Securities Act.

EFFECTIVE DATE: [Insert date that is 30 days from the date of publication in the Federal Register]

FOR FURTHER INFORMATION CONTACT: Heather Seidel, Assistant Director, (202) 551-5608, Hong-anh Tran, Special Counsel, (202) 551-5637, or Michou Nguyen, Special Counsel, (202) 551-5634, Division of Market Regulation ("Division"), Commission, 100 F Street, NE, Washington, DC 20549-6628.

SUPPLEMENTARY INFORMATION:

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I. Introduction

In 1996, Congress amended Section 18 of the Securities Act to exempt from state registration requirements securities listed, or authorized for listing, on the New York Stock Exchange LLC ("NYSE"), the American Stock Exchange LLC ("Amex"), or the National Market System of The NASDAQ Stock Market LLC ("Nasdaq/NGM")¹ (collectively, the "Named Markets"), or any national securities exchange designated by the Commission to have substantially similar listing standards to those markets.² More specifically, Section 18(a) of the Securities Act provides that "no law, rule, regulation, or order, or other administrative action of any State . . . requiring, or with respect to, registration or qualification of securities . . . shall directly or indirectly apply to a security that – (A) is a covered security."³ Covered securities are defined in Section 18(b)(1) of the Securities Act to include those securities listed, or authorized for listing, on the Named Markets, or securities listed, or authorized for listing, on a national securities exchange (or tier or segment thereof) that has listing standards that the Commission determines by rule are "substantially similar" to the Named Markets.⁴

Pursuant to Section 18(b)(1)(B) of the Securities Act, the Commission adopted

¹ As of July 1, 2006, the National Market System of The NASDAQ Stock Market LLC is known as the Nasdaq Global Market. See Securities Exchange Act Release Nos. 53799 (May 12, 2006), 71 FR 29195 (May 19, 2006) and 54071 (June 29, 2006), 71 FR 38922 (July 10, 2006).

² See National Securities Markets Improvement Act of 1996, Pub. L. No. 104-290, 110 Stat. 3416 (October 11, 1996).

³ 15 U.S.C. 77r(a).

⁴ 15 U.S.C. 77r(b)(1)(A) and (B). In addition, securities of the same issuer that are equal in seniority or senior to a security listed on a Named Market or national securities exchange designated by the Commission as having substantially similar listing standards to a Named Market are covered securities for purposes of Section 18 of the Securities Act. 15 U.S.C. 77r(b)(1)(C).

Rule 146.⁵ Rule 146(b) lists those national securities exchanges, or segments or tiers thereof, that the Commission has determined to have listing standards substantially similar to those of the Named Markets and thus securities listed on such exchanges are deemed covered securities.⁶

Nasdaq has petitioned the Commission to amend Rule 146(b) to determine that its listing standards for securities listed on the Nasdaq Capital Market ("NCM")⁷ are substantially similar to those of the Named Markets and, accordingly, that securities listed pursuant to such listing standards are covered securities for purposes of Section 18(b) of the Securities Act.⁸

On November 22, 2006, the Commission issued a release proposing to amend Rule 146(b) to designate securities listed on the NCM as covered securities for purposes of Section 18(a) of the Securities Act.⁹ The Commission received seven comment letters,

⁵ Securities Exchange Act Release No. 39542 (January 13, 1998), 63 FR 3032 (January 21, 1998) (determining that the listing standards of the Chicago Board Options Exchange, Incorporated ("CBOE"), Tier 1 of the Pacific Exchange, Inc. ("PCX") (now known as NYSE Arca, Inc.), and Tier 1 of the Philadelphia Stock Exchange, Inc. ("Phlx") were substantially similar to those of the Named Markets and that securities listed pursuant to those standards would be deemed covered securities for purposes of Section 18 of the Securities Act). In 2004, the Commission amended Rule 146(b) to designate options listed on the International Securities Exchange, Inc. ("ISE") (now known as the International Securities Exchange, LLC) as covered securities for purposes of Section 18(b) of the Securities Act.

⁶ 17 CFR 230.146(b).

⁷ The Nasdaq Capital Market was previously named the Nasdaq SmallCap Market.

⁸ See letter from Edward S. Knight, Executive Vice President and General Counsel, Nasdaq, to Nancy M. Morris, Secretary, Commission, dated March 1, 2006 (File No. 4 - 513) ("Nasdaq Petition").

⁹ Securities Act Release No. 8754 (November 16, 2006), 71 FR 67762 (November 22, 2006) ("Proposing Release").

all expressing overall support for the Nasdaq Petition.¹⁰ In connection with its petition, Nasdaq filed a proposed rule change to amend its quantitative listing standards for NCM securities to make its NCM listing standards substantially similar to the Named Markets.¹¹ On April 18, 2007, the Commission approved this proposed rule change.¹²

Based on the approved changes to the NCM listing standards and after careful comparison, the Commission concludes that the listing standards of the NCM are substantially similar to the listing standards of the Named Markets. Accordingly, the Commission today is amending Rule 146(b) to designate securities listed, or authorized for listing, on the NCM as covered securities under Section 18(b)(1) of the Securities

¹⁰ See letter to Nancy M. Morris, Secretary, Commission, from Alan M. Parness, Vice Chair, State Regulation of Securities Committee of the American Bar Association Section of Business Law ("ABA Committee"), dated April 3, 2006 ("ABA Committee April 3rd Letter"); letter to Nancy M. Morris, Secretary, Commission, from Patricia D. Struck, The North American Securities Administrator's Association ("NASAA") President and Wisconsin Securities Administrator, dated March 29, 2006 ("NASAA March 29th Letter"); electronic mail to Robert L.D. Colby, Acting Director, Division, Commission, from Randall Schumann, Legal Counsel, Wisconsin DFI-Division of Securities, NASAA Corporation Finance Section Member, dated June 1, 2006; letter to Nancy M. Morris, Secretary, Commission, from Alan M. Parness, Vice Chair, ABA Committee, dated December 20, 2006 ("ABA Committee December 20th Letter"); letter to Nancy M. Morris, Secretary, Commission, from Joseph P. Borg, NASAA President and Director, Alabama Securities Commission, dated December 21, 2006 ("NASAA December 21st Letter"); letter to Nancy M. Morris, Secretary, Commission, from Joseph P. Borg, NASAA President and Director, Alabama Securities Commission, dated December 21, 2006 ("NASAA Supplemental Letter"); and letter to Nancy M. Morris, Secretary, Commission, from Phillip B. Kennedy, Esq., Gaeta & Eveson, P.A., dated December 19, 2006 ("Kennedy Letter"). In addition, the Commission's Advisory Committee on Smaller Public Companies recommended on April 23, 2006 that the Commission make NCM stocks "covered securities." SEC Advisory Committee on Smaller Public Companies, Final Report, at 97-100 (2006).

¹¹ See Securities Exchange Act Release Nos. 54378 (August 28, 2006) ("Nasdaq Proposed Rule Change"), 71 FR 52351 (September 5, 2006).

¹² Securities Exchange Act Release No. 55642 (April 18, 2007) ("NCM Listing Standard Amendments").

Act.¹³ Amending Rule 146(b) to include securities listed, or authorized for listing, on the NCM as covered securities will exempt those securities from state registration requirements as set forth under Section 18(a) of the Securities Act.¹⁴

II. Amendment to Rule 146(b) to Include Nasdaq NCM Securities

Under Section 18(b)(1)(B) of the Securities Act,¹⁵ the Commission has the authority to compare the listing standards of a petitioner with those of the NYSE, Amex, or Nasdaq/NGM. The Commission initially compared Nasdaq's listing standards for all NCM securities with only one of the Named Markets. If the listing standards in a particular category did not meet the standards of that market, the Commission compared the petitioner's standards to the other two Named Markets.¹⁶ In addition, the Commission interpreted the "substantially similar" standard to require listing standards at least as comprehensive as those of the Named Markets.¹⁷ If a petitioner's listing standards are higher than the Named Markets, then the Commission still determined that the petitioner's listing standards are substantially similar to the Named Markets. Finally, the Commission notes that differences in language or approach would not necessarily lead to a determination that the listing standards of the petitioner are not substantially similar to those of a Named Market.

¹³ 15 U.S.C. 77r(b)(1).

¹⁴ 15 U.S.C. 77r(a).

¹⁵ 15 U.S.C. 77r(b)(1)(A).

¹⁶ This approach is consistent with the approach that the Commission has previously taken. See Securities Act Release Nos. 7422 (June 9, 1997), 62 FR 32705 (June 17, 1997) and 7494 (January 13, 1998), 63 FR 3032 (January 21, 1998).

¹⁷ Securities Act Release No. 7422, supra note 16.

The Commission has reviewed the NCM's listing standards, as amended,¹⁸ and, for the reasons discussed below, believes that the standards are substantially similar to those of the Named Markets. Accordingly, the Commission is amending Rule 146(b) to include securities listed, or authorized for listing, on the NCM. Because the Commission believes Nasdaq's qualitative listing standards for NCM securities are identical to the qualitative listing standards for Nasdaq/NGM securities,¹⁹ the discussion below focuses on the NCM quantitative listing standards.

A. Common Stock

As discussed in the Proposing Release, the Commission preliminarily believed that some, but not all, of the requirements in Nasdaq's then-existing quantitative initial listing standards for common stock listing on the NCM were substantially similar to those of Amex's common stock listing standards. The NCM Listing Standard Amendments modify those NCM initial listing standards for common stock to require an issuer to have:

- Shareholder's equity of \$4 million and net income from continuing operations of \$750,000 in the most recently completed fiscal year or in two of the last three most recently completed fiscal years, and a market value of publicly held shares of \$5 million;
- Shareholder's equity of \$4 million, a market value of listed securities of \$50 million, and a market value of publicly held shares of \$15 million; or

¹⁸ See NCM Listing Standard Amendments, supra, note 12.

¹⁹ Such qualitative listing standards relate to, among other things, the number of independent directors required, conflicts of interest, composition of the audit committee, executive compensation, shareholder meeting requirements, voting rights, quorum, code of conduct, proxies, shareholder approval of certain corporate actions, and the annual and interim reports requirements. See Nasdaq Rule 4350.

- Shareholder's equity of \$5 million, a two-year operating history, and a market value of publicly held shares of \$15 million.²⁰

In light of these rule changes, the Commission finds the NCM initial listing standards for common stock to be substantially similar to those of Amex.

The Commission finds that the continued listing requirements for common stock listed on the NCM, while not identical, are substantially similar to those of Amex.

Amex's delisting criteria are triggered by poor financial condition or operating results of the issuer.²¹ Specifically, Amex will consider delisting an equity issue if: (i) stockholders' equity is less than \$2 million and such issuer has sustained losses from continuing operations and/or net losses in two of its three most recent fiscal years; (ii) stockholders' equity is less than \$4 million and such issuer has sustained losses from continuing operations and/or net losses in three of its four most recent fiscal years; (iii) stockholders' equity is less than \$6 million if such issuer has sustained losses from continuing operations and/or net losses in its five most recent fiscal years; or (iv) the issuer has sustained losses which are so substantial in relation to its overall operations or its existing financial resources, or its financial condition has become so impaired that it appears questionable, in the opinion of the Exchange, as to whether such company will be able to continue operations and/or meet its obligations as they mature.²²

²⁰ See NCM Listing Standard Amendments, *supra*, note 12.

²¹ See generally Sections 1001 through 1006 of the Amex Company Guide.

²² See Section 1003(a) of the Amex Company Guide. Amex also will consider delisting if: (i) an issuer has sold or otherwise disposed of its principal operating assets or has ceased to be an operating company or has discontinued a substantial portion of its operations or business; (ii) if substantial liquidation of the issuer has been made; or (iii) if advice has been received, deemed by the Exchange to be authoritative, that the security is without value, or in the case of a common stock,

Although Nasdaq's NCM does not have the same continued listing requirements, Nasdaq also looks at the financial condition and operating results of the issuer. Specifically, for continued listing, Nasdaq requires an issuer to have shareholder's equity of at least \$2.5 million, market value of listed securities of at least \$35 million, or net income of \$500,000 from continuing operations in the past fiscal year or two out of its three past fiscal years.²³ Further, Nasdaq requires that the listed issue have a minimum bid price for continued listing of \$1 per share.²⁴ In addition, for continued listing, Nasdaq requires an issuer to have a minimum of 500,000 publicly held shares with a market value of at least \$1 million.²⁵

The Commission finds that the maintenance criteria for common stock listed on Amex and on the NCM are substantially similar.²⁶

B. Secondary Classes of Common Stock and Preferred Stocks

Only Nasdaq has listing standards for the trading of a secondary class of common stock. A secondary class of common stock is a class of common stock of an issuer that has another class of common stock listed on an exchange. The Commission compared

such stock has been selling for a substantial period of time at a low price. See Section 1003(c) and (f)(v) of the Amex Company Guide.

²³ Nasdaq Rule 4310(c)(2)(B)(i) - (iii).

²⁴ Nasdaq Rule 4310(c)(4). Amex will consider delisting if the price per share is "low." See Amex Rule 1003(f)(v).

²⁵ Nasdaq Rule 4310(c)(7)(A). Amex will consider delisting the common stock of an issuer if the aggregate market value of such publicly held shares is less than \$1 million for more than 90 consecutive days, the number of publicly held shares is less than 200,000 shares, or the number of its public stockholders is less than 300. See Section 1003(b) of the Amex Company Guide.

²⁶ As noted above, the Commission has interpreted the substantially similar standard to require listing standards at least as comprehensive as those of the Named Markets, and differences in language or approach of the listing standards are not dispositive.

the NCM listing standards for secondary classes of common stock and preferred stocks with the listing standards of the Nasdaq/NGM.

As discussed in the Proposing Release, the Commission preliminarily believed that with respect to the number of round lot holders,²⁷ bid price,²⁸ and number of publicly held shares²⁹ requirements,³⁰ Nasdaq's initial and continued listing requirements for secondary classes of common stock and preferred stocks listing on the NCM were substantially similar to the listing standards for the Nasdaq/NGM. The Commission did not, however, believe that the initial continued listing requirements for market value of publicly held shares for NCM were substantially similar to Nasdaq/NGM standards.³¹

In the NCM Listing Standard Amendments, Nasdaq increased the NCM listing

²⁷ Both Nasdaq NCM and NGM require 100 round lot holders. See NASD Rules 4310(c)(6)(B) and 4420(k)(4). Nasdaq/NGM also requires 100 round lot holders for continued listing. Although the NCM requirements previously did not explicitly require a continuing number of round lot holders, the NCM Listing Standard Amendments clarified that the 100 round lot holders requirement also will apply as a continued listing requirement for the NCM preferred and secondary classes of common stock standards. See NCM Listing Standard Amendments, supra note 12.

²⁸ While the NCM bid price requirement for initial listing is \$4 and the Nasdaq/NGM requirement is \$5, the Commission believes that these standards are substantially similar. Both NGM and NCM require a \$1 bid price for continued listing. See Nasdaq Rules 4310(c)(4), 4420(k)(3), and 4450(h)(3).

²⁹ Both Nasdaq NCM and NGM require 200,000 publicly held shares for initial listing, and 100,000 publicly held shares for continued listing. See Nasdaq Rules 4310(c)(7)(B), 4420(k)(1), and 4450(h)(1).

³⁰ The Commission notes that these requirements apply to instances when the common stock or common stock equivalent security of the issuer is listed on Nasdaq/NGM, NCM, Global Select Market ("GSM") (the GSM is a segment of the NGM, see Securities Exchange Act Release Nos. 53799 and 54071, supra note 1), or another national securities exchange. If the common stock or common stock equivalent is not listed on one of these markets then the security must meet the common stock listing requirements for the relevant market (either Nasdaq/NGM or NCM). See generally NASD Rules 4310(c)(6)(B) and 4420(k).

³¹ See Proposing Release, supra note 9, at notes 43 - 44 and accompanying text.

standards for both preferred and secondary classes of common stock for the market value of publicly held shares to \$3.5 million for initial listing and \$1 million for continued listing.³² Nasdaq also increased its initial and continued NCM listing rules for secondary classes of common stock and preferred stock to require that the common stock or common stock equivalent of the issuer either be listed on Nasdaq or be a covered security as defined in Rule 146(b).³³ In light of these revisions to the NCM's initial and continued listing standards for secondary classes of common stock and preferred stocks, the Commission finds that the NCM's rules for initial and continued listing for secondary classes of common stock and preferred stock are substantially similar to Nasdaq/NGM's rules.

C. Convertible Debt

The Commission has compared the NCM listing standards for convertible debt to Amex's listing standards for debt.³⁴ In the NCM Listing Standards Amendments, Nasdaq added a debt rating requirement similar to a requirement in Amex's listing standards.³⁵ Specifically, Nasdaq requires that for the initial listing of convertible debt, one of the following conditions must be met: (i) the issuer of the debt security must also have an equity security listed on the Amex, NYSE, or Nasdaq; (ii) an issuer of equity security listed on the Amex, NYSE, or Nasdaq, directly or indirectly owns a majority interest in, or is under common control with, the issuer of the debt security; (iii) an issuer of equity security listed on the Amex, NYSE, or Nasdaq has guaranteed the debt security; (iv) a

³² See NCM Listing Standard Amendments, supra note 12.

³³ Id.

³⁴ See generally Nasdaq Rule 4310(c)(5) and Sections 104 and 1003 of the Amex Company Guide.

³⁵ See NCM Listing Standard Amendments, supra note 12.

nationally recognized securities rating organization (an "NRSRO") has assigned a current rating to the debt security that is no lower than an S&P Corporation "B" rating or equivalent rating by another NRSRO; or (v) if no NRSRO has assigned a rating to the issue, an NRSRO has currently assigned an investment grade rating to an immediately senior issue or a rating that is no lower than an S&P Corporation "B" rating, or an equivalent rating by another NRSRO, to a pari passu or junior issue.³⁶ The Listing Standards Amendment also requires that current sale information be available in the United States for the underlying security into which a convertible debt issue is convertible. Accordingly, the Commission finds that the NCM's listing standards for convertible debt are substantially similar to those of Amex.

The Commission also finds that the continued listing requirements for convertible debt securities listed on the NCM are substantially similar to Amex's requirements. The NCM listing standards require that the principal amount outstanding be maintained at \$5 million.³⁷ Amex generally will delist a bond if the aggregate market value or the principal amount of the bond publicly held is less than \$400,000, or if the issuer is not able to meet its obligations on the listed debt.³⁸ Although not identical, the Commission believes that both standards are designed to ensure the continued liquidity of the debt security, and thus are substantially similar.

³⁶ See Nasdaq Rule 4310(c)(5)(B).

³⁷ Id.

³⁸ See Section 1003(b)(iv) of the Amex Company Guide. Section 1003(e) of the Amex Company Guide states that convertible bonds will be reviewed when the underlying security is delisted and will be delisted when the underlying security is no longer the subject of real-time reporting in the United States. The Commission does not believe that this is material because although Nasdaq does not have an identical rule, it does have the discretion to delist beyond its standards.

D. Warrants

The Commission compared Nasdaq's NCM listing standards for warrants to the Nasdaq/NGM standards. In the Proposing Release, the Commission stated that it preliminarily believed that the NCM standards were not substantially similar to the Nasdaq/NGM standards. The NCM Listing Standard Amendments, however, increased the required number of warrants that must be outstanding for initial listing on the NCM from 100,000 to 400,000.³⁹ Though not identical, the Commission believes this initial listing requirement is substantially similar to Nasdaq/NGM requirements that there be 450,000 warrants outstanding for initial listing. The NCM Listing Standard Amendments also added a requirement for initial and continued listing that the security underlying the warrant be listed on Nasdaq or be a covered security as described in Section 18(b).⁴⁰ The Commission believes this requirement is substantially similar to the Nasdaq/NGM standard that requires that, for continued listing, the common stock of the issuer must continue to be listed on the Nasdaq/NGM.⁴¹ In light of the changes made by the NCM Listing Standard Amendments, the Commission finds the NCM's listing standards for warrants are substantially similar to those of Nasdaq/NGM.

³⁹ See NCM Listing Standard Amendments, supra note 12.

⁴⁰ Id.

⁴¹ See Nasdaq Rule 4450(d).

E. Index Warrants

Index warrants traded on the NCM, must meet the same initial and continuing listing standards as index warrants traded on the Nasdaq/NGM market.⁴² Therefore, the Commission finds that the listing standards for index warrants traded on the NCM are substantially similar to the standards applicable to index warrants traded on the Nasdaq/NGM market.

F. Units

The NCM, Amex, and Nasdaq/NGM all evaluate the initial and continued listing of a unit by looking to its components.⁴³ If all of the components of a unit individually meet the standards for listing, then the unit would meet the standards for listing.⁴⁴ In light of the NCM Listing Standard Amendments, which increase the listing requirements for the different categories of securities discussed above that could make up the components of a unit, the Commission finds that the NCM listing standards for units are substantially similar to both Amex and Nasdaq/NGM listing standards.⁴⁵

III. **Other Changes to Rule 146(b)**

A. Clarifying Changes in Response to Comments

In response to comments received from the ABA Committee and NASAA, the Commission is making a minor amendment to Rule 146(b) to include securities “authorized for listing” on a market named in Rule 146(b).

⁴² See generally Nasdaq Rule 4310(c)(9)(C).

⁴³ A unit is a type of security consisting of two or more different types of securities (e.g., a combination of common stocks and warrants). See Securities Exchange Act Release No. 48464 (September 9, 2003), 68 FR 54250 (September 16, 2003).

⁴⁴ See generally Section 101(g) of the Amex Company Guide and Nasdaq Rules 4310(c)(10) and 4420(h)(1)(a) – (c).

⁴⁵ See NCM Listing Standard Amendments, supra note 12.

NASAA and the ABA Committee expressed concern regarding a discrepancy between the language of Section 18 under the Securities Act and Rule 146(b) thereunder. Section 18 defines covered securities as securities "listed, or authorized for listing" on the Named Markets, or the other exchanges that have listing standards that the Commission has deemed to be substantially similar to the Named Markets. Rule 146(b), however, deems as "covered securities" only securities listed, not those that are "authorized for listing," pursuant to exchange rules that the Commission has found to be substantially similar to the Named Markets. NASAA and the ABA Committee expressed concern that some issuers that are authorized for listing but not yet listed on an exchange identified in Rule 146(b) would not clearly be exempt from state qualification or registration requirements. They recommend that the Commission clarify the language in Rule 146(b) to conform it to the language of Section 18(b)(1)(B) of the Securities Act.⁴⁶ The Commission believes that this clarifying change to Rule 146(b) is consistent with Congressional intent, as well as the Commission's intent, is appropriate, and addresses the commenters' concerns.⁴⁷

Another commenter expressed concern about a perceived ambiguity in Rule 146(b)(2). Rule 146(b)(2) conditions the designation of securities on the exchanges specified under Rule 146(b)(1) as "covered securities" as long as their listing standards

⁴⁶ See ABA Committee April 3rd Letter; ABA Committee December 20th Letter; and NASAA Supplemental Letter, *supra* note 10.

⁴⁷ The Administrative Procedure Act ("APA") generally requires an agency to publish notice of a proposed rulemaking in the Federal Register. The APA's notice and comment requirement does not apply, however, if the agency "for good cause finds . . . that notice and public procedure are impracticable, unnecessary, or contrary to the public interest." Sec. 5. U.S.C. Section 553(b)(3)(B). The Commission finds good cause to include the language "authorized for listing" to the rule because prior notice is unnecessary. The change does not alter the substance of the rule and incorporates language from the statute.

continue to be substantially similar to those of the Named Markets. The commenter believes that it is not clear who makes this determination and recommends that the phrase “as determined by the Commission” should be added to the language of Rule 146(b)(2).⁴⁸ The Commission believes that this change is unnecessary because Section 18 clearly states that “covered securities” are those the Commission determines are substantially similar to the Named Markets. Similarly, Rule 146 specifies that it is the Commission that has found that listed exchanges, or segments thereof, have listing standards substantially similar to those of the Named Markets. The Commission also notes that since this rule has been in effect, the problem described by the commenter has not occurred and does not believe that further amendment to the language of the rule is required at this time.

B. Changes to Exchanges’ Names

The Commission is amending Rule 146(b), as proposed, to reflect the following name changes:

- Sections (b)(1) and (b)(2) of Rule 146 use the term “Nasdaq/NMS” to refer to the National Market System of The NASDAQ Stock Market LLC. As noted above, on July 1, 2006, what was the National Market System of The NASDAQ Stock Market LLC became known as the Nasdaq Global Market.⁴⁹ The Commission is making a conforming change to Rule 146(b).
- Rule 146(b)(1)(i) refers to the Pacific Exchange Incorporated. In April

⁴⁸ See Kennedy Letter, supra note 10.

⁴⁹ See Securities Exchange Act Release Nos. 53799 and 54071, supra note 1.

2006, the Pacific Exchange, Incorporated was renamed NYSE Arca, Inc.,⁵⁰ The Commission is making a conforming change to Rule 146(b).

- Rule 146(b)(1)(iv) refers to the International Securities Exchange, Incorporated. In September 2006, the International Securities Exchange, Incorporated was renamed the International Securities Exchange, LLC. The Commission is making a conforming change to Rule 146(b).
- Finally, the Commission is amending paragraph (1)(ii) of Rule 146(b) to reflect the legal name of the Philadelphia Stock Exchange, Inc.⁵¹

IV. Paperwork Reduction Act

The Paperwork Reduction Act of 1995 does not apply because the proposed amendment to Rule 146(b) does not impose recordkeeping or information collection requirements or other collection of information, which require the approval of the Office of Management and Budget under 44 U.S.C. 3501 et seq.

V. Cost-Benefit Analysis

Congress amended Section 18 of the Securities Act to exempt covered securities from state registration requirements. These securities are listed, or authorized for listing, on the Named Markets or any other national securities exchange determined by the Commission to have substantially similar listing standards to the Named Markets.⁵² Consistent with statutory authority, the Commission has determined that the listing

⁵⁰ See Securities Exchange Act Release No. 53615 (April 7, 2006), 71 FR 19226 (April 13, 2006).

⁵¹ In the Proposing Release, the Nasdaq Global Market and the Nasdaq Capital Market were inadvertently referred to as the Nasdaq National Global Market and the Nasdaq National Capital Market. Those typographical errors are corrected in this adopting release.

⁵² 15 U.S.C. 77r(b)(1)(B).

standards for securities listed, or authorized for listing, on the NCM are substantially similar to those of either the Amex or Nasdaq/NGM. Securities listed, or authorized for listing, on the NCM therefore would be covered securities subject only to federal regulation.

By exempting securities listed, or authorized for listing, on the NCM from state law registration requirements, the Commission expects that the listing process for those securities will become easier as one layer of regulation is eliminated. Moreover, the Commission also expects adoption of the rule will reduce the administrative burden the issuers of covered securities face inasmuch as compliance with state blue sky law requirements is preempted.⁵³ The Commission solicited comments concerning the costs and benefits associated with the proposal and received two comments. The commenters believe that the proposed amendments to Rule 146(b) to provide "covered securities" status for securities authorized for listing, or approved for listing on the NCM, should reduce substantial costs for investors, given those securities would be exempted from state law registration requirements.⁵⁴

The Commission also believes that the amendment to Rule 146(b) will permit Nasdaq to compete with other markets whose listed securities are exempt from state law registration requirements for new securities products and listings. This result has the potential to enhance competition and, potentially, liquidity, thus benefiting market participants and the public. The Commission does not believe that there are any significant costs to investors associated with the preemption of state registration

⁵³ Several commenters also expect this outcome. See ABA Committee April 3rd Letter; ABA Committee December 20th Letter; and Kennedy Letter, supra note 10.

⁵⁴ See ABA Committee December 20th Letter and Kennedy Letter, supra note 10.

requirements for securities listed, or authorized for listing, on the NCM. The Commission notes that there may be some cost to investors through the loss of benefits of state registration and oversight, although the cost is difficult to quantify. Furthermore, the Commission believes that Congress contemplated these costs to the economic benefits of exempting covered securities from state regulation.

VI. Consideration of Promotion of Efficiency, Competition, and Capital Formation

As required under the Securities Act,⁵⁵ the Commission considered the rule's impact on efficiency, competition, and capital formation. National securities exchanges compete for the listing of securities. Thus, the Commission believes that amending Rule 146(b) to designate securities listed, or authorized for listing, on the NCM as covered securities will offer potential benefits for investors because it would facilitate the ability of Nasdaq to compete for listings, which will potentially increase competition and enhance the overall liquidity, and thus the efficiency of the U.S. securities markets. The Commission also believes that the rule will serve to reduce the cost of raising capital because it will streamline the registration process for issuers listing on the NCM. In addition, the Commission believes that the rule amendment, consistent with Congressional action, is designed to promote efficiency by removing a layer of duplicative regulation. The Commission solicited comments on the amendment's effect on competition, efficiency, and capital formation. Commenters generally believed that this proposal would improve efficiency and facilitate capital formation by eliminating

⁵⁵ 15 U.S.C. 77b(b).

state registration for issuers seeking to list their securities on the NCM.⁵⁶ The Commission also believes that the amendment to Rule 146(b) will permit Nasdaq to compete with other markets whose securities are exempt from state law registration requirements for new securities products and listings. Finally, the amendment to Rule 146(b) will not impair efficiency, competition, and capital formation because it will impose no recordkeeping or compliance burdens, but will provide a limited purpose exemption under the federal securities laws. Thus, the Commission concludes that the amendment to Rule 146(b) would promote efficiency, competition, and capital formation.

VII. Regulatory Flexibility Act Certification

The Commission has certified, pursuant to Section 605(b) of the Regulatory Flexibility Act,⁵⁷ that the amendment to Rule 146 will not have a significant economic impact on a substantial number of small entities. This certification was incorporated into the Proposing Release. The Commission solicited comments as to the nature of any impact on small entities, and generally on whether the amendment to Rule 146(b) could have an effect that has not been considered. No comments were received.

VIII. Statutory Authority

The Commission is amending Rule 146 pursuant to the Securities Act of 1933,⁵⁸ particularly Sections 18(b)(1)(B) and 19(a).⁵⁹

Text of the Rule

List of Subjects in 17 CFR Part 230

⁵⁶ See ABA Committee April 3rd Letter; ABA Committee December 20th Letter; and Kennedy Letter, supra note 10.

⁵⁷ 5 U.S.C. 605(b).

⁵⁸ 15 U.S.C. 77a et seq.

⁵⁹ 15 U.S.C. 77r(b)(1)(B) and 77s(a).

Securities.

For the reasons set forth in the preamble, Title 17, Chapter II of the Code of Federal Regulations is amended as follows:

PART 230 – GENERAL RULES AND REGULATIONS, SECURITIES ACT OF 1933

1. The general authority citation for Part 230 is revised to read as follows:

Authority: 15 U.S.C. 77b, 77c, 77d, 77f, 77g, 77h, 77j, 77r, 77s, 77z-3, 77sss, 78c, 78d, 78j, 78l, 78m, 78n, 78o, 78t, 78w, 78ll(d), 78mm, 80a-8, 80a-24, 80a-28, 80a-29, 80a-30, and 80a-37, unless otherwise noted.

* * * * *

2. Section 230.146 is amended by revising paragraphs (b)(1) and (b)(2) to read as follows:

§ 230.146 Rules under Section 18 of the Act.

* * * * *

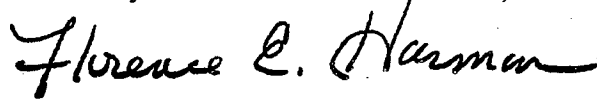
(b) * * *

(1) For purposes of Section 18(b) of the Act (15 U.S.C. 77r), the Commission finds that the following national securities exchanges, or segments or tiers thereof, have listing standards that are substantially similar to those of the New York Stock Exchange ("NYSE"), the American Stock Exchange ("Amex"), or the National Market System of the Nasdaq Stock Market ("Nasdaq/NGM"), and that securities listed, or authorized for listing, on such exchanges shall be deemed covered securities:

- (i) Tier I of the NYSE Arca, Inc.;
- (ii) Tier I of the Philadelphia Stock Exchange, Inc.;

- (iii) The Chicago Board Options Exchange, Incorporated;
- (iv) Options listed on the International Securities Exchange, LLC; and
- (v) The Nasdaq Capital Market.

(2) The designation of securities in paragraphs (b)(1)(i) through (v) of this section as covered securities is conditioned on such exchanges' listing standards (or segments or tiers thereof) continuing to be substantially similar to those of the NYSE, Amex, or Nasdaq/NGM.



By the Commission.

Florence E. Harmon
Deputy Secretary

April 18, 2007

Commissioner Nazareth
Not Participating

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 8792 / April 19, 2007

SECURITIES EXCHANGE ACT OF 1934
Release No. 55649 / April 19, 2007

In the Matter of

**TENET HEALTHCARE
CORPORATION,**

Respondent.

**ORDER UNDER SECTION 27A(b) OF THE
SECURITIES ACT OF 1933, AND SECTION
21E(b) OF THE SECURITIES EXCHANGE
ACT OF 1934, GRANTING WAIVERS OF
THE DISQUALIFICATION PROVISIONS
OF SECTION 27A(b)(1)(A)(ii) OF THE
SECURITIES ACT AND SECTION
21E(b)(1)(A)(ii) OF THE EXCHANGE ACT**

Tenet Healthcare Corporation ("Tenet"), a publicly-traded Nevada corporation that files registration statements and reports with the Commission, has submitted a letter, dated March 28, 2007, requesting a waiver of the disqualification provisions of Section 27A(b)(1)(A)(ii) of the Securities Act of 1933 ("Securities Act") and Section 21E(b)(1)(A)(ii) of the Securities Exchange Act of 1934 ("Exchange Act") arising from the settlement of a civil injunctive proceeding with the Commission.

On April 2, 2007, the Commission filed a civil injunctive complaint against Tenet in the United States District Court for the Central District of California alleging that Tenet violated Section 17(a) of the Securities Act and Sections 10(b), 13(a), and 13(b)(2)(A) of the Exchange Act and Rules 10b-5, 12b-20, 13a-1, and 13a-13 thereunder.

Tenet filed a "Consent of Defendant Tenet Healthcare Corporation" in which it agreed, without admitting or denying the allegations of the Commission's complaint, to the entry of a Final Judgment against it. Among other things, the Final Judgment dated April 16, 2007, permanently enjoins Tenet from violating Section 17(a) of the Securities Act and Sections 10(b), 13(a), and 13(b)(2)(A) of the Exchange Act and Rules 10b-5, 12b-20, 13a-1, and 13a-13 thereunder, orders Tenet to pay disgorgement in the amount of \$1, and to pay a civil penalty in an amount of \$10 million under Section 20(d) of the Securities Act and Section 21(d)(3) of the Exchange Act.

Document 14 of 21

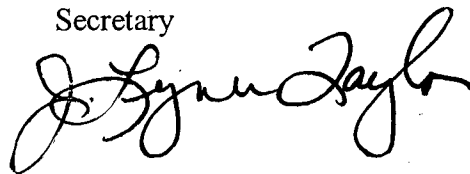
The safe harbor provisions of Section 27A(c) of the Securities Act and Section 21E(c) of the Exchange Act are not available for any forward looking statement that is "made with respect to the business or operations of the issuer, if the issuer . . . during the 3-year period preceding the date on which the statement was first made . . . has been made the subject of a judicial or administrative decree or order arising out of a governmental action that (i) prohibits future violations of the antifraud provisions of the securities laws; (ii) requires that the issuer cease and desist from violating the antifraud provisions of the securities laws; or (iii) determines that the issuer violated the antifraud provisions of the securities laws[.]" Section 27A(b)(1)(A)(ii) of the Securities Act; Section 21E(b)(1)(A)(ii) of the Exchange Act. The disqualifications may be waived "to the extent otherwise specifically provided by rule, regulation, or order of the Commission." Section 27A(b) of the Securities Act; Section 21E(b) of the Exchange Act.

Based on the representations set forth in Tenet's request, the Commission has determined that, under all of the circumstances, a waiver of the disqualifications resulting from the entry of the Final Judgment would be in the public interest and for the protection of investors and should be granted.

Accordingly, **IT IS ORDERED**, pursuant to Section 27A(b) of the Securities Act and Section 21E(b) of the Exchange Act, that a waiver from the disqualification provisions of Section 27A(b)(1)(A)(ii) of the Securities Act and Section 21E(b)(1)(A)(ii) of the Exchange Act as to Tenet resulting from the entry of the Final Judgment is hereby granted.

By the Commission.

Nancy M. Morris
Secretary

A handwritten signature in black ink, appearing to read "J. Lynn Taylor", written in a cursive style.

By: J. Lynn Taylor
Assistant Secretary

SECURITIES AND EXCHANGE COMMISSION

17 CFR PART 249

[Release No. 34-55643]

Technical Amendments to Form BD and Form BDW

AGENCY: Securities and Exchange Commission

ACTION: Final rule; technical amendments.

SUMMARY: The Securities and Exchange Commission ("Commission" or "SEC") is making technical amendments to Form BD and Form BDW, the uniform broker-dealer registration form and the uniform request for withdrawal from broker-dealer registration, respectively. The technical amendments will update the current list of self-regulatory organizations ("SROs") and government jurisdictions listed on Form BD and Form BDW, and make conforming changes to the definition "jurisdiction" in the forms.

EFFECTIVE DATE: April 23, 2007.

FOR FURTHER INFORMATION CONTACT: Paula Jenson, Deputy Chief Counsel, or Haimera Workie, Branch Chief, at (202) 551-5550, Office of the Chief Counsel, Division of Market Regulation, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549.

I. SUPPLEMENTARY INFORMATION

Form BD requires an applicant or registrant to indicate the SRO and governmental jurisdiction with which it is registering or registered. For a "partial withdrawal,"¹ Form BDW requires the applicant to specify the SRO and governmental

¹ A "full withdrawal" terminates registration with the SEC, all SROs, and all jurisdictions. However, a "partial withdrawal" terminates registration with specific jurisdictions and SROs, but does not terminate registration with the SEC and at least one SRO and jurisdiction.

jurisdiction from which it is withdrawing.² The Commission is making technical amendments to Item 2 of Form BD and Item 3 of Form BDW to update the list of governmental jurisdictions to include the United States Virgin Islands, and to update the list of SROs to include The NASDAQ Stock Market LLC and the International Securities Exchange, LLC, as well as to reflect the name change of The Cincinnati Stock Exchange, Inc. to National Stock Exchange, Inc.³ and the name change of the Pacific Exchange, Inc. to NYSE Arca, Inc.⁴ In addition, we are making conforming changes to the definition of “jurisdiction” to include the United States Virgin Islands. “Jurisdiction” will be defined as: “A state, the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, or any subdivision or regulatory body thereof.”

II. CERTAIN FINDINGS

Under the Administrative Procedure Act (“APA”), notice of proposed rulemaking is not required when the agency, for good cause, finds “that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest.”⁵ The Commission is making technical amendments to Item 2 of Form BD and Item 3 of Form BDW in light of the formation of or name changes to SROs and in light of new

² Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) provides that broker-dealers can register and withdraw from registration under procedures developed by the Commission. Exchange Act Rule 15b1-1 requires that an application for registration of a broker or dealer that is filed pursuant to Section 15(b) of the Exchange Act be filed on Form BD in accordance with the instructions on the form. Exchange Act Rule 15b6-1 requires that a notice of withdrawal from registration as a broker or dealer filed pursuant to Section 15(b) of the Exchange Act be filed on Form BDW in accordance with the instructions on the form.

³ Exchange Act Rel. No. 48774 (November 12, 2003), 68 FR 65332 (November 19, 2003).

⁴ Exchange Act Rel. No. 53615 (April 7, 2006), 71 FR 19226 (April 13, 2006).

⁵ 5 U.S.C. 553(b).

requirements for broker-dealer registration in the United States Virgin Islands.⁶ The Commission is also making conforming amendments to the definition of “jurisdiction” to include the United States Virgin Islands. These technical amendments will update the currently out-of-date list of SROs and government jurisdictions contained in Form BD and Form BDW, as well as provide related changes to the definition of “jurisdiction” in the forms. The Commission, therefore, finds that publishing the amendments for comment is unnecessary.⁷

Publication of a substantive rule not less than 30 days before its effective date is required by the APA except as otherwise provided by the agency for good cause.⁸ For the same reasons described above with respect to notice and opportunity for comment, the Commission finds that there is good cause for making these technical amendments effective on April 23, 2007.

⁶ The United States Virgin Islands Uniform Securities Act of 2004 (“Uniform Securities Act”) became effective on February 12, 2005. See 9 V.I. CODE ANN. §§ 601- 672 (2004). The Uniform Securities Act requires registration by broker-dealers. See 9 V.I CODE ANN. § 631. Prior to the enactment of the Uniform Securities Act, the United States Virgin Islands did not have regulations that addressed broker-dealer registration and therefore it was not included as a jurisdiction on Form BD and Form BDW. Adding the United States Virgin Islands onto the list of jurisdictions would facilitate the use of these forms by broker-dealers and would eliminate the need for separate paper filings of registration forms by broker-dealers in the United States Virgin Islands.

⁷ For similar reasons, the amendments do not require analysis under the Regulatory Flexibility Act or analysis of major rule status under the Small Business Regulatory Enforcement Fairness Act. See 5 U.S.C. 601(2) (for purposes of Regulatory Flexibility Act analyses, the term “rule” means any rule for which the agency publishes a general notice of proposed rulemaking); 5 U.S.C. 804(3)(C) (for purposes of Congressional review of agency rulemaking, the term “rule” does not include any rule of agency organization, procedure, or practice that does not substantially affect the rights or obligations of non-agency parties).

⁸ 5 U.S.C. 553(d).

III. CONSIDERATION OF PROMOTION OF EFFICIENCY, COMPETITION, AND CAPITAL FORMATION

Section 3(f) of the Exchange Act,⁹ provides that whenever the Commission is engaged in rulemaking and is required to consider or determine whether an action is necessary or appropriate in the public interest, the Commission shall consider, in addition to the protection of investors, whether the action will promote efficiency, competition, and capital formation. In addition, Section 23(a)(2) of the Exchange Act requires the Commission, in adopting rules under the Exchange Act, to consider the anticompetitive effects of such rules, if any, and to refrain from adopting a rule that would impose a burden on competition not necessarily or appropriate in furtherance of the purposes of the Exchange Act.¹⁰

Because the amendments are limited to technical amendments, we do not anticipate that any competitive advantages or disadvantages would be created. We do not expect the amendments, as technical amendments, to have a significant effect on efficiency, or on capital formation or the capital markets resulting from any obligations imposed by the Commission. As previously noted, however, there will be some increased efficiency in the administration of the United States Virgin Islands regulations because adding the United States Virgin Islands to the list of jurisdictions will facilitate the use of these forms by broker-dealers doing business in that jurisdiction and will eliminate the need for separate paper filings of registration forms by these broker-dealers.

⁹ 15 U.S.C. 78c(f).

¹⁰ 15 U.S.C. 78w(a)(2).

IV. STATUTORY AUTHORITY

We are adopting the technical amendments to Forms BD and BDW under the authority set forth in the Exchange Act and, in particular, Sections 15(a), 15(b), 17(a), and 23(a) therein.¹¹

TEXT OF FORM AMENDMENTS

List of Subjects in 17 CFR Part 249

Broker-dealers, Reporting and recordkeeping requirements, Securities.

For the reasons set out in the preamble, 17 CFR Part 249 is amended as follows:

PART 249 - FORMS, SECURITIES EXCHANGE ACT OF 1934

1. The authority citation for Part 249 continues to read in part as follows:

Authority: 15 U.S.C. 78a, et seq. and 7201 et seq.; and 18 U.S.C. 1350, unless otherwise noted.

2. Form BD (referenced in § 249.501) is amended by:

- a. In the Explanation of Terms, 1. General section, revising "JURISDICTION – A state, the District of Columbia, the Commonwealth of Puerto Rico, or any subdivision or regulatory body thereof." to read "JURISDICTION – A state, the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, or any subdivision or regulatory body thereof."; and

¹¹ 15 U.S.C. 78o(a), 78o(b), 78q(a), and 78w(a).

b. In Item 2, revising the SRO and Jurisdiction tables.

The revision reads as follows:

Form BD

2. ***

S R O	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	AMEX	BSE	CBOE	CHX	NSX	NASD	NQX	NYSE	PHLX	ARCA	ISE	OTHER (specify)

J U R I S D I C T I O N	<input type="checkbox"/> Alabama	<input type="checkbox"/> Hawaii	<input type="checkbox"/> Michigan	<input type="checkbox"/> North Carolina	<input type="checkbox"/> Texas
	<input type="checkbox"/> Alaska	<input type="checkbox"/> Idaho	<input type="checkbox"/> Minnesota	<input type="checkbox"/> North Dakota	<input type="checkbox"/> Utah
	<input type="checkbox"/> Arizona	<input type="checkbox"/> Illinois	<input type="checkbox"/> Mississippi	<input type="checkbox"/> Ohio	<input type="checkbox"/> Vermont
	<input type="checkbox"/> Arkansas	<input type="checkbox"/> Indiana	<input type="checkbox"/> Missouri	<input type="checkbox"/> Oklahoma	<input type="checkbox"/> Virgin Islands
	<input type="checkbox"/> California	<input type="checkbox"/> Iowa	<input type="checkbox"/> Montana	<input type="checkbox"/> Oregon	<input type="checkbox"/> Virginia
	<input type="checkbox"/> Colorado	<input type="checkbox"/> Kansas	<input type="checkbox"/> Nebraska	<input type="checkbox"/> Pennsylvania	<input type="checkbox"/> Washington
	<input type="checkbox"/> Connecticut	<input type="checkbox"/> Kentucky	<input type="checkbox"/> Nevada	<input type="checkbox"/> Puerto Rico	<input type="checkbox"/> West Virginia
	<input type="checkbox"/> Delaware	<input type="checkbox"/> Louisiana	<input type="checkbox"/> New Hampshire	<input type="checkbox"/> Rhode Island	<input type="checkbox"/> Wisconsin
	<input type="checkbox"/> District of Columbia	<input type="checkbox"/> Maine	<input type="checkbox"/> New Jersey	<input type="checkbox"/> South Carolina	<input type="checkbox"/> Wyoming
	<input type="checkbox"/> Florida	<input type="checkbox"/> Maryland	<input type="checkbox"/> New Mexico	<input type="checkbox"/> South Dakota	
	<input type="checkbox"/> Georgia	<input type="checkbox"/> Massachusetts	<input type="checkbox"/> New York	<input type="checkbox"/> Tennessee	

3. Form BDW (referenced in § 249.501a) is amended by:

a. In the Explanation of Terms section, revising “The term JURISDICTION means a state, the District of Columbia, the Commonwealth of Puerto Rico, or any subdivision or regulatory body thereof.” to read “The term JURISDICTION means a state, the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, or any subdivision or regulatory body thereof.”; and

b. In Item 3, revising the SRO and Jurisdiction tables.

The revision reads as follows:

Form BDW

3. ***

S R O	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	AMEX	BSE	CBOE	CHX	NSX	NASD	NQX	NYSE	PHLX	ARCA	ISE	OTHER (specify)

J U R I S D I C T I O N	<input type="checkbox"/> Alabama	<input type="checkbox"/> Hawaii	<input type="checkbox"/> Michigan	<input type="checkbox"/> North Carolina	<input type="checkbox"/> Texas
	<input type="checkbox"/> Alaska	<input type="checkbox"/> Idaho	<input type="checkbox"/> Minnesota	<input type="checkbox"/> North Dakota	<input type="checkbox"/> Utah
	<input type="checkbox"/> Arizona	<input type="checkbox"/> Illinois	<input type="checkbox"/> Mississippi	<input type="checkbox"/> Ohio	<input type="checkbox"/> Vermont
	<input type="checkbox"/> Arkansas	<input type="checkbox"/> Indiana	<input type="checkbox"/> Missouri	<input type="checkbox"/> Oklahoma	<input type="checkbox"/> Virgin Islands
	<input type="checkbox"/> California	<input type="checkbox"/> Iowa	<input type="checkbox"/> Montana	<input type="checkbox"/> Oregon	<input type="checkbox"/> Virginia
	<input type="checkbox"/> Colorado	<input type="checkbox"/> Kansas	<input type="checkbox"/> Nebraska	<input type="checkbox"/> Pennsylvania	<input type="checkbox"/> Washington
	<input type="checkbox"/> Connecticut	<input type="checkbox"/> Kentucky	<input type="checkbox"/> Nevada	<input type="checkbox"/> Puerto Rico	<input type="checkbox"/> West Virginia
	<input type="checkbox"/> Delaware	<input type="checkbox"/> Louisiana	<input type="checkbox"/> New Hampshire	<input type="checkbox"/> Rhode Island	<input type="checkbox"/> Wisconsin
	<input type="checkbox"/> District of Columbia	<input type="checkbox"/> Maine	<input type="checkbox"/> New Jersey	<input type="checkbox"/> South Carolina	<input type="checkbox"/> Wyoming
	<input type="checkbox"/> Florida	<input type="checkbox"/> Maryland	<input type="checkbox"/> New Mexico	<input type="checkbox"/> South Dakota	
	<input type="checkbox"/> Georgia	<input type="checkbox"/> Massachusetts	<input type="checkbox"/> New York	<input type="checkbox"/> Tennessee	

By the Commission.

Nancy M. Morris
Secretary

Dated: April 19, 2007

Florence E. Harmon

By: Florence E. Harmon
Deputy Secretary

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
April 24, 2007

ADMINISTRATIVE PROCEEDING
File No. 3-12620

In the Matter of

Airbomb.com, Inc.,
Internetstudios.com, Inc.,
Megamedia Networks, Inc., and
World Cyberlinks Corp.,

Respondents.

**ORDER INSTITUTING
PROCEEDINGS AND NOTICE
OF HEARING PURSUANT TO
SECTION 12(j) OF THE
SECURITIES EXCHANGE ACT
OF 1934**

I.

The Securities and Exchange Commission ("Commission") deems it necessary and appropriate for the protection of investors that public administrative proceedings be, and hereby are, instituted pursuant to Section 12(j) of the Securities Exchange Act of 1934 ("Exchange Act").

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENTS

1. Airbomb.com, Inc. ("Airbomb") (CIK No. 1120380) is a British Columbia, Canada corporation located in Vancouver, British Columbia, Canada with a class of equity securities registered with the Commission pursuant to Exchange Act Section 12(g). Airbomb is delinquent in its periodic filings with the Commission, having not filed any periodic reports since it filed a Form 10-KSB for the period ended March 31, 2001, which reported a deficit of \$1.3 million for FY 2001.

2. Internetstudios.com, Inc. (CIK No. 1094365) is a defaulted Nevada corporation located in New York, New York with a class of equity securities registered with the Commission pursuant to Exchange Act Section 12(g). The company is delinquent in its periodic filings with the Commission, having not filed any periodic reports since it filed a Form 10-QSB for the period ended September 30, 2005, which reported a net loss of \$1,532,164 for the prior nine months. As of January 25, 2007, the company's stock was quoted on the Pink Sheets (symbol "ISTO"), had twelve market

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makers, and was eligible for the piggyback exemption of Exchange Act Rule 15c2-11(f)(3).

3. Megamedia Networks, Inc. ("Megamedia") (CIK No. 1085086) is a void Delaware corporation located in Orlando, Florida with a class of equity securities registered with the Commission pursuant to Exchange Act Section 12(g). Megamedia is delinquent in its periodic filings with the Commission, having not filed any periodic reports since it filed a Form 10-QSB for the period ended June 30, 2000, which reported an accumulated deficit of \$4,437,679 for the prior six months. Megamedia (symbol "MGCH") is traded on the over-the-counter markets.

4. World Cyberlinks Corp. ("World Cyberlinks") (CIK No. 1042529) is an inactive New York corporation located in Ronkonkoma, New York with a class of equity securities registered with the Commission pursuant to Exchange Act Section 12(g). World Cyberlinks is delinquent in its periodic filings with the Commission, having not filed any periodic reports since it filed a Form 10-KSB for the period ended July 31, 2002, which reported liabilities of \$1,713,529. As of January 25, 2007, the company's stock was quoted on the Pink Sheets (symbol "WCYB"), had six market makers, and was eligible for the piggyback exemption of Exchange Act Rule 15c2-11(f)(3).

B. DELINQUENT PERIODIC FILINGS

5. As discussed in more detail above, all of the respondents are delinquent in their periodic filings with the Commission (*see* Chart of Delinquent Filings, attached hereto as Appendix 1), have repeatedly failed to meet their obligations to file timely periodic reports, and failed, in whole or in part, to heed delinquency letters sent to them by the Division of Corporation Finance requesting compliance with their periodic filing obligations or, through their failure to maintain a valid address on file with the Commission, did not receive such letters.

6. Exchange Act Section 13(a) and the rules promulgated thereunder require issuers of securities registered pursuant to Exchange Act Section 12 to file with the Commission current and accurate information in periodic reports, even if the registration is voluntary under Section 12(g). Specifically, Rule 13a-1 requires issuers to file annual reports (Forms 10-K or 10-KSB), and Rule 13a-13 requires issuers to file quarterly reports (Forms 10-Q or 10-QSB).

7. As a result of the foregoing, Respondents failed to comply with Exchange Act Section 13(a) and Rules 13a-1 and 13a-13 thereunder.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate for the protection of investors that public administrative proceedings be instituted to determine:

A. Whether the allegations contained in Section II are true and, in connection therewith, to afford the Respondents an opportunity to establish any defenses to such allegations; and,

B. Whether it is necessary and appropriate for the protection of investors to suspend for a period not exceeding twelve months, or revoke the registration of each class of securities of the Respondents identified in Section II registered pursuant to Section 12 of the Exchange Act.

IV.

IT IS HEREBY ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice [17 C.F.R. § 201.110].

IT IS HEREBY FURTHER ORDERED that Respondents shall file an Answer to the allegations contained in this Order within ten (10) days after service of this Order, as provided by Rule 220(b) of the Commission's Rules of Practice [17 C.F.R. § 201.220(b)].

If Respondents fail to file the directed Answers, or fail to appear at a hearing after being duly notified, the Respondents may be deemed in default and the proceedings may be determined against it upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f), and 310 of the Commission's Rules of Practice [17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f), and 201.310].

This Order shall be served forthwith upon Respondents personally or by certified, registered, or Express Mail or by other means of verifiable delivery.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 120 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice [17 C.F.R. § 201.360(a)(2)].

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice.

Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Nancy M. Morris
Secretary

Attachment


By: Jill M. Peterson
Assistant Secretary

Appendix 1

**Chart of Delinquent Filings
Airbomb.com, Inc., et al.**

Company Name	Form Type	Period Ended	Due Date	Date Received	Months Delinquent (rounded up)
Airbomb.com, Inc.					
	10-QSB	06/30/01	08/14/01	Not filed	68
	10-QSB	09/30/01	11/14/01	Not filed	65
	10-QSB	12/31/01	02/14/02	Not filed	62
	10-KSB	03/31/02	07/01/02	Not filed	57
	10-QSB	06/30/02	08/14/02	Not filed	56
	10-QSB	09/30/02	11/14/02	Not filed	53
	10-QSB	12/31/02	02/14/03	Not filed	50
	10-KSB	03/31/03	06/30/03	Not filed	46
	10-QSB	06/30/03	08/14/03	Not filed	44
	10-QSB	09/30/03	11/14/03	Not filed	41
	10-QSB	12/31/03	02/17/04	Not filed	38
	10-KSB	03/31/04	06/29/04	Not filed	34
	10-QSB	06/30/04	08/16/04	Not filed	32
	10-QSB	09/30/04	11/15/04	Not filed	29
	10-QSB	12/31/04	02/14/05	Not filed	26
	10-KSB	03/31/05	06/29/05	Not filed	22
	10-QSB	06/30/05	08/15/05	Not filed	20
	10-QSB	09/30/05	11/14/05	Not filed	17
	10-QSB	12/31/05	02/14/06	Not filed	14
	10-KSB	03/31/06	06/29/06	Not filed	10
	10-QSB	06/30/06	08/14/06	Not filed	8
	10-QSB	09/30/06	11/14/06	Not filed	5
	10-QSB	12/31/06	02/14/07	Not filed	2
Total Filings Delinquent	23				
Internetstudios.com, Inc.					
	10-KSB	12/31/05	03/31/06	Not filed	13
	10-QSB	03/31/06	05/15/06	Not filed	11
	10-QSB	06/30/06	08/14/06	Not filed	8
	10-QSB	09/30/06	11/14/06	Not filed	5
	10-KSB	12/31/06	03/31/07	Not filed	1
Total Filings Delinquent	5				

Company Name	Form Type	Period Ended	Due Date	Date Received	Months Delinquent (rounded up)
Megamedia Networks, Inc.	<i>10-QSB</i>	09/30/00	11/14/00	Not filed	77
	<i>10-QSB</i>	12/31/00	2/14/01	Not filed	74
	<i>10-KSB</i>	03/31/01	6/29/01	Not filed	70
	<i>10-QSB</i>	06/30/01	8/14/01	Not filed	68
	<i>10-QSB</i>	09/30/01	11/14/01	Not filed	65
	<i>10-QSB</i>	12/31/01	2/14/02	Not filed	62
	<i>10-KSB</i>	03/31/02	7/1/02	Not filed	57
	<i>10-QSB</i>	06/30/02	8/14/02	Not filed	56
	<i>10-QSB</i>	09/30/02	11/14/02	Not filed	53
	<i>10-QSB</i>	12/31/02	2/14/03	Not filed	50
	<i>10-KSB</i>	03/31/03	6/30/03	Not filed	46
	<i>10-QSB</i>	06/30/03	8/14/03	Not filed	44
	<i>10-QSB</i>	09/30/03	11/14/03	Not filed	41
	<i>10-QSB</i>	12/31/03	2/17/04	Not filed	38
	<i>10-KSB</i>	03/31/04	6/29/04	Not filed	34
	<i>10-QSB</i>	06/30/04	8/16/04	Not filed	32
	<i>10-QSB</i>	09/30/04	11/15/04	Not filed	29
	<i>10-QSB</i>	12/31/04	2/14/05	Not filed	26
	<i>10-KSB</i>	03/31/05	6/29/05	Not filed	22
	<i>10-QSB</i>	06/30/05	8/15/05	Not filed	20
	<i>10-QSB</i>	09/30/05	11/14/05	Not filed	17
	<i>10-QSB</i>	12/31/05	2/14/06	Not filed	14
	<i>10-KSB</i>	03/31/06	6/29/06	Not filed	10
	<i>10-QSB</i>	06/30/06	8/14/06	Not filed	8
	<i>10-QSB</i>	09/30/06	11/14/06	Not filed	5
	<i>10-QSB</i>	12/31/06	2/14/07	Not filed	2
Total Filings Delinquent		26			

World Cyberlinks Corp.

<i>10-Q</i>	10/31/02	12/16/02	Not filed	52
<i>10-Q</i>	01/31/03	03/17/03	Not filed	49
<i>10-Q</i>	04/30/03	06/16/03	Not filed	46
<i>10-K</i>	07/31/03	10/29/03	Not filed	42
<i>10-Q</i>	10/31/03	12/15/03	Not filed	40
<i>10-Q</i>	01/31/04	03/16/04	Not filed	37
<i>10-Q</i>	04/30/04	06/14/04	Not filed	34
<i>10-K</i>	07/31/04	10/29/04	Not filed	30
<i>10-Q</i>	10/31/04	12/15/04	Not filed	28
<i>10-Q</i>	01/31/05	03/17/05	Not filed	25
<i>10-Q</i>	04/30/05	06/14/05	Not filed	22

Company Name	Form Type	Period Ended	Due Date	Date Received	Months Delinquent (rounded up)
World Cyberlinks Corp.					
	10-K	07/31/05	10/31/05	Not filed	18
	10-Q	10/31/05	12/15/05	Not filed	16
	10-Q	01/31/06	03/17/06	Not filed	13
	10-Q	04/30/06	06/14/06	Not filed	10
	10-K	07/31/06	10/30/06	Not filed	6
	10-Q	10/31/06	12/15/06	Not filed	4
	10-Q	01/31/07	03/17/07	Not filed	1
Total Filings Delinquent	18				

*Commissioner
Nazareth
Not Participating*

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 8793A / April 24, 2007

SECURITIES EXCHANGE ACT OF 1934
Release No. 55662A / April 24, 2007

ADMINISTRATIVE PROCEEDING
File No. 3-12622

In the Matter of

Tier One, Inc.

and

Bernard D. Carella,

Respondents.

**CORRECTED ORDER INSTITUTING
ADMINISTRATIVE AND CEASE-AND-
DESIST PROCEEDINGS, MAKING
FINDINGS, AND IMPOSING REMEDIAL
SANCTIONS AND A CEASE-AND-DESIST
ORDER PURSUANT TO SECTION 8A OF
THE SECURITIES ACT OF 1933, AND
SECTIONS 15(b) AND 21C OF THE
SECURITIES EXCHANGE ACT OF 1934**

I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 ("Securities Act"), and Sections 15(b) and 21C of the Securities Exchange Act of 1934 ("Exchange Act"), against Tier One, Inc. ("Tier One") and Bernard D. Carella ("Carella") (collectively "Respondents").

II.

In anticipation of the institution of these proceedings, Respondents have submitted an Offer of Settlement (the "Offer") which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission's jurisdiction over them and the subject matter of these

Document 17 of 21

proceedings, which are admitted, Respondents consent to the entry of this Corrected Order Instituting Administrative and Cease-and-Desist Proceedings, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order Pursuant to Section 8A of the Securities Act of 1933, and Sections 15(b) and 21C of the Securities Exchange Act of 1934 ("Order"), as set forth below.

III.

On the basis of this Order and Respondents' Offer, the Commission finds¹ that:

Summary

This matter concerns violations of the registration provisions of the Securities Act, and the broker-dealer registration provisions of the Exchange Act, by Tier One and Carella, Tier One's president and sole stockholder, in connection with their general solicitation and sale of limited partnership interests in an oil and gas venture, Abilene Oil & Gas LP ("Abilene LP"). The limited partnership offering raised a total \$1.14 million from 52 investors in ten states and Canada, and was the subject of an emergency injunctive proceeding by the Commission.² Respondents acted as securities broker-dealers, without registering as such, and raised a total of \$342,000 from the unregistered, non-exempt sale of 19 Abilene LP limited partnership interests to ten investors in five states. For their sales efforts, Respondents received gross commissions of \$85,500.

Respondents

1. Tier One is a New York corporation that Carella formed on June 13, 2003, and its sole place of business is Haverstraw, New York. Carella is Tier One's president and sole stockholder.

2. Carella, 55, is a resident of Haverstraw, New York.

Other Relevant Entities

3. Sunray Oil Company, Inc. ("Sunray") is an Oklahoma corporation with offices in Addison, Texas. Sunray is the general partner of Abilene LP.

4. Abilene LP is a limited partnership registered with the State of Texas on May 31, 2006.

¹ The findings herein are made pursuant to Respondents' Offer and are not binding on any other person or entity in this or any other proceeding.

² See *SEC v. Sunray Oil Company, Inc., et. al.*, Civ. Act. No.3:06-CV-1097 (U.S. Dist. Ct. Northern District of Texas, Dallas Division/June 21, 2006) (SEC Lit. Rel. No. 19737 /June 23, 2006). The Commission's complaint alleges that Abilene LP, Sunray, and Larry Stiles, Sunray's president, violated the registration provisions of the Securities Act and the anti-fraud provisions of the Securities Act and the Exchange Act, and seeks preliminary and permanent injunctive relief, disgorgement plus pre-judgment interest and civil penalties.

The Abilene LP Offering

5. From January 2005 to March 2006, Sunray conducted an offering in which it sold 60 limited partnership units in the Abilene LP offering and raised \$1.14 million from 52 investors residing in 10 states and Canada. Sunray's offering of the Abilene LP interests was not registered with the Commission.

6. From May to August 2005, Tier One offered and sold limited partnership interests in the Abilene LP offering, pursuant to an agreement with Sunray, for a gross commission of 25% of funds raised. Although Respondents received transaction-based compensation for the sale of securities, they were not registered with the Commission or any state as a broker-dealer or its registered representative.

7. Sunray and Respondents engaged in a general solicitation in connection with the Abilene LP offering. Sunray generated the names of prospective investors through its website and an Internet media campaign. Sunray then gave Tier One the names of prospects who responded to these public solicitations. Thereafter, Tier One solicited the prospects by telephone, and mailed them the offering documents, an accreditation questionnaire and a subscription agreement that Sunray provided to Tier One. If Tier One convinced a prospect to invest, that investor would complete the questionnaire and subscription agreement and mail them directly to Sunray, along with that investor's investment. Sunray would then pay Tier One its commission.

8. Sunray claimed that the Abilene LP offering was exempt from registration under Regulation D, Rule 506 of the Securities Act, and that no unaccredited investor would be allowed to invest. In fact, the Abilene LP offering was sold to at least 16 unaccredited investors. At least three of the purchasers investing through Tier One did not meet the asset or income thresholds to be considered accredited. Those investors did not receive the financial statements and other disclosures required when a Rule 506 offering is sold to unaccredited investors.

9. Respondents sold 19 limited partnership interests in the Abilene LP offering for \$324,000 to ten investors in California, Florida, Illinois, Indiana and New Mexico, receiving gross commissions of \$85,500.

Violations

10. As a result of the conduct described above, Respondents willfully violated Sections 5(a) and 5(c) of the Securities Act, which prohibit the offer and sale of securities through the mails or in interstate commerce, unless a registration statement is filed or in effect as to such securities.

11. Section 3(a)(4) of the Exchange Act defines a broker generally as any person engaged in the business of effecting transactions in securities for the account of others. Subject to limited exemptions, Section 15(a)(1) of the Exchange Act makes it unlawful for any broker or dealer "to make use of the mails or any means or instrumentality of interstate commerce to effect any transactions in, or to induce or attempt to induce the purchase or sale of, any security (other

than an exempted security or commercial paper, bankers' acceptances, or commercial bills) unless such broker or dealer is registered" in accordance with Section 15(b) of the Exchange Act. As a result of the conduct described above, Respondents willfully violated Section 15(a)(1) of the Exchange Act by effecting transactions in, or inducing or attempting to induce the purchase or sale of, Abilene LP limited partnership interests for the account of others, thereby acting as a broker, without having been registered with the Commission as such.

Disgorgement and Civil Money Penalties

12. Respondents have submitted sworn Statements of Financial Condition, dated October 1, 2006, and other evidence and have asserted their inability to pay disgorgement plus prejudgment interest or a civil money penalty.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondents' Offer.

Accordingly, pursuant to Section 8A of the Securities Act, and Sections 15(b) and 21C of the Exchange Act, it is hereby ORDERED that:

A. Respondents Tier One and Carella shall cease and desist from committing or causing any violations and any future violations of Sections 5(a) and 5(c) of the Securities Act and Section 15(a)(1) of the Exchange Act.

B. Respondent Carella be, and hereby is barred from association with any broker or dealer, with a right to apply for association after one (1) year to the appropriate self-regulatory organization, or if there is none, to the Commission.

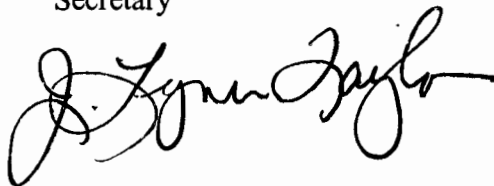
C. Any reapplication for association by the Respondent Carella will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent Carella, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

D. Respondents Tier One and Carella shall jointly and severally pay disgorgement of \$85,500 plus prejudgment interest, but that payment of such disgorgement and prejudgment interest is waived, and no penalty is imposed upon Carella, based upon Respondents' sworn representations in their Statements of Financial Condition, dated October 1, 2006, and other documents submitted to the Commission.

E. The Division of Enforcement ("Division") may, at any time following the entry of this Order, petition the Commission to: (1) reopen this matter to consider whether Respondents provided accurate and complete financial information at the time such representations were made; and (2) seek an order directing payment of disgorgement and pre-judgment interest from Tier One and/or Carella, and/or civil money penalties from Carella. No other issue shall be considered in connection with this petition other than whether the financial information provided by Respondents was fraudulent, misleading, inaccurate, or incomplete in any material respect. Respondents may not, by way of defense to any such petition: (1) contest the findings in this Order; (2) assert that payment of disgorgement and interest, and/or a civil money penalty, should not be ordered; (3) contest the amount of disgorgement and interest to be ordered, or the imposition of the maximum penalty allowable under law; or (4) assert any defense to liability or remedy, including, but not limited to, any statute of limitations defense.

By the Commission.

Nancy M. Morris
Secretary

A handwritten signature in cursive script, appearing to read "J. Lynn Taylor".

By: J. Lynn Taylor
Assistant Secretary

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
April 24, 2007

ADMINISTRATIVE PROCEEDING
File No. 3-12621

In the Matter of

**Marex.com, Inc., n/k/a Marex, Inc.,
Modern Computer Systems, Inc.,
Panther Telecommunications Corp.,
Royal Casket Distribution Corp.,
Schoolwurks, Inc.,
SkyWay Communications Holding Corp., and
South Beach Concepts, Inc. n/k/a Global
Franchise Concepts, Inc.,**

Respondents.

**ORDER INSTITUTING
PROCEEDINGS AND NOTICE
OF HEARING PURSUANT TO
SECTION 12(j) OF THE
SECURITIES EXCHANGE ACT
OF 1934**

I.

The Securities and Exchange Commission ("Commission") deems it necessary and appropriate for the protection of investors that public administrative proceedings be, and hereby are, instituted pursuant to Section 12(j) of the Securities Exchange Act of 1934 ("Exchange Act").

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENTS

1. Marex.com, Inc. ("Marex") (n/k/a Marex, Inc.) (CIK No. 1034867) is a dissolved Florida corporation located in Miami, Florida with a class of equity securities registered with the Commission pursuant to Exchange Act Section 12(g). Marex is delinquent in its periodic filings with the Commission, having not filed any periodic reports since it filed a Form 10-QSB for the period ended September 30, 2002, which reported no revenues and a net loss of \$495,463 for that quarter. As of May 24, 2001, Marex changed its name to Marex, Inc. with the Florida Secretary of State, but failed to record that change in the Commission's EDGAR database, as required by Commission rule. Marex's common stock (symbol "MARX") is traded on the over-the-counter markets.

2. Modern Computer Systems, Inc. ("Modern Computer") (a/k/a Modern Computer) (CIK No. 1119317) is a dissolved Florida corporation located in Palm Beach,

Document 18 of 21

Florida with a class of equity securities registered with the Commission pursuant to Exchange Act Section 12(g). Modern Computer is delinquent in its periodic filings with the Commission, having not filed any periodic reports since it filed a Form 10-SB registration statement on July 13, 2000, which reported total assets of \$243, total liabilities of \$30,400, and a net loss of \$124,095. Although Modern Computer's name is recorded in the EDGAR database as simply "Modern Computer," its true corporate name has always been Modern Computer Systems, Inc., which Modern Computer failed to correctly record in the Commission's EDGAR database, as required by Commission rule.

3. Panther Telecommunications Corp. ("Panther") (CIK No. 1120372) is a dissolved Florida corporation located in Miami, Florida with a class of equity securities registered with the Commission pursuant to Exchange Act Section 12(g). Panther is delinquent in its periodic filings with the Commission, having not filed any periodic reports since it filed a Form 10-QSB for the period ended November 30, 2001. A Form SB-2 amendment filed on March 21, 2002 reported unaudited net losses of \$96,830.

4. Royal Casket Distribution Corp. ("Royal Casket") (CIK No. 1160427) is a dissolved Florida corporation located in Pompano Beach, Florida with a class of equity securities registered with the Commission pursuant to Exchange Act Section 12(g). Royal Casket is delinquent in its periodic filings with the Commission, having not filed any periodic reports since it filed a Form 10-QSB for the period ended September 30, 2002, which reported no revenue and net losses of \$4,307.

5. Schoolwurks, Inc. ("Schoolwurks") (CIK No. 1128726) is a Florida corporation located in Miami Beach, Florida with a class of equity securities registered with the Commission pursuant to Exchange Act Section 12(g). Schoolwurks is delinquent in its periodic filings with the Commission, having not filed any periodic reports since it filed a Form 10-QSB for the period ended June 30, 2001, which reported total assets of \$406 and a net loss of \$11,266.

6. SkyWay Communications Holding Corp. ("SkyWay") (CIK No. 1128723) is a Florida corporation located in Clearwater, Florida with a class of equity securities registered with the Commission pursuant to Exchange Act Section 12(g). SkyWay is delinquent in its periodic filings with the Commission, having not filed any periodic reports since it filed a Form 10-QSB for the period ended January 31, 2005, which reported a loss from operations since inception of \$39 million. On June 14, 2005, the company filed a Chapter 11 bankruptcy petition in the United States Bankruptcy Court for the Middle District of Florida, which is still pending. As of April 10, 2007, SkyWay (symbol "SWYCQ") was quoted on the Pink Sheets, had seventeen market makers, and was eligible for the piggyback exemption of Exchange Act Rule 15c2-11(f)(3).

7. South Beach Concepts, Inc. ("South Beach") (n/k/a Global Franchise Concepts, Inc.) (CIK No. 1068105) is a dissolved Florida corporation located in Sarasota, Florida with a class of equity securities registered with the Commission pursuant to Exchange Act Section 12(g). South Beach is delinquent in its periodic filings with the Commission, having not filed any periodic reports since it filed a Form 10-QSB for the period ended September 30, 2000, which reported a net loss of \$320,346 for the prior three quarters. As of May 1, 2001, South Beach changed its name to Global Franchise

Concepts, Inc. with the Florida Secretary of State, but failed to record that change in the Commission's EDGAR database, as required by Commission rule.

B. DELINQUENT PERIODIC FILINGS

8. All of the respondents are delinquent in their periodic filings with the Commission (*see* Chart of Delinquent Filings, attached hereto as Appendix 1), have repeatedly failed to meet their obligations to file timely periodic reports, and failed to heed delinquency letters sent to them by the Division of Corporation Finance requesting compliance with their periodic filing obligations or, through their failure to maintain a valid address on file with the Commission as required by Commission rules, did not receive such letters.

9. Exchange Act Section 13(a) and the rules promulgated thereunder require issuers of securities registered pursuant to Exchange Act Section 12 to file with the Commission current and accurate information in periodic reports, even if the registration is voluntary under Section 12(g). Specifically, Rule 13a-1 requires issuers to file annual reports (Forms 10-K or 10-KSB), and Rule 13a-13 requires issuers to file quarterly reports (Forms 10-Q or 10-QSB).

10. As a result of the foregoing, Respondents failed to comply with Exchange Act Section 13(a) and Rules 13a-1 and 13a-13 thereunder.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate for the protection of investors that public administrative proceedings be instituted to determine:

A. Whether the allegations contained in Section II are true and, in connection therewith, to afford the Respondents an opportunity to establish any defenses to such allegations; and,

B. Whether it is necessary and appropriate for the protection of investors to suspend for a period not exceeding twelve months, or revoke, the registration of each class of securities of the Respondents identified in Section II registered pursuant to Section 12 of the Exchange Act.

IV.

IT IS HEREBY ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice [17 C.F.R. § 201.110].

IT IS HEREBY FURTHER ORDERED that Respondents shall file an Answer to the allegations contained in this Order within ten (10) days after service of this Order, as provided by Rule 220(b) of the Commission's Rules of Practice [17 C.F.R. § 201.220(b)].

If Respondents fail to file the directed Answers, or fail to appear at a hearing after being duly notified, the Respondents may be deemed in default and the proceedings may be determined against them upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f), and 310 of the Commission's Rules of Practice [17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f), and 201.310].

This Order shall be served forthwith upon Respondents personally or by certified, registered, or Express Mail, or by other means of verifiable delivery.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 120 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice [17 C.F.R. § 201.360(a)(2)].

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Nancy M. Morris
Secretary

Attachment


By: Jill M. Peterson
Assistant Secretary

Appendix 1

Chart of Delinquent Filings

In the Matter of Marex.com, Inc., n/k/a Marex, Inc., et al.

Company Name	Form Type	Period Ended	Due Date	Date Received	Months Delinquent (rounded up)
Marex.com, Inc., n/k/a Marex, Inc.	10-K	12/31/02	03/31/03	Not filed	49
	10-Q	03/31/03	05/15/03	Not filed	47
	10-Q	06/30/03	08/14/03	Not filed	44
	10-Q	09/30/03	11/14/03	Not filed	41
	10-K	12/31/03	03/30/04	Not filed	37
	10-Q	03/31/04	05/17/04	Not filed	35
	10-Q	06/30/04	08/16/04	Not filed	32
	10-Q	09/30/04	11/15/04	Not filed	29
	10-K	12/31/04	03/31/05	Not filed	25
	10-Q	03/31/05	05/16/05	Not filed	23
	10-Q	06/30/05	08/15/05	Not filed	20
	10-Q	09/30/05	11/14/05	Not filed	17
	10-K	12/31/05	03/31/06	Not filed	13
	10-Q	03/31/06	05/15/06	Not filed	11
	10-Q	06/30/06	08/14/06	Not filed	8
	10-Q	09/30/06	11/14/06	Not filed	5
	10-K	12/31/06	04/02/07	Not filed	0
Total Filings Delinquent		17			
Modern Computer Systems, Inc.	10-KSB	07/31/00	10/30/00	Not filed	78
	10-QSB	10/31/00	12/15/00	Not filed	76
	10-QSB	01/31/01	03/19/01	Not filed	73
	10-QSB	04/30/01	06/14/01	Not filed	70
	10-KSB	07/31/01	10/29/01	Not filed	66
	10-QSB	10/31/01	12/17/01	Not filed	64
	10-QSB	01/31/02	03/18/02	Not filed	61
	10-QSB	04/30/02	06/14/02	Not filed	58
	10-KSB	07/31/02	10/29/02	Not filed	54
	10-QSB	10/31/02	12/16/02	Not filed	52
	10-QSB	01/31/03	03/17/03	Not filed	49
	10-QSB	04/30/03	06/16/03	Not filed	46
	10-KSB	07/31/03	10/31/03	Not filed	42
	10-QSB	10/31/03	12/15/03	Not filed	40
	10-QSB	01/31/04	03/16/04	Not filed	37
	10-QSB	04/30/04	06/14/04	Not filed	34
	10-KSB	07/31/04	10/29/04	Not filed	30
	10-QSB	10/31/04	12/15/04	Not filed	28
	10-QSB	01/31/05	03/16/05	Not filed	25
	10-QSB	04/30/05	06/14/05	Not filed	22

Company Name	Form Type	Period Ended	Due Date	Date Received	Months Delinquent (rounded up)
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Modern Computer Systems, Inc.
(continued)

10-KSB	07/31/05	10/31/05	Not filed	18
10-QSB	10/31/05	12/26/05	Not filed	16
10-QSB	01/31/06	03/20/06	Not filed	13
10-QSB	04/30/06	06/16/06	Not filed	10
10-KSB	07/31/06	10/30/06	Not filed	6
10-QSB	10/31/06	12/15/06	Not filed	4
10-QSB	01/31/07	03/19/07	Not filed	1

Total Filings Delinquent 27

Panther Telecommunications Corp.

10-QSB	02/28/02	04/15/02	Not filed	60
10-QSB	05/31/02	07/15/02	Not filed	57
10-KSB	08/31/02	11/29/02	Not filed	53
10-QSB	11/30/02	01/14/03	Not filed	51
10-QSB	02/28/03	04/14/03	Not filed	48
10-QSB	05/31/03	07/15/03	Not filed	45
10-KSB	08/31/03	12/01/03	Not filed	40
10-QSB	11/30/03	01/14/04	Not filed	39
10-QSB	02/28/04	04/13/04	Not filed	36
10-QSB	05/31/04	07/15/04	Not filed	33
10-KSB	08/31/04	11/29/04	Not filed	29
10-QSB	11/30/04	01/14/05	Not filed	27
10-QSB	02/28/05	04/14/05	Not filed	24
10-QSB	05/31/05	07/15/05	Not filed	21
10-KSB	08/31/05	11/29/05	Not filed	17
10-QSB	11/30/05	01/16/06	Not filed	15
10-QSB	02/28/06	04/14/06	Not filed	12
10-QSB	05/31/06	07/17/06	Not filed	9
10-KSB	08/31/06	11/29/06	Not filed	5
10-QSB	11/30/06	01/16/07	Not filed	3
10-QSB	02/28/07	04/16/07	Not filed	0

Total Filings Delinquent 21

Royal Casket Distribution Corp.

10-KSB	12/31/02	03/31/03	Not filed	49
10-QSB	03/31/03	05/15/03	Not filed	47
10-QSB	06/30/03	08/14/03	Not filed	44
10-QSB	09/30/03	11/14/03	Not filed	41
10-KSB	12/31/03	03/30/04	Not filed	37
10-QSB	03/31/04	05/17/04	Not filed	35
10-QSB	06/30/04	08/16/04	Not filed	32
10-QSB	09/30/04	11/15/04	Not filed	29
10-KSB	12/31/04	03/31/05	Not filed	25
10-QSB	03/31/05	05/16/05	Not filed	23
10-QSB	06/30/05	08/15/05	Not filed	20
10-QSB	09/30/05	11/14/05	Not filed	17

Company Name	Form Type	Period Ended	Due Date	Date Received	Months Delinquent (rounded up)
Royal Casket Distribution Corp. (continued)	10-KSB	12/31/05	03/31/06	Not filed	13
	10-QSB	03/31/06	05/15/06	Not filed	11
	10-QSB	06/30/06	08/14/06	Not filed	8
	10-QSB	09/30/06	11/14/06	Not filed	5
	10-KSB	12/31/06	04/02/07	Not filed	0
Total Filings Delinquent	17				

Schoolwurks, Inc.	10-QSB	09/30/01	11/14/01	Not filed	65
	10-KSB	12/31/01	04/01/02	Not filed	60
	10-QSB	03/31/02	05/15/02	Not filed	59
	10-QSB	06/30/02	08/14/02	Not filed	56
	10-QSB	09/30/02	11/14/02	Not filed	53
	10-KSB	12/31/02	03/31/03	Not filed	49
	10-QSB	03/31/03	05/15/03	Not filed	47
	10-QSB	06/30/03	08/14/03	Not filed	44
	10-QSB	09/30/03	11/14/03	Not filed	41
	10-KSB	12/31/03	03/30/04	Not filed	37
	10-QSB	03/31/04	05/17/04	Not filed	35
	10-QSB	06/30/04	08/16/04	Not filed	32
	10-QSB	09/30/04	11/15/04	Not filed	29
	10-KSB	12/31/04	03/31/05	Not filed	25
	10-QSB	03/31/05	05/16/05	Not filed	23
	10-QSB	06/30/05	08/15/05	Not filed	20
	10-QSB	09/30/05	11/14/05	Not filed	17
	10-KSB	12/31/05	03/31/06	Not filed	13
	10-QSB	03/31/06	05/15/06	Not filed	11
	10-QSB	06/30/06	08/14/06	Not filed	8
	10-QSB	09/30/06	11/14/06	Not filed	5
	10-KSB	12/31/06	04/02/07	Not filed	0
Total Filings Delinquent	22				

Skyway Communications Holding Corp.	10-KSB	04/30/05	07/29/05	Not filed	21
	10-QSB	07/31/05	09/14/05	Not filed	19
	10-QSB	10/31/05	12/15/05	Not filed	16
	10-QSB	01/31/06	03/17/06	Not filed	13
	10-KSB	04/30/06	07/31/06	Not filed	9
	10-QSB	07/31/06	09/14/06	Not filed	7
	10-QSB	10/31/06	12/15/06	Not filed	4
	10-QSB	01/31/07	03/19/07	Not filed	1
Total Filings Delinquent	8				

Company Name	Form Type	Period Ended	Due Date	Date Received	Months Delinquent (rounded up)
South Beach Concepts, Inc., n/k/a Global Franchise Concepts, Inc.	10-KSB	12/31/00	04/02/01	Not filed	72
	10-QSB	03/31/01	05/15/01	Not filed	71
	10-QSB	06/30/01	08/14/01	Not filed	68
	10-QSB	09/30/01	11/14/01	Not filed	65
	10-KSB	12/31/01	04/01/02	Not filed	60
	10-QSB	03/31/02	05/15/02	Not filed	59
	10-QSB	06/30/02	08/14/02	Not filed	56
	10-QSB	09/30/02	11/14/02	Not filed	53
	10-KSB	12/31/02	03/31/03	Not filed	49
	10-QSB	03/31/03	05/15/03	Not filed	47
	10-QSB	06/30/03	08/14/03	Not filed	44
	10-QSB	09/30/03	11/14/03	Not filed	41
	10-KSB	12/31/03	03/30/04	Not filed	37
	10-QSB	03/31/04	05/17/04	Not filed	35
	10-QSB	06/30/04	08/16/04	Not filed	32
	10-QSB	09/30/04	11/15/04	Not filed	29
	10-KSB	12/31/04	03/31/05	Not filed	25
	10-QSB	03/31/05	05/16/05	Not filed	23
	10-QSB	06/30/05	08/15/05	Not filed	20
	10-QSB	09/30/05	11/14/05	Not filed	17
	10-KSB	12/31/05	03/31/06	Not filed	13
	10-QSB	03/31/06	05/15/06	Not filed	11
	10-QSB	06/30/06	08/14/06	Not filed	8
	10-QSB	09/30/06	11/14/06	Not filed	5
	10-KSB	12/31/06	04/02/07	Not filed	0

Total Filings Delinquent 25

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

April 24, 2007

IN THE MATTER OF

Internetstudios.com, Inc., and

World Cyberlinks Corp.

File No. 500-1

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:
:
:
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:

**ORDER OF SUSPENSION OF
TRADING**

It appears to the Securities and Exchange Commission that there is a lack of current and accurate information concerning the securities of Internetstudios.com, Inc. because it has not filed any periodic reports since it filed a Form 10-QSB for the period ended September 30, 2005.

It appears to the Securities and Exchange Commission that there is a lack of current and accurate information concerning the securities of World Cyberlinks Corp. because it has not filed any periodic reports since it filed a Form 10-KSB for the period ended July 31, 2002.

The Commission is of the opinion that the public interest and the protection of investors require a suspension of trading in the securities of the above-listed companies.

Therefore, it is ordered, pursuant to Section 12(k) of the Securities Exchange Act of 1934, that trading in the above-listed companies, is suspended for the period from 9:30 a.m. EDT on April 24, 2007, through 11:59 p.m. EDT on May 7, 2007.

By the Commission.

Nancy M. Morris
Secretary

Jill M. Peterson
By: Jill M. Peterson
Assistant Secretary

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SECURITIES AND EXCHANGE COMMISSION

[Release Nos. 33-8794; 34-55682 / April 30, 2007]

Order Making Fiscal Year 2008 Annual Adjustments to the Fee Rates Applicable under Section 6(b) of the Securities Act of 1933 and Sections 13(e), 14(g), 31(b), and 31(c) of the Securities Exchange Act of 1934

I. Background

The Commission collects fees under various provisions of the securities laws. Section 6(b) of the Securities Act of 1933 ("Securities Act") requires the Commission to collect fees from issuers on the registration of securities.¹ Section 13(e) of the Securities Exchange Act of 1934 ("Exchange Act") requires the Commission to collect fees on specified repurchases of securities.² Section 14(g) of the Exchange Act requires the Commission to collect fees on proxy solicitations and statements in corporate control transactions.³ Finally, Sections 31(b) and (c) of the Exchange Act require national securities exchanges and national securities associations, respectively, to pay fees to the Commission on transactions in specified securities.⁴

The Investor and Capital Markets Fee Relief Act ("Fee Relief Act")⁵ amended Section 6(b) of the Securities Act and Sections 13(e), 14(g), and 31 of the Exchange Act to require the Commission to make annual adjustments to the fee rates applicable under

¹ 15 U.S.C. 77f(b).

² 15 U.S.C. 78m(e).

³ 15 U.S.C. 78n(g).

⁴ 15 U.S.C. 78ee(b) and (c). In addition, Section 31(d) of the Exchange Act requires the Commission to collect assessments from national securities exchanges and national securities associations for round turn transactions on security futures. 15 U.S.C. 78ee(d).

⁵ Pub. L. No. 107-123, 115 Stat. 2390 (2002).

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these sections for each of the fiscal years 2003 through 2011, and one final adjustment to fix the fee rates under these sections for fiscal year 2012 and beyond.⁶

II. Fiscal Year 2008 Annual Adjustment to the Fee Rates Applicable under Section 6(b) of the Securities Act and Sections 13(e) and 14(g) of the Exchange Act

Section 6(b)(5) of the Securities Act requires the Commission to make an annual adjustment to the fee rate applicable under Section 6(b) of the Securities Act in each of the fiscal years 2003 through 2011.⁷ In those same fiscal years, Sections 13(e)(5) and 14(g)(5) of the Exchange Act require the Commission to adjust the fee rates under Sections 13(e) and 14(g) to a rate that is equal to the rate that is applicable under Section 6(b). In other words, the annual adjustment to the fee rate under Section 6(b) of the Securities Act also sets the annual adjustment to the fee rates under Sections 13(e) and 14(g) of the Exchange Act.

Section 6(b)(5) sets forth the method for determining the annual adjustment to the fee rate under Section 6(b) for fiscal year 2008. Specifically, the Commission must adjust the fee rate under Section 6(b) to a “rate that, when applied to the baseline estimate of the aggregate maximum offering prices for [fiscal year 2008], is reasonably likely to produce aggregate fee collections under [Section 6(b)] that are equal to the target offsetting collection amount for [fiscal year 2008].” That is, the adjusted rate is

⁶ See 15 U.S.C. 77f(b)(5), 77f(b)(6), 78m(e)(5), 78m(e)(6), 78n(g)(5), 78n(g)(6), 78ee(j)(1), and 78ee(j)(3). Section 31(j)(2) of the Exchange Act, 15 U.S.C. 78ee(j)(2), also requires the Commission, in specified circumstances, to make a mid-year adjustment to the fee rates under Sections 31(b) and (c) of the Exchange Act in fiscal years 2002 through 2011.

⁷ The annual adjustments are designed to adjust the fee rate in a given fiscal year so that, when applied to the aggregate maximum offering price at which securities are proposed to be offered for the fiscal year, it is reasonably likely to produce total fee collections under Section 6(b) equal to the “target offsetting collection amount” specified in Section 6(b)(11)(A) for that fiscal year.

determined by dividing the “target offsetting collection amount” for fiscal year 2008 by the “baseline estimate of the aggregate maximum offering prices” for fiscal year 2008.

Section 6(b)(11)(A) specifies that the “target offsetting collection amount” for fiscal year 2008 is \$234,000,000.⁸ Section 6(b)(11)(B) defines the “baseline estimate of the aggregate maximum offering price” for fiscal year 2008 as “the baseline estimate of the aggregate maximum offering price at which securities are proposed to be offered pursuant to registration statements filed with the Commission during [fiscal year 2008] as determined by the Commission, after consultation with the Congressional Budget Office and the Office of Management and Budget”

To make the baseline estimate of the aggregate maximum offering price for fiscal year 2008, the Commission is using the same methodology it developed in consultation with the Congressional Budget Office (“CBO”) and Office of Management and Budget (“OMB”) to project aggregate offering price for purposes of the fiscal year 2007 annual adjustment. Using this methodology, the Commission determines the “baseline estimate of the aggregate maximum offering price” for fiscal year 2008 to be \$5,959,775,433,491.⁹ Based on this estimate, the Commission calculates the fee rate for

⁸ Congress determined the target offsetting collection amounts by applying reduced fee rates to the CBO’s January 2001 projections of the aggregate maximum offering prices for fiscal years 2002 through 2011. In any fiscal year through fiscal year 2011, the annual adjustment mechanism will result in additional fee rate reductions if the CBO’s January 2001 projection of the aggregate maximum offering prices for the fiscal year proves to be too low, and fee rate increases if the CBO’s January 2001 projection of the aggregate maximum offering prices for the fiscal year proves to be too high.

⁹ Appendix A explains how we determined the “baseline estimate of the aggregate maximum offering price” for fiscal year 2008 using our methodology, and then shows the purely arithmetical process of calculating the fiscal year 2008 annual adjustment based on that estimate. The appendix includes the data used by the Commission in making its “baseline estimate of the aggregate maximum offering price” for fiscal year 2008.

fiscal 2008 to be \$39.30 per million. This adjusted fee rate applies to Section 6(b) of the Securities Act, as well as to Sections 13(e) and 14(g) of the Exchange Act.

III. Fiscal Year 2008 Annual Adjustment to the Fee Rates Applicable under Sections 31(b) and (c) of the Exchange Act

Section 31(b) of the Exchange Act requires each national securities exchange to pay the Commission a fee at a rate, as adjusted by our order pursuant to Section 31(j)(2),¹⁰ which currently is \$15.30 per million of the aggregate dollar amount of sales of specified securities transacted on the exchange. Similarly, Section 31(c) requires each national securities association to pay the Commission a fee at the same adjusted rate on the aggregate dollar amount of sales of specified securities transacted by or through any member of the association otherwise than on an exchange. Section 31(j)(1) requires the Commission to make annual adjustments to the fee rates applicable under Sections 31(b) and (c) for each of the fiscal years 2003 through 2011.¹¹

Section 31(j)(1) specifies the method for determining the annual adjustment for fiscal year 2008. Specifically, the Commission must adjust the rates under Sections 31(b) and (c) to a “uniform adjusted rate that, when applied to the baseline estimate of the aggregate dollar amount of sales for [fiscal year 2008], is reasonably likely to produce aggregate fee collections under [Section 31] (including assessments collected under

¹⁰ Order Making Fiscal Year 2007 Annual Adjustments to the Fee Rates Applicable under Section 6(b) of the Securities Act of 1933 and Sections 13(e), 14(g), 31(b) and 31(c) of the Securities Exchange Act of 1934, Rel. No. 33-8681 (April 28, 2006), 71 FR 26132 (May 3, 2006).

¹¹ The annual adjustments, as well as the mid-year adjustments required in specified circumstances under Section 31(j)(2) in fiscal years 2002 through 2011, are designed to adjust the fee rates in a given fiscal year so that, when applied to the aggregate dollar volume of sales for the fiscal year, they are reasonably likely to produce total fee collections under Section 31 equal to the “target offsetting collection amount” specified in Section 31(l)(1) for that fiscal year.

[Section 31(d)] that are equal to the target offsetting collection amount for [fiscal year 2008].”

Section 31(1)(1) specifies that the “target offsetting collection amount” for fiscal year 2008 is \$892,000,000.¹² Section 31(1)(2) defines the “baseline estimate of the aggregate dollar amount of sales” as “the baseline estimate of the aggregate dollar amount of sales of securities . . . to be transacted on each national securities exchange and by or through any member of each national securities association (otherwise than on a national securities exchange) during [fiscal year 2008] as determined by the Commission, after consultation with the Congressional Budget Office and the Office of Management and Budget”

To make the baseline estimate of the aggregate dollar amount of sales for fiscal year 2008, the Commission is using the same methodology it developed in consultation with the CBO and OMB to project dollar volume for purposes of prior fee adjustments.¹³ Using this methodology, the Commission calculates the baseline estimate of the aggregate dollar amount of sales for fiscal year 2008 to be \$78,732,152,559,457. Based on this estimate, and an estimated collection of \$18,017 in assessments on security

¹² Congress determined the target offsetting collection amounts by applying reduced fee rates to the CBO’s January 2001 projections of dollar volume for fiscal years 2002 through 2011. In any fiscal year through fiscal year 2011, the annual and, in specified circumstances, mid-year adjustment mechanisms will result in additional fee rate reductions if the CBO’s January 2001 projection of dollar volume for the fiscal year proves to be too low, and fee rate increases if the CBO’s January 2001 projection of dollar volume for the fiscal year proves to be too high.

¹³ Appendix B explains how we determined the “baseline estimate of the aggregate dollar amount of sales” for fiscal year 2007 using our methodology, and then shows the purely arithmetical process of calculating the fiscal year 2007 annual adjustment based on that estimate. The appendix also includes the data used by the Commission in making its “baseline estimate of the aggregate dollar amount of sales” for fiscal year 2007.

futures transactions under Section 31(d) in fiscal year 2008, the uniform adjusted rate for fiscal year 2008 is 11.00 per million.¹⁴

IV. Effective Dates of the Annual Adjustments

Section 6(b)(8)(A) of the Securities Act provides that the fiscal year 2008 annual adjustment to the fee rate applicable under Section 6(b) of the Securities Act shall take effect on the later of October 1, 2007, or five days after the date on which a regular appropriation to the Commission for fiscal year 2008 is enacted.¹⁵ Section 13(e)(8)(A) and 14(g)(8)(A) of the Exchange Act provide for the same effective date for the annual adjustments to the fee rates applicable under Sections 13(e) and 14(g) of the Exchange Act.¹⁶

Section 31(j)(4)(A) of the Exchange Act provides that the fiscal year 2008 annual adjustments to the fee rates applicable under Sections 31(b) and (c) of the Exchange Act shall take effect on the later of October 1, 2007, or 30 days after the date on which a regular appropriation to the Commission for fiscal year 2008 is enacted.

V. Conclusion

Accordingly, pursuant to Section 6(b) of the Securities Act and Sections 13(e), 14(g), and 31 of the Exchange Act,¹⁷

IT IS HEREBY ORDERED that the fee rates applicable under Section 6(b) of the Securities Act and Sections 13(e) and 14(g) of the Exchange Act shall be \$39.30 per

¹⁴ The calculation of the adjusted fee rate assumes that the current fee rate of \$15.30 per million will apply through October 31, 2007, due to the operation of the effective date provision contained in Section 31(j)(4)(A) of the Exchange Act.

¹⁵ 15 U.S.C. 77f(b)(8)(A).

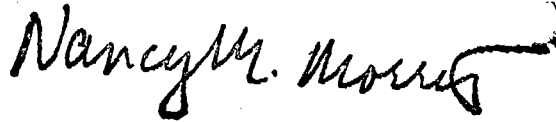
¹⁶ 15 U.S.C. 78m(e)(8)(A) and 78n(g)(8)(A).

¹⁷ 15 U.S.C. 77f(b), 78m(e), 78n(g), and 78ee(j).

million effective on the later of October 1, 2007, or five days after the date on which a regular appropriation to the Commission for fiscal year 2008 is enacted; and

IT IS FURTHER ORDERED that the fee rates applicable under Sections 31(b) and (c) of the Exchange Act shall be \$11.00 per million effective on the later of October 1, 2007, or 30 days after the date on which a regular appropriation to the Commission for fiscal year 2008 is enacted.

By the Commission.

A handwritten signature in black ink, reading "Nancy M. Morris". The signature is written in a cursive style with a long, sweeping horizontal line extending from the end of the name.

Nancy M. Morris
Secretary

APPENDIX A

With the passage of the Investor and Capital Markets Relief Act, Congress has, among other things, established a target amount of monies to be collected from fees charged to issuers based on the value of their registrations. This appendix provides the formula for determining such fees, which the Commission adjusts annually. Congress has mandated that the Commission determine these fees based on the “aggregate maximum offering prices,” which measures the aggregate dollar amount of securities registered with the Commission over the course of the year. In order to maximize the likelihood that the amount of monies targeted by Congress will be collected, the fee rate must be set to reflect projected aggregate maximum offering prices. As a percentage, the fee rate equals the ratio of the target amounts of monies to the projected aggregate maximum offering prices.

For 2008, the Commission has estimated the aggregate maximum offering prices by projecting forward the trend established in the previous decade. More specifically, an ARIMA model was used to forecast the value of the aggregate maximum offering prices for months subsequent to March 2007, the last month for which the Commission has data on the aggregate maximum offering prices.

The following sections describe this process in detail.

A. Baseline estimate of the aggregate maximum offering prices for fiscal year 2008.

First, calculate the aggregate maximum offering prices (AMOP) for each month in the sample (March 1997 - March 2007). Next, calculate the percentage change in the AMOP from month to month.

Model the monthly percentage change in AMOP as a first order moving average process. The moving average approach allows one to model the effect that an exceptionally high (or low) observation of AMOP tends to be followed by a more “typical” value of AMOP.

Use the estimated moving average model to forecast the monthly percent change in AMOP. These percent changes can then be applied to obtain forecasts of the total dollar value of registrations. The following is a more formal (mathematical) description of the procedure:

1. Begin with the monthly data for AMOP. The sample spans ten years, from March 1997 to March 2007.
2. Divide each month’s AMOP (column C) by the number of trading days in that month (column B) to obtain the average daily AMOP (AAMOP, column D).
3. For each month t , the natural logarithm of AAMOP is reported in column E.
4. Calculate the change in $\log(\text{AAMOP})$ from the previous month as $\Delta_t = \log(\text{AAMOP}_t) - \log(\text{AAMOP}_{t-1})$. This approximates the percentage change.
5. Estimate the first order moving average model $\Delta_t = \alpha + \beta e_{t-1} + e_t$, where e_t denotes the forecast error for month t . The forecast error is simply the difference between the one-month ahead forecast and the actual realization of Δ_t . The forecast error is expressed as $e_t = \Delta_t - \alpha - \beta e_{t-1}$. The model can be estimated using standard commercially available software such as SAS or Eviews. Using least squares, the estimated parameter values are $\alpha=0.00781$ and $\beta=-0.76766$.

6. For the month of April 2007 forecast $\Delta_{t=4/07} = \alpha + \beta e_{t=3/07}$. For all subsequent months, forecast $\Delta_t = \alpha$.
7. Calculate forecasts of $\log(\text{AAMOP})$. For example, the forecast of $\log(\text{AAMOP})$ for June 2007 is given by $\text{FLAAMOP}_{t=6/07} = \log(\text{AAMOP}_{t=3/07}) + \Delta_{t=4/07} + \Delta_{t=5/07} + \Delta_{t=6/07}$.
8. Under the assumption that e_t is normally distributed, the n-step ahead forecast of AAMOP is given by $\exp(\text{FLAAMOP}_t + \sigma_n^2/2)$, where σ_n denotes the standard error of the n-step ahead forecast.
9. For June 2007, this gives a forecast AAMOP of \$21.2 Billion (Column I), and a forecast AMOP of \$444.9 Billion (Column J).
10. Iterate this process through September 2008 to obtain a baseline estimate of the aggregate maximum offering prices for fiscal year 2008 of \$5,959,775,433,491.

B. Using the forecasts from A to calculate the new fee rate.

1. Using the data from Table A, estimate the aggregate maximum offering prices between 10/1/07 and 9/30/08 to be \$5,959,775,433,491.
2. The rate necessary to collect the target \$234,000,000 in fee revenues set by Congress is then calculated as: $\$234,000,000 \div \$5,959,775,433,491 = 0.00003926$ (or \$39.30 per million.).

Table A. Estimation of baseline of aggregate maximum offering prices .

Fee rate calculation.

a. Baseline estimate of the aggregate maximum offering prices, 10/1/07 to 9/30/08 (\$Millions)	5,959,775
b. Implied fee rate (\$234 Million / a)	\$39.30

Data

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
Month	# of Trading Days in Month	Aggregate Maximum Offering Prices, in \$Millions	Average Daily Aggregate Max. Offering Prices (AAMOP) in \$Millions	log(AAMOP)	Change in AAMOP	Forecast log(AAMOP)	Standard Error	Forecast AAMOP, in \$Millions	Forecast Aggregate Maximum Offering Prices, in \$Millions
Mar-97	20	140,809	7,040	22.675					
Apr-97	22	182,657	8,303	22.840	0.165				
May-97	21	163,702	7,795	22.777	-0.063				
Jun-97	21	162,111	7,720	22.767	-0.010				
Jul-97	22	168,007	7,637	22.756	-0.011				
Aug-97	21	153,705	7,319	22.714	-0.042				
Sep-97	21	179,559	8,550	22.869	0.155				
Oct-97	23	260,719	11,336	23.151	0.282				
Nov-97	19	219,618	11,559	23.171	0.020				
Dec-97	22	228,605	10,391	23.064					
Jan-98	20	228,030	11,402	23.157					
Feb-98	19	250,266	13,172	23.301					
Mar-98	22	378,185	17,190	23.568					
Apr-98	21	242,310	11,539	23.169	-0.399				
May-98	20	298,454	14,923	23.426	0.257				
Jun-98	22	328,994	14,954	23.428	0.002				
Jul-98	22	272,957	12,407	23.242	-0.187				
Aug-98	21	392,104	18,672	23.650	0.409				
Sep-98	21	325,144	15,483	23.463	-0.187				
Oct-98	22	139,786	6,354	22.572	-0.891				
Nov-98	20	269,065	13,453	23.322	0.750				
Dec-98	22	248,596	11,300	23.148	-0.174				
Jan-99	19	253,448	13,339	23.314	0.166				
Feb-99	19	217,433	11,444	23.161	-0.153				
Mar-99	23	415,145	18,050	23.616	0.456				
Apr-99	21	431,280	20,537	23.746	0.129				
May-99	20	229,082	11,454	23.162	-0.584				

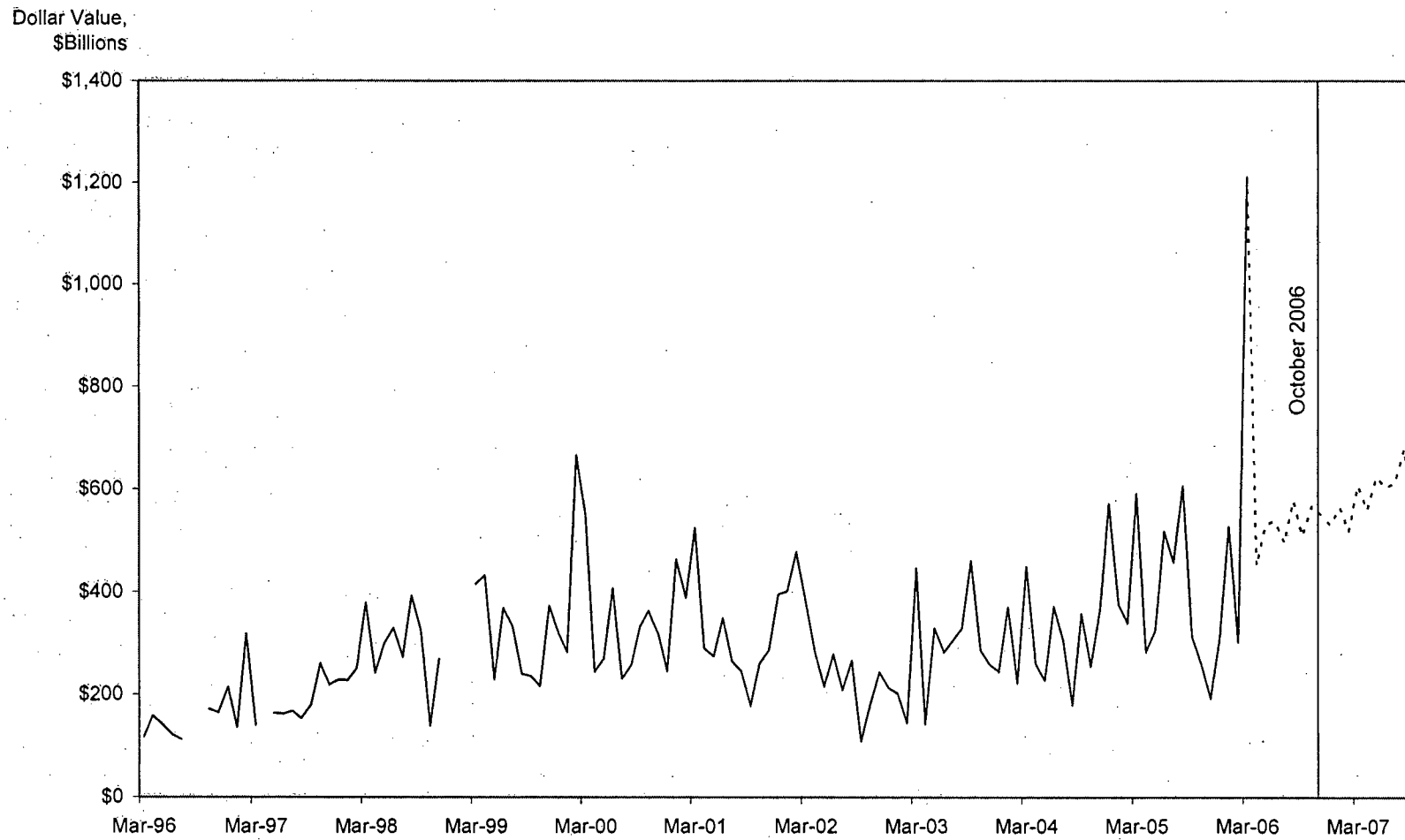
Jun-99	22	367,943	16,725	23.540	0.379				
Jul-99	21	332,623	15,839	23.486	-0.054				
Aug-99	22	240,157	10,916	23.114	-0.372				
Sep-99	21	236,011	11,239	23.143	0.029				
Oct-99	21	216,883	10,328	23.058	-0.085				
Nov-99	21	372,582	17,742	23.599	0.541				
Dec-99	22	319,846	14,538	23.400	-0.199				
Jan-00	20	282,165	14,108	23.370	-0.030				
Feb-00	20	665,367	33,268	24.228	0.858				
Mar-00	23	550,107	23,918	23.898	-0.330				
Apr-00	19	244,510	12,869	23.278	-0.620				
May-00	22	269,774	12,262	23.230	-0.048				
Jun-00	22	406,409	18,473	23.640	0.410				
Jul-00	20	230,894	11,545	23.169	-0.470				
Aug-00	23	257,797	11,209	23.140	-0.030				
Sep-00	20	332,120	16,606	23.533	0.393				
Oct-00	22	362,493	16,477	23.525	-0.008				
Nov-00	21	317,653	15,126	23.440	-0.086				
Dec-00	20	246,006	12,300	23.233	-0.207				
Jan-01	21	462,726	22,035	23.816	0.583				
Feb-01	19	388,304	20,437	23.741	-0.075				
Mar-01	22	523,443	23,793	23.893	0.152				
Apr-01	20	289,212	14,461	23.395	-0.498				
May-01	22	274,298	12,468	23.246	-0.148				
Jun-01	21	348,268	16,584	23.532	0.285				
Jul-01	21	264,590	12,600	23.257	-0.275				
Aug-01	23	245,591	10,678	23.091	-0.165				
Sep-01	15	178,524	11,902	23.200	0.108				
Oct-01	23	260,719	11,336	23.151	-0.049				
Nov-01	21	286,199	13,629	23.335	0.184				
Dec-01	20	395,230	19,762	23.707	0.372				
Jan-02	21	401,290	19,109	23.673	-0.034				
Feb-02	19	476,837	25,097	23.946	0.273				
Mar-02	20	380,160	19,008	23.668	-0.278				

Apr-02	22	282,947	12,861	23.277	-0.391				
May-02	22	215,645	9,802	23.006	-0.272				
Jun-02	20	277,757	13,888	23.354	0.348				
Jul-02	22	208,638	9,484	22.973	-0.381				
Aug-02	22	265,750	12,080	23.215	0.242				
Sep-02	20	109,565	5,478	22.424	-0.791				
Oct-02	23	179,374	7,799	22.777	0.353				
Nov-02	20	243,590	12,179	23.223	0.446				
Dec-02	21	212,838	10,135	23.039	-0.184				
Jan-03	21	201,839	9,611	22.986	-0.053				
Feb-03	19	144,642	7,613	22.753	-0.233				
Mar-03	21	444,331	21,159	23.775	1.022				
Apr-03	21	142,373	6,780	22.637	-1.138				
May-03	21	328,792	15,657	23.474	0.837				
Jun-03	21	281,580	13,409	23.319	-0.155				
Jul-03	22	304,383	13,836	23.351	0.031				
Aug-03	21	328,351	15,636	23.473	0.122				
Sep-03	21	459,563	21,884	23.809	0.336				
Oct-03	23	285,039	12,393	23.240	-0.569				
Nov-03	19	257,779	13,567	23.331	0.091				
Dec-03	22	244,998	11,136	23.133	-0.197				
Jan-04	20	369,784	18,489	23.640	0.507				
Feb-04	19	221,517	11,659	23.179	-0.461				
Mar-04	23	448,543	19,502	23.694	0.514				
Apr-04	21	260,029	12,382	23.240	-0.454				
May-04	20	227,239	11,362	23.154	-0.086				
Jun-04	21	370,668	17,651	23.594	0.441				
Jul-04	21	305,519	14,549	23.401	-0.193				
Aug-04	22	179,688	8,168	22.823	-0.577				
Sep-04	21	357,007	17,000	23.556	0.733				
Oct-04	21	254,489	12,119	23.218	-0.338				
Nov-04	21	363,406	17,305	23.574	0.356				
Dec-04	22	570,918	25,951	23.979	0.405				
Jan-05	20	375,484	18,774	23.656	-0.324				

Feb-05	19	338,922	17,838	23.605	-0.051				
Mar-05	22	590,862	26,857	24.014	0.409				
Apr-05	21	282,018	13,429	23.321	-0.693				
May-05	21	323,652	15,412	23.458	0.138				
Jun-05	22	517,022	23,501	23.880	0.422				
Jul-05	20	457,487	22,874	23.853	-0.027				
Aug-05	23	605,534	26,328	23.994	0.141				
Sep-05	21	312,281	14,871	23.423	-0.571				
Oct-05	21	258,956	12,331	23.235	-0.187				
Nov-05	21	192,736	9,178	22.940	-0.295				
Dec-05	21	308,134	14,673	23.409	0.469				
Jan-06	20	526,550	26,328	23.994	0.585				
Feb-06	19	301,446	15,866	23.487	-0.506				
Mar-06	23	1,211,344	52,667	24.687	1.200				
Apr-06	19	407,345	21,439	23.788	-0.899				
May-06	22	260,121	11,824	23.193	-0.595				
Jun-06	22	375,296	17,059	23.560	0.367				
Jul-06	20	232,654	11,633	23.177	-0.383				
Aug-06	23	310,050	13,480	23.325	0.147				
Sep-06	20	236,782	11,839	23.195	-0.130				
Oct-06	22	213,342	9,697	22.995	-0.200				
Nov-06	21	292,456	13,926	23.357	0.362				
Dec-06	20	349,512	17,476	23.584	0.227				
Jan-07	20	372,740	18,637	23.648	0.064				
Feb-07	19	278,753	14,671	23.409	-0.239				
Mar-07	22	862,786	39,218	24.392	0.983				
Apr-07	20					23.694	0.348	20,722	414,450
May-07	22					23.702	0.357	20,954	460,977
Jun-07	21					23.709	0.366	21,187	444,929
Jul-07	21					23.717	0.375	21,423	449,890
Aug-07	23					23.725	0.384	21,662	498,230
Sep-07	19					23.733	0.392	21,904	416,170
Oct-07	23					23.741	0.401	22,148	509,401
Nov-07	21					23.749	0.409	22,395	470,291

Dec-07	20					23.756	0.417	22,644	452,890
Jan-08	21					23.764	0.424	22,897	480,836
Feb-08	20					23.772	0.432	23,152	463,044
Mar-08	20					23.780	0.440	23,410	468,207
Apr-08	22					23.788	0.447	23,671	520,769
May-08	21					23.795	0.454	23,935	502,640
Jun-08	21					23.803	0.461	24,202	508,244
Jul-08	22					23.811	0.468	24,472	538,382
Aug-08	21					23.819	0.475	24,745	519,640
Sep-08	21					23.827	0.482	25,021	525,433

Figure A
Aggregate Maximum Offering Prices Subject to Securities Act Section 6(b)
(Dashed Line Indicates Forecast Values)



APPENDIX B

With the passage of the Investor and Capital Markets Relief Act, Congress has, among other things, established a target amount of monies to be collected from fees charged to investors based on the value of their transactions. This appendix provides the formula for determining such fees, which the Commission adjusts annually, and may adjust semi-annually.¹⁸ In order to maximize the likelihood that the amount of monies targeted by Congress will be collected, the fee rate must be set to reflect projected dollar transaction volume on the securities exchanges and certain over-the-counter markets over the course of the year. As a percentage, the fee rate equals the ratio of the target amounts of monies to the projected dollar transaction volume.

For 2008, the Commission has estimated dollar transaction volume by projecting forward the trend established in the previous decade. More specifically, dollar transaction volume was forecasted for months subsequent to March 2007, the last month for which the Commission has data on transaction volume.

The following sections describe this process in detail.

A. Baseline estimate of the aggregate dollar amount of sales for fiscal year 2008.

First, calculate the average daily dollar amount of sales (ADS) for each month in the sample (March 1997 - March 2007). The monthly aggregate dollar amount of sales (exchange plus certain over-the-counter markets) is presented in column C of Table B.

Next, calculate the change in the natural logarithm of ADS from month to month. The average monthly percentage growth of ADS over the entire sample is 0.014 and the standard deviation 0.115. Assuming the monthly percentage change in ADS follows a random walk,

¹⁸ Congress requires that the Commission make a mid-year adjustment to the fee rate if four months into the fiscal year it determines that its forecasts of aggregate dollar volume are reasonably likely to be off by 10% or more.

calculating the expected monthly percentage growth rate for the full sample is straightforward.

The expected monthly percentage growth rate of ADS is 2.1%.

Now, use the expected monthly percentage growth rate to forecast total dollar volume. For example, one can use the ADS for March 2007 (\$238,343,650,750) to forecast ADS for April 2007 (\$243,433,544,609 = \$238,343,650,750 \times 1.021).¹⁹ Multiply by the number of trading days in April 2007 (20) to obtain a forecast of the total dollar volume for the month (\$4,868,670,892,189). Repeat the method to generate forecasts for subsequent months.

The forecasts for total dollar volume are in column G of Table B. The following is a more formal (mathematical) description of the procedure:

1. Divide each month's total dollar volume (column C) by the number of trading days in that month (column B) to obtain the average daily dollar volume (ADS, column D).
2. For each month t , calculate the change in ADS from the previous month as $\Delta_t = \log (ADS_t / ADS_{t-1})$, where $\log (x)$ denotes the natural logarithm of x .
3. Calculate the mean and standard deviation of the series $\{\Delta_1, \Delta_2, \dots, \Delta_{120}\}$. These are given by $\mu = 0.014$ and $\sigma = 0.115$, respectively.
4. Assume that the natural logarithm of ADS follows a random walk, so that Δ_s and Δ_t are statistically independent for any two months s and t .
5. Under the assumption that Δ_t is normally distributed, the expected value of ADS_t / ADS_{t-1} is given by $\exp (\mu + \sigma^2/2)$, or on average $ADS_t = 1.021 \times ADS_{t-1}$.

¹⁹ The value 1.021 has been rounded. All computations are done with the unrounded value.

6. For April 2007, this gives a forecast ADS of $1.021 \times \$238,343,650,750 = \$243,433,544,609$.

Multiply this figure by the 20 trading days in April 2007 to obtain a total dollar volume forecast of \$4,868,670,892,189.

7. For May 2007, multiply the April 2007 ADS forecast by 1.021 to obtain a forecast ADS of \$248,632,134,545. Multiply this figure by the 22 trading days in May 2007 to obtain a total dollar volume forecast of \$5,469,906,959,979.

8. Repeat this procedure for subsequent months.

B. Using the forecasts from A to calculate the new fee rate.

1. Use Table B to estimate fees collected for the period 10/1/07 through 10/31/07. The projected aggregate dollar amount of sales for this period is \$6,355,786,096,164. Projected fee collections at the current fee rate of 0.0000153 are \$97,243,527.
2. Estimate the amount of assessments on securities futures products collected during 10/1/07 and 9/30/08 to be \$18,017 by projecting a 2.1% monthly increase from a base of \$1,150 in March 2007.
3. Subtract the amounts \$97,243,527 and \$18,017 from the target offsetting collection amount set by Congress of \$892,000,000 leaving \$794,738,456 to be collected on dollar volume for the period 11/1/07 through 9/30/08.
4. Use Table B to estimate dollar volume for the period 11/1/07 through 9/30/08. The estimate is \$72,376,366,463,293. Finally, compute the fee rate required to produce the additional \$794,738,456 in revenue. This rate is \$794,738,456 divided by \$72,376,366,463,293 or 0.0000109806.

5. Round the result to the seventh decimal point, yielding a rate of .0000110 (or \$11.00 per million).

Table B. Estimation of baseline of the aggregate dollar amount of sales.

Fee rate calculation.

a. Baseline estimate of the aggregate dollar amount of sales, 10/1/07 to 10/31/07 (\$Millions)	6,355,786
b. Baseline estimate of the aggregate dollar amount of sales, 11/1/07 to 9/30/08 (\$Millions)	72,376,366
c. Estimated collections in assessments on securities futures products in FY 2008 (\$Millions)	0.018
d. Implied fee rate $((\$892,000,000 - 0.0000153 \cdot a - c) / b)$	\$11.0

Data

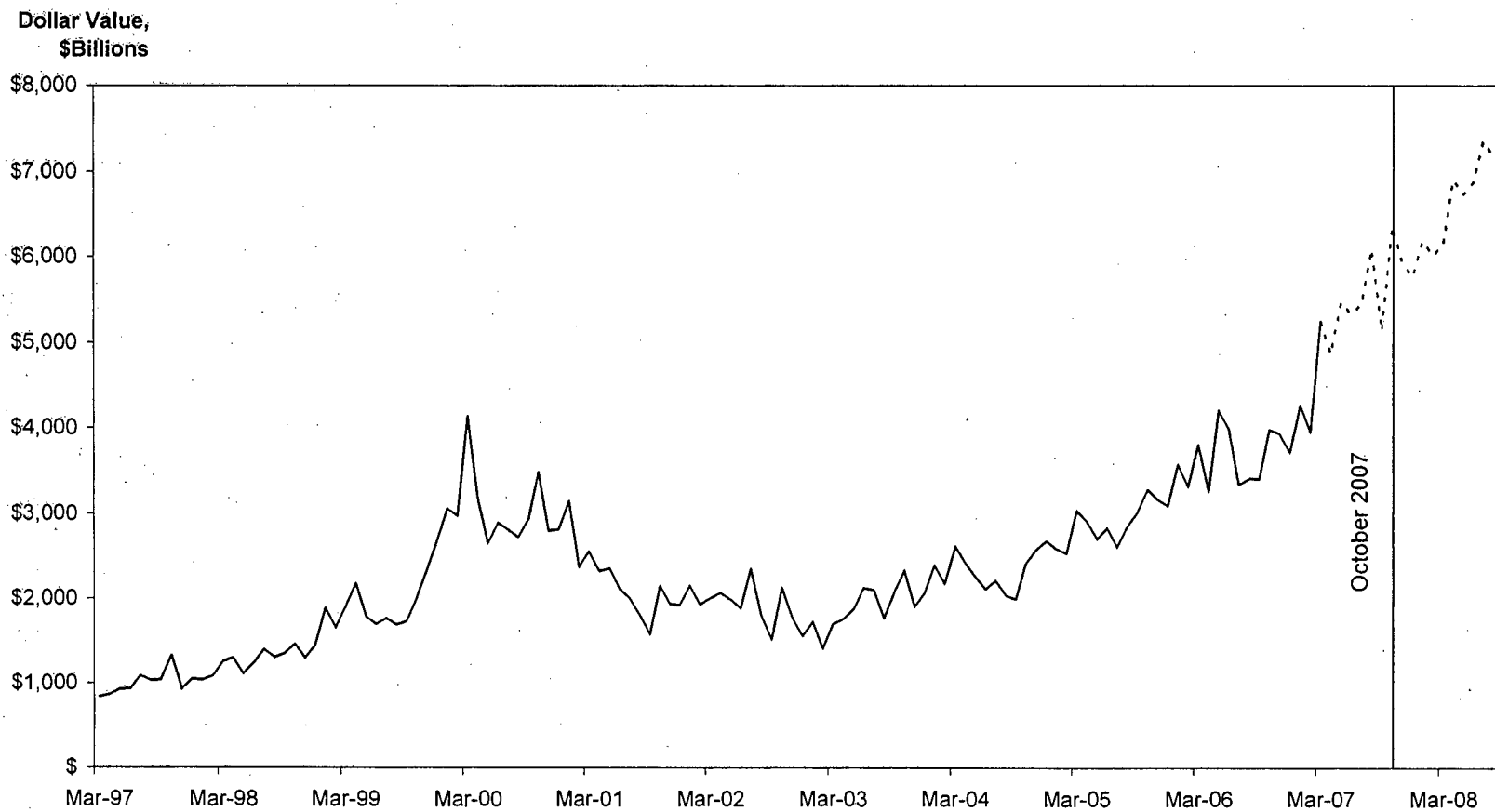
(A) Month	(B) # of Trading Days in Month	(C) Aggregate Dollar Amount of Sales	(D) Average Daily Dollar Amount of Sales (ADS)	(E) Change in LN of ADS	(F) Forecast ADS	(G) Forecast Aggregate Dollar Amount of Sales
Mar-97	20	839,192,728,788	41,959,636,439	-		
Apr-97	22	862,799,213,315	39,218,146,060	-0.068		
May-97	21	925,733,852,647	44,082,564,412	0.117		
Jun-97	21	930,409,085,859	44,305,194,565	0.005		
Jul-97	22	1,085,682,706,898	49,349,213,950	0.108		
Aug-97	21	1,031,344,138,751	49,111,625,655	-0.005		
Sep-97	21	1,036,460,244,602	49,355,249,743	0.005		
Oct-97	23	1,329,653,432,718	57,811,018,814	0.158		
Nov-97	19	926,017,878,587	48,737,783,084	-0.171		
Dec-97	22	1,046,220,806,199	47,555,491,191	-0.025		
Jan-98	20	1,037,925,292,902	51,896,264,645	0.087		
Feb-98	19	1,081,705,333,396	56,931,859,652	0.093		
Mar-98	22	1,259,994,685,467	57,272,485,703	0.006		
Apr-98	21	1,298,494,359,253	61,833,064,726	0.077		
May-98	20	1,110,221,658,995	55,511,082,950	-0.108		
Jun-98	22	1,243,779,791,913	56,535,445,087	0.018		
Jul-98	22	1,399,011,433,748	63,591,428,807	0.118		
Aug-98	21	1,307,501,463,442	62,261,974,450	-0.021		
Sep-98	21	1,352,428,235,083	64,401,344,528	0.034		
Oct-98	22	1,460,835,397,598	66,401,608,982	0.031		
Nov-98	20	1,298,403,768,065	64,920,188,403	-0.023		
Dec-98	22	1,442,697,787,306	65,577,172,150	0.010		
Jan-99	19	1,884,555,055,910	99,187,108,206	0.414		
Feb-99	19	1,656,058,202,765	87,160,958,040	-0.129		
Mar-99	23	1,908,967,664,074	82,998,594,090	-0.049		
Apr-99	21	2,177,601,770,622	103,695,322,411	0.223		
May-99	20	1,784,400,906,987	89,220,045,349	-0.150		
Jun-99	22	1,697,339,227,503	77,151,783,068	-0.145		
Jul-99	21	1,767,035,098,986	84,144,528,523	0.087		
Aug-99	22	1,692,907,150,726	76,950,325,033	-0.089		
Sep-99	21	1,730,505,881,178	82,405,041,961	0.068		
Oct-99	21	2,017,474,765,542	96,070,226,931	0.153		
Nov-99	21	2,348,374,009,334	111,827,333,778	0.152		
Dec-99	22	2,686,788,531,991	122,126,751,454	0.088		
Jan-00	20	3,057,831,397,113	152,891,569,856	0.225		
Feb-00	20	2,973,119,888,063	148,655,994,403	-0.028		
Mar-00	23	4,135,152,366,234	179,789,233,315	0.190		
Apr-00	19	3,174,694,525,687	167,089,185,562	-0.073		
May-00	22	2,649,273,207,318	120,421,509,424	-0.328		
Jun-00	22	2,883,513,997,781	131,068,818,081	0.085		
Jul-00	20	2,804,753,395,361	140,237,669,768	0.068		
Aug-00	23	2,720,788,395,832	118,295,147,645	-0.170		
Sep-00	20	2,930,188,809,012	146,509,440,451	0.214		
Oct-00	22	3,485,926,307,727	158,451,195,806	0.078		
Nov-00	21	2,795,778,876,887	133,132,327,471	-0.174		
Dec-00	20	2,809,917,349,851	140,495,867,493	0.054		
Jan-01	21	3,143,501,125,244	149,690,529,774	0.063		
Feb-01	19	2,372,420,523,286	124,864,238,068	-0.181		
Mar-01	22	2,554,419,085,113	116,109,958,414	-0.073		
Apr-01	20	2,324,349,507,745	116,217,475,387	0.001		
May-01	22	2,353,179,388,303	106,962,699,468	-0.083		

Jun-01	21	2,111,922,113,236	100,567,719,678	-0.062		
Jul-01	21	2,004,384,034,554	95,446,858,788	-0.052		
Aug-01	23	1,803,565,337,795	78,415,884,252	-0.197		
Sep-01	15	1,573,484,946,383	104,898,996,426	0.291		
Oct-01	23	2,147,238,873,044	93,358,211,871	-0.117		
Nov-01	21	1,939,427,217,518	92,353,677,025	-0.011		
Dec-01	20	1,921,098,738,113	96,054,936,906	0.039		
Jan-02	21	2,149,243,312,432	102,344,919,640	0.063		
Feb-02	19	1,928,830,595,585	101,517,399,768	-0.008		
Mar-02	20	2,002,216,374,514	100,110,818,726	-0.014		
Apr-02	22	2,062,101,866,506	93,731,903,023	-0.066		
May-02	22	1,985,859,756,557	90,266,352,571	-0.038		
Jun-02	20	1,882,185,380,609	94,109,269,030	0.042		
Jul-02	22	2,349,564,490,189	106,798,385,918	0.126		
Aug-02	22	1,793,429,904,079	81,519,541,095	-0.270		
Sep-02	20	1,518,944,367,204	75,947,218,360	-0.071		
Oct-02	23	2,127,874,947,972	92,516,302,086	0.197		
Nov-02	20	1,780,816,458,122	89,040,822,906	-0.038		
Dec-02	21	1,561,092,215,646	74,337,724,555	-0.180		
Jan-03	21	1,723,698,830,414	82,080,896,686	0.099		
Feb-03	19	1,411,722,405,357	74,301,179,229	-0.100		
Mar-03	21	1,699,581,267,718	80,932,441,320	0.085		
Apr-03	21	1,759,751,025,279	83,797,667,870	0.035		
May-03	21	1,871,390,985,678	89,113,856,461	0.062		
Jun-03	21	2,122,225,077,345	101,058,337,016	0.126		
Jul-03	22	2,100,812,973,956	95,491,498,816	-0.057		
Aug-03	21	1,766,527,686,224	84,120,366,011	-0.127		
Sep-03	21	2,063,584,421,939	98,265,924,854	0.155		
Oct-03	23	2,331,850,083,022	101,384,786,218	0.031		
Nov-03	19	1,903,726,129,859	100,196,112,098	-0.012		
Dec-03	22	2,066,530,151,383	93,933,188,699	-0.065		
Jan-04	20	2,390,942,905,678	119,547,145,284	0.241		
Feb-04	19	2,177,765,594,701	114,619,241,826	-0.042		
Mar-04	23	2,613,808,754,550	113,643,858,893	-0.009		
Apr-04	21	2,418,663,760,191	115,174,464,771	0.013		
May-04	20	2,259,243,404,459	112,962,170,223	-0.019		
Jun-04	21	2,112,826,072,876	100,610,765,375	-0.116		
Jul-04	21	2,209,808,376,565	105,228,970,313	0.045		
Aug-04	22	2,033,343,354,640	92,424,697,938	-0.130		
Sep-04	21	1,993,803,487,749	94,943,023,226	0.027		
Oct-04	21	2,414,599,088,108	114,980,908,958	0.191		
Nov-04	21	2,577,513,374,160	122,738,732,103	0.065		
Dec-04	22	2,673,532,981,863	121,524,226,448	-0.010		
Jan-05	20	2,581,839,174,160	129,091,958,708	0.060		
Feb-05	19	2,532,202,396,053	133,273,810,319	0.032		
Mar-05	22	3,030,474,095,010	137,748,822,500	0.033		
Apr-05	21	2,906,386,858,222	138,399,374,201	0.005		
May-05	21	2,697,406,551,792	128,447,931,038	-0.075		
Jun-05	22	2,825,792,932,509	128,445,133,296	0.000		
Jul-05	20	2,603,995,025,602	130,199,751,280	0.014		
Aug-05	23	2,846,109,434,770	123,743,888,468	-0.051		
Sep-05	21	3,009,608,583,531	143,314,694,454	0.147		
Oct-05	21	3,279,930,784,463	156,187,180,213	0.086		
Nov-05	21	3,163,288,362,669	150,632,779,175	-0.036		
Dec-05	21	3,090,218,506,716	147,153,262,225	-0.023		
Jan-06	20	3,573,306,111,973	178,665,305,599	0.194		
Feb-06	19	3,313,973,129,190	174,419,638,378	-0.024		

Mar-06	23	3,807,374,752,084	165,538,032,699	-0.052		
Apr-06	19	3,257,448,631,999	171,444,664,842	0.035		
May-06	22	4,206,452,683,345	191,202,394,697	0.109		
Jun-06	22	3,993,966,132,543	181,543,915,116	-0.052		
Jul-06	20	3,339,657,248,277	166,982,862,414	-0.084		
Aug-06	23	3,410,343,285,403	148,275,795,018	-0.119		
Sep-06	20	3,407,481,301,776	170,374,065,089	0.139		
Oct-06	22	3,980,061,341,623	180,911,879,165	0.060		
Nov-06	21	3,933,440,096,959	187,306,671,284	0.035		
Dec-06	20	3,715,147,836,319	185,757,391,816	-0.008		
Jan-07	20	4,264,649,474,786	213,232,473,739	0.138		
Feb-07	19	3,950,170,956,843	207,903,734,571	-0.025		
Mar-07	22	5,243,560,316,501	238,343,650,750	0.137		
Apr-07	20				243,433,544,609	4,868,670,892,189
May-07	22				248,632,134,545	5,469,906,959,979
Jun-07	21				253,941,741,790	5,332,776,577,584
Jul-07	21				259,364,737,150	5,446,659,480,150
Aug-07	23				264,903,542,060	6,092,781,467,373
Sep-07	19				270,560,629,663	5,140,651,963,603
Oct-07	23				276,338,525,920	6,355,786,096,164
Nov-07	21				282,239,810,732	5,927,036,025,374
Dec-07	20				288,267,119,095	5,765,342,381,910
Jan-08	21				294,423,142,278	6,182,885,987,831
Feb-08	20				300,710,629,019	6,014,212,580,378
Mar-08	20				307,132,386,759	6,142,647,735,187
Apr-08	22				313,691,282,893	6,901,208,223,647
May-08	21				320,390,246,048	6,728,195,167,003
Jun-08	21				327,232,267,393	6,871,877,615,256
Jul-08	22				334,220,401,976	7,352,848,843,471
Aug-08	21				341,357,770,084	7,168,513,171,771
Sep-08	21				348,647,558,641	7,321,598,731,463

Figure B.

Aggregate Dollar Amount of Sales Subject to Exchange Act Sections 31(b) and 31(c)¹
Methodology Developed in Consultation With OMB and CBO
(Dashed Line Indicates Forecast Values)



¹Forecasted line is not smooth because the number of trading days varies by month.



Federal Register

Monday,
April 30, 2007

Part LIX

Securities and Exchange Commission

Semiannual Regulatory Agenda

Document 21 of 21

SECURITIES AND EXCHANGE COMMISSION (SEC)

SECURITIES AND EXCHANGE
COMMISSION

17 CFR Ch. II

[Release Nos. 33-8783, 34-55396, IA-2596,
IC-27746, File No. S7-07-07]

Regulatory Flexibility Agenda

AGENCY: Securities and Exchange
Commission.

ACTION: Semiannual regulatory agenda.

SUMMARY: The Securities and Exchange Commission is publishing an agenda of its rulemaking actions, pursuant to the Regulatory Flexibility Act (RFA) (Pub. L. No. 96-354, 94 Stat. 1164) (September 19, 1980). Information in the agenda was accurate on March 2, 2007, when the Commission's staff completed compilation of the data. To the extent possible, rulemaking actions by the Commission since that date have been reflected in the agenda. The Commission invites questions and public comment on the agenda and on the individual agenda entries.

DATES: Comments should be received on or before June 30, 2007.

ADDRESSES: Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/other.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include

File Number S7-07-07 on the subject line; or

- Use the Federal eRulemaking Portal (<http://www.regulations.gov>). Follow the instructions for submitting comments.

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 No. S7-07-07. This file number should be included on the subject line if e-mail is used. To help us 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/other.shtml>). Comments are also available for public inspection and copying in the Commission's Public Reference Room, 100 F Street NE., Washington, DC 20549. All comments received will be posted without change; we do not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.

FOR FURTHER INFORMATION CONTACT: Anne Sullivan, Office of the General Counsel, 202-551-5019.

SUPPLEMENTARY INFORMATION: The RFA requires each Federal agency, during April and October of each year, to publish in the *Federal Register* an agenda identifying rules that the agency expects to consider proposing or adopting that are likely to have a

significant economic impact on a substantial number of small entities (5 U.S.C. 602(a)). The RFA specifically provides that publication of the agenda does not preclude an agency from considering or acting on any matter not included in the agenda and that an agency is not required to consider or act on any matter that is included in the agenda (5 U.S.C. 602(d)). Actions that do not have an estimated date are placed in the long-term category; the Commission may nevertheless act on items in that category within the next 12 months. The agenda includes new entries, entries carried over from prior publications, and rulemaking actions that have been completed (or withdrawn) since publication of the last agenda.

The following abbreviations for the acts administered by the Commission are used in the agenda:

"Securities Act"—Securities Act of 1933

"Exchange Act"—Securities Exchange Act of 1934

"Investment Company Act"—Investment Company Act of 1940

"Investment Advisers Act"—Investment Advisers Act of 1940

The Commission's RFA agenda is set forth below. The Commission invites public comment on the agenda and on the individual agenda entries.

By the Commission.

Dated: March 5, 2007.
Nancy M. Morris,
Secretary.

DIVISION OF CORPORATION FINANCE—Proposed Rule Stage

Sequence Number	Title	Regulation Identifier Number
3741	Streamlining Rule 144	3235-AH13
3742	Filing in Interactive Data Format	3235-AJ71
3743	Electronic Filing of Form D	3235-AJ46
3744	Smaller Company Regulatory Reform	3235-AJ65
3745	Defining "Qualified Purchasers"	3235-AI25

DIVISION OF CORPORATION FINANCE—Final Rule Stage

Sequence Number	Title	Regulation Identifier Number
3746	Universal Internet Availability of Proxy Materials	3235-AJ79
3747	Security Holder Director Nominations	3235-AI93

SEC

DIVISION OF CORPORATION FINANCE—Final Rule Stage (Continued)

Sequence Number	Title	Regulation Identifier Number
3748	Proxy Disclosure Regarding Executive Compensation and Related Party Transactions	3235-AI80

DIVISION OF CORPORATION FINANCE—Completed Actions

Sequence Number	Title	Regulation Identifier Number
3749	Industry Guide 3—Statistical Disclosure by Bank Holding Companies	3235-AI10
3750	Disclosure in Management's Discussion and Analysis Regarding the Application of Critical Accounting Policies	3235-AI44
3751	Internet Availability of Proxy Materials	3235-AJ47
3752	Definition of Securities "Held of Record"	3235-AJ22
3753	Termination of Reporting Obligations by Foreign Private Issuers Under the Securities Exchange Act of 1934	3235-AJ38
3754	Internal Control Over Financial Reporting in Exchange Act Periodic Reports of Non-Accelerated Filers and Newly Public Companies	3235-AJ64
3755	Lock-Up Agreements	3235-AI09

DIVISION OF INVESTMENT MANAGEMENT—Proposed Rule Stage

Sequence Number	Title	Regulation Identifier Number
3756	Books and Records To Be Maintained by Investment Advisers	3235-AH24
3757	Political Contributions by Certain Investment Advisers	3235-AH72
3758	Disclosure and Recordkeeping Requirements for Investment Advisers Regarding Brokerage Allocation and Soft Dollar Practices	3235-AJ45
3759	Exchange-Traded Funds	3235-AJ60
3760	Amendments to Registration Form and Rules for Registration of Certain Investment Company Securities	3235-AI84
3761	Investment Company Portfolio Transaction Costs	3235-AI94
3762	Interagency Proposal for Model Privacy Form Under the Gramm-Leach-Bliley Act	3235-AJ06
3763	Definition of "Issued Ratably" Under Section 18(d) of the Investment Company Act of 1940	3235-AJ42
3764	Investment Company Disclosure Reform	3235-AJ44
3765	Frequency of Distribution of Capital Gains	3235-AJ53
3766	Investment Company Governance	3235-AJ62
3767	Rulemaking for EDGAR System; Mandatory Electronic Submission of Applications Under the Investment Company Act	3235-AJ81
3768	Fund of Funds Investments	3235-AJ83
3769	Custody of Securities With Members of National Securities Exchanges and Registered Management Investment Companies	3235-AJ84
3770	Amend Filing Requirements for Form N-SAR, Semiannual Report of Registered Investment Companies	3235-AF93
3771	Amendments to the Cash Solicitation Rule	3235-AH33
3772	Definition of "Equal Voting Rights" Under Section 18(i) of the Investment Company Act	3235-AJ61
3773	Employees' Securities Companies	3235-AJ82

DIVISION OF INVESTMENT MANAGEMENT—Final Rule Stage

Sequence Number	Title	Regulation Identifier Number
3774	Amendments to Form ADV	3235-AI17
3775	Prohibition of Fraud by Advisers to Certain Pooled Investment Vehicles; Accredited Investors in Certain Private Investment Vehicles	3235-AJ67
3776	Exemption From Shareholder Approval for Certain Subadvisory Contracts	3235-AH80
3777	Amendments to Rules Governing Pricing of Mutual Fund Shares	3235-AJ01
3778	Disposal of Consumer Report Information	3235-AJ24
3779	Definition of Eligible Portfolio Company Under the Investment Company Act of 1940	3235-AJ31

SEC

DIVISION OF INVESTMENT MANAGEMENT—Final Rule Stage (Continued)

Sequence Number	Title	Regulation Identifier Number
3780	Extension of XBRL Voluntary Reporting Program on the EDGAR System to Mutual Fund Risk/Return Summary Information	3235-AJ59

DIVISION OF INVESTMENT MANAGEMENT—Completed Actions

Sequence Number	Title	Regulation Identifier Number
3781	Certain Thrift Institutions Deemed Not To Be Investment Advisers	3235-A116
3782	Amendments to Investment Company Registration Statements To Protect Certain Private Information	3235-AJ40

DIVISION OF MARKET REGULATION—Proposed Rule Stage

Sequence Number	Title	Regulation Identifier Number
3783	Risk Assessment Recordkeeping and Reporting Requirement	3235-AH06
3784	Registration Requirements for Banks Acting as Brokers or Dealers in Security Futures Products	3235-A183
3785	Amendments to Financial Responsibility Rules for Broker-Dealers	3235-AJ48
3786	Form BD and Form BDW	3235-AJ52
3787	Rule 15c2-3: Point-of-Sale Disclosure of Purchases in Open-End Management Investment Company Shares, Unit Investment Trust Interests, and Municipal Fund Securities Used for Education Savings	3235-AJ12
3788	Rule 15c-101: Schedule 15D	3235-AJ14
3789	Concept Release Concerning Self-Regulation	3235-AJ36
3790	Electronic Filing of Municipal Securities Disclosure	3235-AJ66
3791	Processing of Reorganization Events, Tender Offers, and Exchange Offers	3235-AH53
3792	Publication or Submission of Quotations Without Specified Information	3235-AH40
3793	Oversight of Credit Agencies	3235-AJ78
3794	Filings With Respect to Proposed Rule Changes Submitted Pursuant to Section 19(b)(7)(A) of the Securities Exchange Act	3235-AJ80

DIVISION OF MARKET REGULATION—Final Rule Stage

Sequence Number	Title	Regulation Identifier Number
3795	Municipal Securities Disclosure	3235-AJ41
3796	Amendments to Rule 15c3-1 and Rule 17a-11 Applicable to Broker-Dealers Also Registered as Futures Commission Merchants	3235-AJ72
3797	Definitions of Terms and Exemption Relating to the "Broker" Exceptions for Banks	3235-AJ74
3798	Rule 15c2-2: Confirmation of Transactions in Open-End Management Investment Company Shares, Unit Investment Trust Interests, and Municipal Fund Securities Used for Education Savings	3235-AJ11
3799	Rule 15c-100: Schedule 15C	3235-AJ13
3800	Fair Administration and Governance of Self-Regulatory Organizations	3235-AJ33
3801	Rule 105, Short Selling in Connection With a Public Offering	3235-AJ75
3802	Covered Securities Pursuant to Section 18 of the Securities Act	3235-AJ73
3803	Regulation SHO and Rule 10a-1	3235-AJ76
3804	Amendments to Regulation M: Anti-Manipulation Rules Concerning Securities Offerings	3235-AJ37
3805	Regulation SHO (Short Sales)	3235-AJ57
3806	Exemptions for Banks Under Section 3(a)(5) of the Exchange Act	3235-AJ77

SEC

DIVISION OF MARKET REGULATION—Long-Term Actions

Sequence Number	Title	Regulation Identifier Number
3807	Request for Comment on NASDAQ's Petition Relating to the Regulation of NASDAQ-Listed Securities	3235-AI86
3808	Concept Release: Competitive Developments in the Options Markets	3235-AJ15

DIVISION OF MARKET REGULATION—Completed Actions

Sequence Number	Title	Regulation Identifier Number
3809	Regulation B	3235-AJ28
3810	Electronic Filing of Transfer Agent Forms	3235-AJ68

OFFICES AND OTHER PROGRAMS—Proposed Rule Stage

Sequence Number	Title	Regulation Identifier Number
3811	Regulation PCAOB	3235-AJ34
3812	Inflation Adjustments	3235-AJ69
3813	Transformation of Company Disclosures	3235-AJ70

OFFICES AND OTHER PROGRAMS—Final Rule Stage

Sequence Number	Title	Regulation Identifier Number
3814	Interpretive Release Concerning Management's Report on Internal Control Over Financial Reporting	3235-AJ58

OFFICES AND OTHER PROGRAMS—Long-Term Actions

Sequence Number	Title	Regulation Identifier Number
3815	International Accounting Standards	3235-AH65
3816	Implementation of Standards of Professional Conduct for Attorneys	3235-AI72

Securities and Exchange Commission (SEC)

Proposed Rule Stage

Division of Corporation Finance

3741. STREAMLINING RULE 144

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: 15 USC 77a et seq

CFR Citation: 17 CFR 230.144

Legal Deadline: None

Abstract: The Commission proposed revisions to Rule 144, Rule 145, and Form 144 to make the rules and form easier to understand and apply. The Division is considering recommending

that the Commission repropose amendments that would, among other things, add a bright line test to the Rule 144 definition of affiliate, increase the Form 144 filing thresholds, and codify certain interpretive positions.

Timetable:

Action	Date	FR Cite
NPRM	02/20/97	62 FR 9246
NPRM Comment Period End	04/29/97	
Second NPRM	06/00/07	

Regulatory Flexibility Analysis Required: Yes

Small Entities Affected: Businesses

Government Levels Affected: None

URL For More Information:

www.sec.gov/rules/proposed/33-7391.txt

Agency Contact: Raymond A. Be, Division of Corporation Finance, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549

SEC—Division of Corporation Finance

Proposed Rule Stage

Phone: 202 551-3430

RIN: 3235-AH13

3742. FILING IN INTERACTIVE DATA FORMAT

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: Not Yet Determined

CFR Citation: Not Yet Determined

Legal Deadline: None

Abstract: The Division, together with the Divisions of Investment Management and Market Regulation, and the Office of the Chief Accountant, is considering recommending that the Commission propose rules to facilitate the filing of documents with the Commission in interactive data format.

Timetable:

Action	Date	FR Cite
NPRM	12/00/07	

Regulatory Flexibility Analysis Required: Undetermined

Government Levels Affected: Undetermined

Federalism: Undetermined

Agency Contact: Brigitte Lippmann, Division of Corporation Finance, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20016
Phone: 202 551-3430
Email: lippmannb@sec.gov

RIN: 3235-AJ71

3743. ELECTRONIC FILING OF FORM D

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: Not Yet Determined

CFR Citation: Not Yet Determined

Legal Deadline: None

Abstract: The Division is considering recommending that the Commission propose amendments that would provide for the electronic filing of Form D.

Timetable:

Action	Date	FR Cite
NPRM	06/00/07	

Regulatory Flexibility Analysis Required: Undetermined

Government Levels Affected: None

Agency Contact: Corey Jennings, Division of Corporation Finance, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549
Phone: 202 551-3460

RIN: 3235-AJ46

3744. SMALLER COMPANY REGULATORY REFORM

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: Not Yet Determined

CFR Citation: None

Legal Deadline: None

Abstract: The Division is considering recommending that the Commission propose amendments that would revise certain regulatory requirements on smaller companies, including addressing certain recommendations of the Commission's Advisory Committee on Smaller Public Companies.

Timetable:

Action	Date	FR Cite
NPRM	06/00/07	

Regulatory Flexibility Analysis Required: Undetermined

Government Levels Affected: None

Federalism: Undetermined

Agency Contact: Tony Barone, Office of Small Business Policy, Securities

and Exchange Commission, 100 F Street NE, Washington, DC 20549
Phone: 202 551-3460

Kevin M. O'Neill, Office of Small Business Policy, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549
Phone: 202 551-3460

RIN: 3235-AJ65

3745. DEFINING "QUALIFIED PURCHASERS"

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: 15 USC 78r

CFR Citation: Not Yet Determined

Legal Deadline: None

Abstract: The Commission proposed amendments to Rule 146 to provide a definition of "qualified purchaser" to expand the definition of "covered securities" in section 18 of the Securities Act.

Timetable:

Action	Date	FR Cite
NPRM	12/27/01	66 FR 66839
NPRM Comment	02/25/02	
Period End		
Second NPRM	03/00/08	

Regulatory Flexibility Analysis Required: Yes

Small Entities Affected: Businesses

Government Levels Affected: None

URL For More Information:

www.sec.gov/rules/proposed/33-8041.htm

Agency Contact: Gerald J. Laporte, Office of Small Business Policy, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549
Phone: 202 551-3460

RIN: 3235-AI25

Securities and Exchange Commission (SEC)
Division of Corporation Finance

Final Rule Stage

3746. • UNIVERSAL INTERNET AVAILABILITY OF PROXY MATERIALS

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: 15 USC 78c(b); 15 USC 78j; 15 USC 78m; 15 USC 78n;

15 USC 78o; 15 USC 78w; 15 USC 78mm; 15 USC 80a-19; 15 USC 80a-29; 15 USC 80a-37

CFR Citation: 17 CFR 240.14a-7; 17 CFR 240.14a-16; 17 CFR 240.14b-1; 17 CFR 240.14b-2; 17 CFR 240.14c-2; 17 CFR 14c-3

Legal Deadline: None

Abstract: The Commission proposed amendments to require the Internet availability of proxy materials.

SEC—Division of Corporation Finance

Final Rule Stage

Timetable:

Action	Date	FR Cite
NPRM	01/29/07	72 FR 4176
NPRM Comment Period End	03/30/07	
Final Action	09/00/07	

Regulatory Flexibility Analysis Required: Yes

Small Entities Affected: Businesses

Government Levels Affected: Undetermined

Federalism: Undetermined

URL For More Information:
www.sec.gov/rules/2007/34-55146.pdf

Agency Contact: Raymond A. Be,
Division of Corporation Finance,
Securities and Exchange Commission,
100 F Street NE, Washington, DC 20549
Phone: 202 551-3430

RIN: 3235-AJ79

3747. SECURITY HOLDER DIRECTOR NOMINATIONS

Priority: Substantive, Nonsignificant.
Major status under 5 USC 801 is undetermined.

Legal Authority: 15 USC 78c(b); 15 USC 78m; 15 USC 78n; 15 USC 78o; 15 USC 78p; 15 USC 78w(a)

CFR Citation: Not Yet Determined

Legal Deadline: None

Abstract: The Commission proposed amendments to the proxy rules and related rules and regulations regarding the inclusion of shareholder director nominations in company proxy materials.

Timetable:

Action	Date	FR Cite
NPRM	10/23/03	68 FR 60783
NPRM Comment Period End	12/22/03	
Round Table: Announced	02/12/04	69 FR 6928
Round Table Comments Due	03/31/04	
Final Action	11/00/07	

Regulatory Flexibility Analysis Required: Yes

Small Entities Affected: Businesses

Government Levels Affected: None

URL For More Information:
www.sec.gov/rules/proposed/34-48626.htm

Agency Contact: Lillian C. Brown,
Division of Corporation Finance,
Securities and Exchange Commission,
100 F Street NE, Washington, DC 20549
Phone: 202 551-3115

RIN: 3235-AI93

3748. PROXY DISCLOSURE REGARDING EXECUTIVE COMPENSATION AND RELATED PARTY TRANSACTIONS

Priority: Substantive, Nonsignificant.
Major under 5 USC 801.

Legal Authority: 15 USC 77a et seq; 15 USC 78a et seq; 15 USC 80a et seq

CFR Citation: 17 CFR 228.10 et seq; 17 CFR 229.10 et seq; 17 CFR 229.402; 17 CFR 229.1100 et seq; 17 CFR 232.10 et seq; 17 CFR 245.100 et seq; 17 CFR 240.13a-20; 17 CFR 240.14a-101; 17 CFR 240.15d-20

Legal Deadline: None

Abstract: The Commission adopted rule amendments to enhance disclosure regarding executive compensation, the independence of a registrant's board of directors, related party transactions between executive officers and directors, and related party transactions with an issuer. The Commission solicited additional comments on certain aspects of the release.

Timetable:

Action	Date	FR Cite
NPRM	02/08/06	71 FR 6542
NPRM Comment Period End	04/10/06	
Final Rule	09/08/06	71 FR 53158
Final Rule Effective	11/07/06	
Second NPRM	09/08/06	71 FR 53267
Second NPRM Comment Period End	10/23/06	
Interim Final Rule	12/29/06	71 FR 78338
Interim Final Rule Effective	12/29/06	
Interim Final Rule Comment Period End	01/29/07	
Final Action	11/00/07	

Regulatory Flexibility Analysis Required: Yes

Small Entities Affected: Businesses

Government Levels Affected: None

URL For More Information:
www.sec.gov/rules/final/2006/33-8765.pdf

Agency Contact: Anne Krauskopf,
Division of Corporation Finance,
Securities and Exchange Commission,
100 F Street NE, Washington, DC 20549
Phone: 202 551-3500

RIN: 3235-AI80

Securities and Exchange Commission (SEC)

Completed Actions

Division of Corporation Finance

3749. INDUSTRY GUIDE 3—STATISTICAL DISCLOSURE BY BANK HOLDING COMPANIES

Priority: Substantive, Nonsignificant.
Major status under 5 USC 801 is undetermined.

Legal Authority: 15 USC 77a et seq; 15 USC 78a et seq

CFR Citation: 17 CFR 229; 17 CFR 231; 17 CFR 241

Legal Deadline: None

Abstract: The Division is withdrawing this item from the Unified Agenda because it does not expect the Commission to consider this item within the next 12 months, but the Commission may consider the item at a further date.

Timetable:

Action	Date	FR Cite
Withdrawn	04/01/07	

Regulatory Flexibility Analysis Required: No

Government Levels Affected: None

Agency Contact: Carol Stacey, Division of Corporation Finance, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549
Phone: 202 551-3400

RIN: 3235-AI10

SEC—Division of Corporation Finance

Completed Actions

3750. DISCLOSURE IN MANAGEMENT'S DISCUSSION AND ANALYSIS REGARDING THE APPLICATION OF CRITICAL ACCOUNTING POLICIES

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: 15 USC 77a et seq; 15 USC 78a et seq

CFR Citation: 17 CFR 228.303; 17 CFR 229.303

Legal Deadline: None

Abstract: The Commission is withdrawing this item from the Unified Agenda because the Commission does not expect to consider this item within the next 12 months, but the Commission may consider the item further at a later date.

Timetable:

Action	Date	FR Cite
NPRM	05/20/02	67 FR 35620
NPRM Comment Period End	07/19/02	
Withdrawn	04/01/07	

Regulatory Flexibility Analysis

Required: Yes

Small Entities Affected: Businesses

Government Levels Affected: None

URL For More Information:

www.sec.gov/rules/proposed/33-8098.htm

Agency Contact: Dan Greenspan, Division of Corporation Finance, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549 Phone: 202 551-3623

RIN: 3235-AI44

3751. INTERNET AVAILABILITY OF PROXY MATERIALS

Priority: Substantive, Nonsignificant. Major under 5 USC 801.

Legal Authority: 15 USC 78c(b); 15 USC 78j; 15 USC 78m; 15 USC 78n; 15 USC 78o; 15 USC 78w; 15 USC 78mm; 15 USC 80a-19; 15 USC 80a-29; 15 USC 80a-37

CFR Citation: 17 CFR 240.14a-2; 17 CFR 240.14a-3; 17 CFR 240.14a-4; 17 CFR 240.14a-7; 17 CFR 240.14a-8; 17 CFR 240.14a-12; 17 CFR 240.14a-13; 17 CFR 240.14c-2; 17 CFR 240.14c-3

Legal Deadline: None

Abstract: The Commission adopted rule amendments that relax existing

requirements regarding the Internet availability of proxy materials.

Timetable:

Action	Date	FR Cite
NPRM	12/15/05	70 FR 74597
NPRM Comment Period End	02/13/06	
Final Action	01/29/07	72 FR 4148
Final Action Effective	03/30/07	

Regulatory Flexibility Analysis

Required: Yes

Small Entities Affected: Businesses

Government Levels Affected: None

URL For More Information:

www.sec.gov/rules/final/2007/34-55146.pdf

Agency Contact: Raymond A. Be, Division of Corporation Finance, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549 Phone: 202 551-3430

RIN: 3235-AJ47

3752. DEFINITION OF SECURITIES "HELD OF RECORD"

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: Not Yet Determined

CFR Citation: 17 CFR 240.12g5-1

Legal Deadline: None

Abstract: The Division is withdrawing this item from the Unified Agenda because it does not expect the Commission to consider this item within the next 12 months, but the Commission may consider the item further at a later date.

Timetable:

Action	Date	FR Cite
Withdrawn	04/01/07	

Regulatory Flexibility Analysis

Required: No

Government Levels Affected: None

Agency Contact: Daniel Greenspan, Division of Corporation Finance, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549 Phone: 202 551-3430

RIN: 3235-AJ22

3753. TERMINATION OF REPORTING OBLIGATIONS BY FOREIGN PRIVATE ISSUERS UNDER THE SECURITIES EXCHANGE ACT OF 1934

Priority: Substantive, Nonsignificant

Legal Authority: 15 USC 77f; 15 USC 77g; 15 USC 77j; 15 USC 77s; 15 USC 78c(b); 15 USC 78l; 15 USC 78m; 15 USC 78w; 15 USC 78mm

CFR Citation: 17 CFR 240.12g-4; 17 CFR 240.12h-3

Legal Deadline: None

Abstract: The Commission adopted revisions relating to the circumstances under which foreign private issuers are permitted to terminate their registration under section 12(g) of the Exchange Act and any reporting obligation under section 15(d) of that Act.

Timetable:

Action	Date	FR Cite
NPRM	12/30/05	70 FR 77688
NPRM Comment Period End	02/28/06	
Second NPRM	01/11/07	72 FR 1384
Second NPRM Comment Period End	02/12/07	
Final Action	04/05/07	72 FR 16934
Final Action Effective	06/04/07	

Regulatory Flexibility Analysis

Required: No

Government Levels Affected: None

URL For More Information:

www.sec.gov/rules/final/2007/34-55540.pdf

Agency Contact: Elliot Staffin, Division of Corporation Finance, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549 Phone: 202 551-3450

RIN: 3235-AJ38

3754. INTERNAL CONTROL OVER FINANCIAL REPORTING IN EXCHANGE ACT PERIODIC REPORTS OF NON-ACCELERATED FILERS AND NEWLY PUBLIC COMPANIES

Priority: Substantive, Nonsignificant. Major under 5 USC 801.

Legal Authority: 15 USC 7262

CFR Citation: 17 CFR 210.2-02T; 17 CFR 228.308; 17 CFR 228.308T; 17 CFR 229.308; 17 CFR 229.308T; 17 CFR 240.13a-14; 17 CFR 240.13a-15; 17 CFR 240.15d-14; 17 CFR 240.15d-15

Legal Deadline: None

SEC—Division of Corporation Finance

Completed Actions

Abstract: The Commission adopted amendments to further extend for smaller companies the dates for the internal control over financial reporting requirements that were published on September 22, 2005, and that provide a transition period for newly public companies before they become subject to compliance with the internal control over financial reporting requirements.

Timetable:

Action	Date	FR Cite
NPRM	08/15/06	71 FR 47060
NPRM Comment Period End	09/14/06	
Final Action	12/21/06	71 FR 76580
Final Action Effective	02/20/07	

Regulatory Flexibility Analysis Required: Yes

Small Entities Affected: Businesses

Government Levels Affected: None

URL For More Information: www.sec.gov/rules/final/2006/33-8760.pdf

Agency Contact: Katherine W. Hsu, Special Counsel, Division of Corporation Finance, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549
Phone: 202 551-3430

RIN: 3235-AJ64

3755. LOCK-UP AGREEMENTS

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: 15 USC 77a et seq; 15 USC 78a et seq

CFR Citation: 17 CFR 230; 17 CFR 240

Legal Deadline: None

Abstract: The Division is withdrawing this item from the Unified Agenda because it does not expect the Commission to consider this item within the next 12 months, but the Commission may consider the item at a further date.

Timetable:

Action	Date	FR Cite
Withdrawn	04/01/07	

Regulatory Flexibility Analysis Required: No

Government Levels Affected: None

Agency Contact: Pamela Carmody, Division of Corporation Finance, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549
Phone: 202 551-3440

RIN: 3235-AI09

Securities and Exchange Commission (SEC) Division of Investment Management

Proposed Rule Stage

3756. BOOKS AND RECORDS TO BE MAINTAINED BY INVESTMENT ADVISERS

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: 15 USC 80b-4; 15 USC 80b-6(4); 15 USC 80b-11(a)

CFR Citation: 17 CFR 275.204-2

Legal Deadline: None

Abstract: The Division is considering recommending that the Commission update the books and records requirements for investment advisers.

Timetable:

Action	Date	FR Cite
NPRM	12/00/07	

Regulatory Flexibility Analysis Required: Undetermined

Government Levels Affected: Undetermined

Agency Contact: Don L. Evans, Division of Investment Management, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549
Phone: 202 551-6787

RIN: 3235-AH24

3757. POLITICAL CONTRIBUTIONS BY CERTAIN INVESTMENT ADVISERS

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: 15 USC 206(4); 15 USC 211(a); 15 USC 204

CFR Citation: 17 CFR 275

Legal Deadline: None

Abstract: The Commission proposed new Rule 206(4)-5, which would prohibit an investment adviser from providing advisory services for compensation to a Government client for 2 years after the adviser or any of its partners, executive officers, or solicitors makes a contribution to certain elected officials or candidates.

The Commission also proposed rule amendments that would require a registered adviser that has Government clients to maintain certain records of the political contributions made by the adviser or any of its partners, executive officers, or solicitors.

Timetable:

Action	Date	FR Cite
NPRM	08/10/99	64 FR 43556
NPRM Comment Period End	11/01/99	
Second NPRM	09/00/07	

Regulatory Flexibility Analysis Required: Yes

Small Entities Affected: Businesses

Government Levels Affected: None

URL For More Information: www.sec.gov/rules/proposed/ia-1812.htm

Agency Contact: David Blass, Division of Investment Management, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549
Phone: 202 551-6787

RIN: 3235-AH72

3758. DISCLOSURE AND RECORDKEEPING REQUIREMENTS FOR INVESTMENT ADVISERS REGARDING BROKERAGE ALLOCATION AND SOFT DOLLAR PRACTICES

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: 15 USC 78bb(e); 15 USC 80b-11(a); 15 USC 80b-4; 15 USC 80a-28(a); 15 USC 80a-31(a)

CFR Citation: Not Yet Determined

Legal Deadline: None

Abstract: The Division is considering recommending that the Commission propose rules that would require investment advisers to create a report

SEC—Division of Investment Management

Proposed Rule Stage

and maintain records regarding their direction of brokerage transactions and receipt of research and other services in connection with those transactions.

Timetable:

Action	Date	FR Cite
NPRM	10/00/07	

Regulatory Flexibility Analysis Required: Undetermined

Government Levels Affected: Undetermined

Agency Contact: Daniel Seth Kahl, Division of Investment Management, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549
Phone: 202 551-6730
Email: kahld@sec.gov

RIN: 3235-AJ45

3759. EXCHANGE-TRADED FUNDS

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: 15 USC 80a-6(c); 15 USC 80a-37(a)

CFR Citation: Not Yet Determined

Legal Deadline: None

Abstract: The Division is considering recommending that the Commission propose new rules and rule amendments to codify prior exemptive relief granted for index-based Exchange-Traded Funds. Exchange-Traded Funds are investment companies registered under the Investment Company Act of 1940 as open-end investment companies or unit investment trusts.

Timetable:

Action	Date	FR Cite
NPRM	06/00/07	

Regulatory Flexibility Analysis Required: Undetermined

Government Levels Affected: None

Agency Contact: Dalia Osman Blass, Division of Investment Management, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-0506
Phone: 202 551-6792

RIN: 3235-AJ60

3760. AMENDMENTS TO REGISTRATION FORM AND RULES FOR REGISTRATION OF CERTAIN INVESTMENT COMPANY SECURITIES

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: 15 USC 80a-24; 15 USC 80a-37; 15 USC 77f; 15 USC 77h; 15 USC 77j; 15 USC 77s(a)

CFR Citation: 17 CFR 230; 17 CFR 270; 17 CFR 274

Legal Deadline: None

Abstract: The Division is considering recommending that the Commission amend the rule and the form under the Investment Company Act that prescribe the method by which certain investment companies calculate and pay registration fees under the Securities Act and Rule 457 under the Securities Act that allows for the offset of registration fees in cases of overpayment. The amendments would make clear that funds must pay interest on late filings at the time of the late filing, allow funds to use excess filing fees resulting from erroneous overpayments with Form 24F-2 filings as an offset against future registration fees due with Form 24F-2 filings, and make technical corrections to the form.

Timetable:

Action	Date	FR Cite
NPRM	03/00/08	

Regulatory Flexibility Analysis Required: Undetermined

Government Levels Affected: None

Agency Contact: Ruth Armfield Sanders, Division of Investment Management, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549
Phone: 202 551-6960

RIN: 3235-AI84

3761. INVESTMENT COMPANY PORTFOLIO TRANSACTION COSTS

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: 15 USC 77a et seq; 15 USC 80a-1 et seq

CFR Citation: Not Yet Determined

Legal Deadline: None

Abstract: The Commission sought public comment on ways to improve

disclosure of portfolio transaction costs. The Division is considering whether to recommend to the Commission amendments to investment company registration statements to make those improvements.

Timetable:

Action	Date	FR Cite
ANPRM	12/24/03	68 FR 74820
ANPRM Comment	02/23/04	
Period End		
NPRM	09/00/07	

Regulatory Flexibility Analysis Required: Undetermined

Government Levels Affected: Undetermined

URL For More Information: www.sec.gov/rules/concept/33-8349.htm

Agency Contact: Christopher Kaiser, Division of Investment Management, Securities and Exchange Commission, 100 Street NE, Washington, DC 20549
Phone: 202 551-6770
Email: kaiserc@sec.gov

RIN: 3235-AI94

3762. INTERAGENCY PROPOSAL FOR MODEL PRIVACY FORM UNDER THE GRAMM-LEACH-BLILEY ACT

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: 15 USC 6804; 15 USC 78q, 78W; 15 USC 80a-30, 80a-37; 15 USC 80b-4, 80b-11

CFR Citation: None

Legal Deadline: None

Abstract: The Commission, together with the Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Federal Trade Commission, National Credit Union Administration, Office of the Comptroller of the Currency, and the Office of Thrift Supervision (the Agencies), requested comment on whether the Agencies should consider amending the regulations that implement the privacy provisions of the Gramm-Leach-Bliley Act to allow or require financial institutions to provide alternative types of privacy notices that would be easier for consumers to understand.

Pursuant to section 728 of the Financial Services Regulatory Relief Act, Public Law 109-351, the Agencies proposed a model form that may be used at the

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Proposed Rule Stage

option of financial institutions for the purpose of disclosure under title V of the Gramm-Leach-Bliley Act.

Timetable:

Action	Date	FR Cite
ANPRM	12/30/03	68 FR 75165
ANPRM Comment Period End	03/29/04	
NPRM	03/29/07	72 FR 14490
NPRM Comment Period End	05/29/07	
Final Action	12/00/07	

Regulatory Flexibility Analysis

Required: No

Government Levels Affected: None

URL For More Information:

www.sec.gov/rules/proposed/34-55497.pdf

Agency Contact: Vincent M. Meehan, Division of Investment Management, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-0506
Phone: 202 551-6792

RIN: 3235-AJ06

3763. DEFINITION OF "ISSUED RATABLY" UNDER SECTION 18(D) OF THE INVESTMENT COMPANY ACT OF 1940

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Unfunded Mandates: Undetermined

Legal Authority: 15 USC 80a et seq; 15 USC 80a-37(a); 15 USC 80a-38

CFR Citation: 17 CFR 270.18d-1 (new)

Legal Deadline: None

Abstract: The Division is considering recommending that the Commission propose new Rule 18d-1 under the Investment Company Act that would define the term "issued ratably" under section 18(d) of the Act. The rule would be designed to clarify when a registered investment company issues ratably to its shareholders rights or warrants to acquire additional shares.

Timetable:

Action	Date	FR Cite
NPRM	08/00/07	

Regulatory Flexibility Analysis

Required: Undetermined

Government Levels Affected:

Undetermined

Agency Contact: Eric S. Purple, Division of Investment Management,

Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549
Phone: 202 551-6825
Fax: 202 628-0761
Email: purplee@sec.gov
RIN: 3235-AJ42

3764. INVESTMENT COMPANY DISCLOSURE REFORM

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: 15 USC 77a et seq; 15 USC 80a-1 et seq

CFR Citation: Not Yet Determined

Legal Deadline: None

Abstract: The Division is considering recommending that the Commission issue a release proposing comprehensive reforms of mutual fund disclosure requirements on Form N-1A, including streamlining the delivery of mutual fund information through increased use of the Internet and other electronic means of delivery and clarifying the disclosure of fees and expenses for mutual funds and exchange-traded funds.

Timetable:

Action	Date	FR Cite
NPRM	06/00/07	

Regulatory Flexibility Analysis

Required: Undetermined

Government Levels Affected:

Undetermined

Agency Contact: Christopher Kaiser, Division of Investment Management, Securities and Exchange Commission, 100 Street NE, Washington, DC 20549
Phone: 202 551-6770
Email: kaiserc@sec.gov

RIN: 3235-AJ44

3765. FREQUENCY OF DISTRIBUTION OF CAPITAL GAINS

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: 15 USC 80a-19(a); 15 USC 80a-19(b); 15 USC 80a-37(a)

CFR Citation: 17 CFR 270.19a-1; 17 CFR 270.19b-1

Legal Deadline: None

Abstract: The Division is considering recommending that the Commission propose amendments to rules governing

dividend payments and distributions by registered investment companies under the Investment Company Act. Rule 19a-1 prescribes the form of the written statement, required under section 19(a) of the Act, that discloses the sources of distribution payment when distributions are made from any source other than income. Rule 19b-1 governs the frequency of capital gains distributions by registered investment companies.

Timetable:

Action	Date	FR Cite
NPRM	05/00/07	

Regulatory Flexibility Analysis

Required: Undetermined

Government Levels Affected: None

Agency Contact: Thu Ta, Division of Investment Management, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549
Phone: 202 551-6792

RIN: 3235-AJ53

3766. INVESTMENT COMPANY GOVERNANCE

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: 15 USC 80a-6(c); 15 USC 80a-10(f); 15 USC 80a-12(b); 15 USC 80a-17(d); 15 USC 80a-17(g); 15 USC 80a-23(c); 15 USC 80a-37(a)

CFR Citation: 17 CFR 270.0-1(a)

Legal Deadline: None

Abstract: A Federal appeals court vacated certain amendments adopted by the Commission to rules under the Investment Company Act. The amendments, first proposed on January 15, 2004, would have imposed two conditions on investment companies ("funds") relying on certain exemptive rules. First, fund boards would have had to be comprised of at least 75 percent independent directors. Second, the boards would have had to be chaired by an independent director.

In June 2006, the Commission requested additional comment regarding the fund governance provisions. In December 2006, the Commission reopened the comment period on its June 2006 request for comment in order to permit public comment on two papers prepared by the Office of Economic Analysis. The comment period for the December

SEC—Division of Investment Management

Proposed Rule Stage

release has only recently closed, and consequently, the Commission has not yet determined its next action.

Timetable:

Action	Date	FR Cite
Notice	06/19/06	71 FR 35366
Comment Period End	08/21/06	
Notice	12/21/06	71 FR 76618
NPRM Comment Period End	03/02/07	
Supplemental NPRM	08/00/07	

Regulatory Flexibility Analysis Required: Undetermined

Government Levels Affected: None

URL For More Information:

www.sec.gov/rules/proposed/2006/ic-27600.pdf

Agency Contact: Vincent M. Meehan, Division of Investment Management, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-0506
Phone: 202 551-6792

Related RIN: Related to 3235-AJ05

RIN: 3235-AJ62

3767. • RULEMAKING FOR EDGAR SYSTEM; MANDATORY ELECTRONIC SUBMISSION OF APPLICATIONS UNDER THE INVESTMENT COMPANY ACT

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: 15 USC 77f through h; 15 USC 77s(a); 15 USC 78c; 15 USC 78l through n; 15 USC 78o(d); 15 USC 78w(a); 15 USC 78ll; 15 USC 80a-8; 15 USC 80a-29; 15 USC 80a-30; 15 USC 80a-37

CFR Citation: 17 CFR 232; 17 CFR 270

Legal Deadline: None

Abstract: The Division is considering recommending that the Commission propose rules for mandatory EDGAR submission of applications under any section of the Investment Company Act, as well as proposing minor technical corrections to the electronic filing rules.

Timetable:

Action	Date	FR Cite
NPRM	05/00/07	

Regulatory Flexibility Analysis Required: Undetermined

Government Levels Affected: None

Federalism: Undetermined

Agency Contact: Ruth Armfield Sanders, Division of Investment Management, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549
Phone: 202 551-6960

RIN: 3235-AJ81

3768. • FUND OF FUNDS INVESTMENTS

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: Not Yet Determined

CFR Citation: Not Yet Determined

Legal Deadline: None

Abstract: The Division is considering recommending that the Commission propose amendments to the exemptive rules under the Investment Company Act that permit certain arrangements under which one investment company ("fund") may invest in other funds.

Timetable:

Action	Date	FR Cite
NPRM	12/00/07	

Regulatory Flexibility Analysis Required: Undetermined

Government Levels Affected: Undetermined

Federalism: Undetermined

Agency Contact: Adam B. Glazer, Division of Investment Management, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549
Phone: 202 551-6792
Email: glazera@sec.gov

RIN: 3235-AJ83

3769. • CUSTODY OF SECURITIES WITH MEMBERS OF NATIONAL SECURITIES EXCHANGES AND REGISTERED MANAGEMENT INVESTMENT COMPANIES

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: 15 USC 80a-6(c); 15 USC 80a-17(f); 15 USC 80a-26; 15 USC 80a-28; 15 USC 80a-29; 15 USC 80a-30; 15 USC 80a-3700

CFR Citation: 17 CFR 270.17f-1; 17 CFR 270.17f-2

Legal Deadline: None

Abstract: The Division is considering recommending that the Commission

propose amendments to the rules under the Investment Company Act that govern investment companies' use of members of national securities exchanges and registered management investment companies as custodians for the investment companies' securities and similar investments.

Timetable:

Action	Date	FR Cite
NPRM	11/00/07	

Regulatory Flexibility Analysis Required: Undetermined

Government Levels Affected: Undetermined

Federalism: Undetermined

Agency Contact: Vincent Meehan, Division of Investment Management, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549
Phone: 202 551-6792

RIN: 3235-AJ84

3770. AMEND FILING REQUIREMENTS FOR FORM N-SAR, SEMIANNUAL REPORT OF REGISTERED INVESTMENT COMPANIES

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: 15 USC 78 et seq; 15 USC 80a-1 et seq

CFR Citation: 17 CFR 249.330; 17 CFR 274.101

Legal Deadline: None

Abstract: The Division is considering whether to recommend that the Commission amend the information filed on Form N-SAR, the semiannual report for registered investment companies, to incorporate series and class (contract) identifiers and to make other software related improvements.

Timetable:

Action	Date	FR Cite
NPRM	02/00/08	

Regulatory Flexibility Analysis Required: Undetermined

Government Levels Affected: Undetermined

Agency Contact: Ruth Armfield Sanders, Division of Investment Management, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549
Phone: 202 551-6960

RIN: 3235-AF93

SEC—Division of Investment Management

Proposed Rule Stage

3771. AMENDMENTS TO THE CASH SOLICITATION RULE

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: 15 USC 80b-4; 15 USC 80b-6; 15 USC 80-11(a)

CFR Citation: 17 CFR 275.206(4)-3

Legal Deadline: None

Abstract: The Division is considering recommending that the Commission propose amendments to update and modernize the cash solicitation rule, Rule 206(4)-3 under the Investment Company Act.

Timetable:

Action	Date	FR Cite
NPRM	03/00/08	

Regulatory Flexibility Analysis Required: Undetermined

Government Levels Affected: Undetermined

Agency Contact: David Blass, Division of Investment Management, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549
Phone: 202 551-6787

RIN: 3235-AH33

3772. DEFINITION OF "EQUAL VOTING RIGHTS" UNDER SECTION 18(I) OF THE INVESTMENT COMPANY ACT

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: 15 USC 80a et seq; 15 USC 80a-37(a); 15 USC 80a-38

CFR Citation: 17 CFR 18i-1

Legal Deadline: None

Abstract: The Division is considering recommending that the Commission propose Rule 18i-1 under the Investment Company Act that would define the term "equal voting rights" under section 18(i) of the Act. The rule would be designed to clarify the circumstances under which voting stock issued by a registered investment company or a business development company has equal voting rights with every other outstanding voting stock issued by that fund as required by section 18(i).

Timetable:

Action	Date	FR Cite
NPRM	08/00/07	

Regulatory Flexibility Analysis Required: Undetermined

Government Levels Affected: None

Agency Contact: Eric S. Purple, Division of Investment Management, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549
Phone: 202 551-6825
Fax: 202 628-0761

Email: purplee@sec.gov

RIN: 3235-AJ61

3773. • EMPLOYEES' SECURITIES COMPANIES

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: Not Yet Determined

CFR Citation: Not Yet Determined

Legal Deadline: None

Abstract: The Division is considering recommending that the Commission propose a rule under the Investment Company Act to codify certain exemptions the Commission has granted to employees' securities companies.

Timetable:

Action	Date	FR Cite
NPRM	03/00/08	

Regulatory Flexibility Analysis Required: Undetermined

Government Levels Affected: Undetermined

Federalism: Undetermined

Agency Contact: Thoreau Adrian Bartmann, Division of Investment Management, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549
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Fax: 202 628-0760
Email: barthmann@sec.gov

RIN: 3235-AJ82

Securities and Exchange Commission (SEC)

Final Rule Stage

Division of Investment Management

3774. AMENDMENTS TO FORM ADV

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: 15 USC 80b-4, 80b-6(4), 80bll(a), 80b-3(c)(1); 15 USC 77s(a); 15 USC 78(a), 78bbb(e)(2); 15 USC 77sss(a); 15 USC 78(s)-37(a)

CFR Citation: 17 CFR 275.204-2; 17 CFR 275.204-3; 17 CFR 275.206(4)-4; 17 CFR 279.1

Legal Deadline: None

Abstract: In 2000, the Commission proposed amendments to Form ADV (parts 1 and 2) and related rules to

create an electronic filing system for investment advisers and to improve the quality of information that advisers must provide to clients and prospective clients. The Commission adopted final amendments to part 1 of Form ADV under RIN 3235-AD21.

The Commission deferred adoption of final amendments to part 2 of Form ADV. The Division is considering recommending that the Commission seek further public comment under RIN 3235-AI17.

Timetable:

Action	Date	FR Cite
NPRM	04/05/00	65 FR 20524

Action	Date	FR Cite
NPRM Comment Period End	06/13/00	
Other	05/00/07	
Final Action	12/00/07	

Regulatory Flexibility Analysis Required: Yes

Small Entities Affected: Businesses

Government Levels Affected: None

URL For More Information: www.sec.gov/rules/proposed/34-42620.htm

Agency Contact: Robert Tuleya, Division of Investment Management,

SEC—Division of Investment Management

Final Rule Stage

Securities and Exchange Commission,
100 F Street NE, Washington, DC 20549
Phone: 202 551-6730
Email: tuleyar@sec.gov

Related RIN: Related to 3235-AD21

RIN: 3235-AI17

3775. PROHIBITION OF FRAUD BY ADVISERS TO CERTAIN POOLED INVESTMENT VEHICLES; ACCREDITED INVESTORS IN CERTAIN PRIVATE INVESTMENT VEHICLES

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: 15 USC 206(4)

CFR Citation: Not Yet Determined

Legal Deadline: None

Abstract: The Commission proposed a new antifraud rule under the Investment Advisers Act that would prohibit fraud by investment advisers that provide advice to certain pooled investment vehicles, including hedge funds. The Commission also proposed two rules that would, in connection with the offer and sale of interests in certain privately offered investment pools, revise the definition of accredited investor as it relates to natural persons.

Timetable:

Action	Date	FR Cite
NPRM	01/04/07	72 FR 400
NPRM Comment Period End	03/09/07	
Final Action	07/00/07	

Regulatory Flexibility Analysis Required: Undetermined

Government Levels Affected: None

URL For More Information:

www.sec.gov/rules/proposed/2006/33-8766.pdf

Agency Contact: David Blass, Division of Investment Management, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549
Phone: 202 551-6787

RIN: 3235-AJ67

3776. EXEMPTION FROM SHAREHOLDER APPROVAL FOR CERTAIN SUBADVISORY CONTRACTS

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: 15 USC 80a-6(c)

CFR Citation: 17 CFR 270.15a-5; 17 CFR 210.6-07; 17 CFR 274.11A; 17 CFR 240.14a-10

Legal Deadline: None

Abstract: The Commission proposed a new rule to allow certain types of funds or their investment advisers to enter into subadvisory agreements for investment management services without obtaining shareholder approval.

Timetable:

Action	Date	FR Cite
NPRM	10/29/03	68 FR 61720
NPRM Comment Period End	01/08/04	
Final Action	05/00/07	

Regulatory Flexibility Analysis Required: Undetermined

Government Levels Affected: Undetermined

URL For More Information:

www.sec.gov/rules/proposed/33-8312.htm

Agency Contact: Adam B. Glazer, Division of Investment Management, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549
Phone: 202 551-6792
Email: glazera@sec.gov

RIN: 3235-AH80

3777. AMENDMENTS TO RULES GOVERNING PRICING OF MUTUAL FUND SHARES

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: 15 USC 80a-22(c); 15 USC 80a-37(a)

CFR Citation: 17 CFR 270.22c-1

Legal Deadline: None

Abstract: The Commission proposed amendments to Rule 22c-1 that would provide that an order to purchase or redeem mutual fund shares would receive the current day's price only if the fund, designated transfer agents, or a registered securities clearing agency

receives the order by the time the fund establishes for calculating its net asset value.

Timetable:

Action	Date	FR Cite
NPRM	12/17/03	68 FR 70388
NPRM Comment Period End	02/06/04	
Final Action	06/00/07	

Regulatory Flexibility Analysis Required: No

Government Levels Affected: None

URL For More Information:

www.sec.gov/rules/proposed/ic-26288.htm

Agency Contact: Adam B. Glazer, Division of Investment Management, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549
Phone: 202 551-6792

RIN: 3235-AJ01

3778. DISPOSAL OF CONSUMER REPORT INFORMATION

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: PL 108-159, 117 Stat 1952, 214, 216

CFR Citation: 17 CFR 248

Legal Deadline: Final, Statutory, September 4, 2004, Rulemaking under section 214.

Final, Statutory, December 4, 2004, Rulemaking under section 216.

Abstract: Sections 214 and 216 of the Fair and Accurate Credit Transactions Act of 2003 (FACT Act) require the Commission to promulgate rules related to (i) limitations on affiliate marketing, and (ii) the disposal of consumer report information.

The Commission adopted amendments to Regulation S-P to implement the disposal rule, and proposed Regulation S-AM to implement the affiliate marketing provisions. The Division is considering recommending that the Commission adopt proposed Regulation S-AM.

Timetable:

Action	Date	FR Cite
NPRM	07/14/04	69 FR 42302
NPRM Comment Period End	08/13/04	
Second NPRM	09/20/04	69 FR 56304

SEC—Division of Investment Management

Final Rule Stage

Action	Date	FR Cite
Second NPRM Comment Period End	10/20/04	
Final Rule	12/08/04	69 FR 71322
Final Rule Effective	01/11/05	
Final Action	07/00/07	

**Regulatory Flexibility Analysis
Required:** Undetermined**Small Entities Affected:** Businesses**Government Levels Affected:** None**URL For More Information:**www.sec.gov/rules/final/34-50781.htm

Agency Contact: Vincent Meehan,
Division of Investment Management,
Securities and Exchange Commission,
100 F Street NE, Washington, DC 20549
Phone: 202 551-6792

RIN: 3235-AJ24**3779. DEFINITION OF ELIGIBLE
PORTFOLIO COMPANY UNDER THE
INVESTMENT COMPANY ACT OF 1940**

Priority: Substantive, Nonsignificant.
Major status under 5 USC 801 is
undetermined.

Legal Authority: 15 USC
80a-2(a)(46)(C)(iv); 15 USC 80a-37(a);
15 USC 80a-6(c)

CFR Citation: 17 CFR 270.2a-46; 17
CFR 270.55a-1

Legal Deadline: None

Abstract: The Commission adopted two
new rules under the Investment
Company Act that more closely align
the definition of eligible portfolio
company and the investment activities
of business development companies
("BDCs") with the Congressional
purpose in establishing BDCs.

One rule, Rule 2a-46, defines an
eligible portfolio company to include
all private companies and companies
whose securities are not listed on a
national securities exchange. The
Commission also repropose for
comment Rule 2a-46(b) under the
Investment Company Act to expand the
definition of eligible portfolio company
to include certain companies that list
their securities on a national securities
exchange.

Timetable:

Action	Date	FR Cite
NPRM	11/08/04	69 FR 64816
NPRM Comment Period End	01/07/05	
Final Action	10/31/06	71 FR 64086
Final Action Effective	11/30/06	
Second NPRM	10/31/06	71 FR 64093
Second NPRM Comment Period End	01/02/07	
Final Action	07/00/07	

**Regulatory Flexibility Analysis
Required:** Yes**Small Entities Affected:** Businesses

Government Levels Affected:
Undetermined

URL For More Information:<http://www.sec.gov/rules/final/2006/ic-27538.pdf>

Agency Contact: Rochelle
Kauffman-Plesset, Division of
Investment Management, Securities and
Exchange Commission, 100 F Street NE,
Washington, DC 20549
Phone: 202 551-6840

RIN: 3235-AJ31**3780. EXTENSION OF XBRL
VOLUNTARY REPORTING PROGRAM
ON THE EDGAR SYSTEM TO MUTUAL
FUND RISK/RETURN SUMMARY
INFORMATION**

Priority: Substantive, Nonsignificant.
Major status under 5 USC 801 is
undetermined.

Legal Authority: Not Yet Determined

CFR Citation: 17 CFR 232.401; 17 CFR
232.402; 17 CFR 239.15A; 17 CFR
270.8b-33; 17 CFR 274.11A

Legal Deadline: None

Abstract: The Commission issued a
release proposing to extend the current
Voluntary Financial Reporting Program
on the EDGAR System to allow open-
end management investment company
filers to voluntarily furnish Risk/Return
Summary information in XBRL format.

Timetable:

Action	Date	FR Cite
NPRM	02/12/07	72 FR 6676
NPRM Comment Period End	03/14/07	
Final Action	06/00/07	

**Regulatory Flexibility Analysis
Required:** Yes**Small Entities Affected:** Businesses**Government Levels Affected:** None**URL For More Information:**www.sec.gov/rules/proposed/2007/33-8781

Agency Contact: Christopher Kaiser,
Division of Investment Management,
Securities and Exchange Commission,
100 F Street NE, Washington, DC 20549
Phone: 202 551-6770
Email: kaiserc@sec.gov

RIN: 3235-AJ59Securities and Exchange Commission (SEC)
Division of Investment Management

Completed Actions

**3781. CERTAIN THRIFT INSTITUTIONS
DEEMED NOT TO BE INVESTMENT
ADVISERS**

Priority: Substantive, Nonsignificant.
Major status under 5 USC 801 is
undetermined.

Legal Authority: 15 USC
80b-2(a)(11)(F)

CFR Citation: 17 CFR 275**Legal Deadline:** None

Abstract: The Commission had
proposed excepting thrift institutions
providing investment advice to certain
clients from the definition of
investment adviser. Congress amended
the Investments Advisers Act in the
Financial Services Regulatory Relief
Act of 2006, Public Law 109-351 (Oct.
13, 2006) to give thrift institutions the
relief proposed in the Commission's
rule. Accordingly, the Commission is
withdrawing this item from the
Agenda.

Timetable:

Action	Date	FR Cite
NPRM	05/07/04	69 FR 25778
NPRM Comment Period End	07/09/04	
Withdrawn	04/01/07	

**Regulatory Flexibility Analysis
Required:** No

Government Levels Affected:
Undetermined

URL For More Information:

SEC—Division of Investment Management

Completed Actions

www.sec.gov/rules/proposed/
34.49639.htm

Agency Contact: Jennifer L. Sawin,
Division of Investment Management,
Securities and Exchange Commission,
100 F Street NE, Washington, DC 20549
Phone: 202 551-6787

RIN: 3235-AI16

3782. AMENDMENTS TO INVESTMENT COMPANY REGISTRATION STATEMENTS TO PROTECT CERTAIN PRIVATE INFORMATION

Priority: Substantive, Nonsignificant.
Major status under 5 USC 801 is
undetermined.

Legal Authority: 15 USC 77e; 15 USC
77f; 15 USC 77g; 15 USC 77j; 15 USC

77s(a); 15 USC 78j(b); 15 USC 78m; 15
USC 78o(d); 15 USC 78w(a); 15 USC
78mm; 15 USC 80a-8; 15 USC
80a-24(a); 15 USC 80a-29; 15 USC
80a-37

CFR Citation: 17 CFR 239.15A; 17 CFR
249.331; 17 CFR 274.11A; 17 CFR
274.11a-1; 17 CFR 274.11b; 17 CFR
274.128

Legal Deadline: None

Abstract: The Division is withdrawing
this item from the Unified Agenda
because it does not expect the
Commission to consider this item in
the next 12 months, but the
Commission may consider the item at
a later ate.

Timetable:

Action	Date	FR Cite
Withdrawn	04/01/07	

**Regulatory Flexibility Analysis
Required:** No

Government Levels Affected:
Undetermined

Agency Contact: Christopher Kaiser,
Division of Investment Management,
Securities and Exchange Commission,
100 Street NE, Washington, DC 20549
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Email: kaiserc@sec.gov

RIN: 3235-AJ40

Securities and Exchange Commission (SEC) Division of Market Regulation

Proposed Rule Stage

3783. RISK ASSESSMENT RECORDKEEPING AND REPORTING REQUIREMENT

Priority: Substantive, Nonsignificant.
Major status under 5 USC 801 is
undetermined.

Legal Authority: 15 USC 78a(h)

CFR Citation: 17 CFR 240.17h-1T; 17
CFR 240.17h-2T

Legal Deadline: None

Abstract: The Risk Assessment
Recordkeeping and Reporting
Requirements, which became effective
September 30, 1992, following notice
and comment, were adopted as
temporary rules pursuant to the Market
Reform Act of 1990. These rules
contain recordkeeping and reporting
requirements with regard to Material
Associated Persons of broker-dealers.
The Division plans to recommend that
the Commission propose final rules
replacing the temporary rules.

Timetable:

Action	Date	FR Cite
NPRM	12/00/07	

**Regulatory Flexibility Analysis
Required:** Undetermined

Government Levels Affected: None

Agency Contact: Thomas K. McGowan,
Division of Market Regulation,
Securities and Exchange Commission,
100 F Street NE, Washington, DC 20549
Phone: 202 551-5520

Fax: 202 772-9273

RIN: 3235-AH06

3784. REGISTRATION REQUIREMENTS FOR BANKS ACTING AS BROKERS OR DEALERS IN SECURITY FUTURES PRODUCTS

Priority: Substantive, Nonsignificant.
Major status under 5 USC 801 is
undetermined.

Legal Authority: 15 USC 78o(i)

CFR Citation: Not Yet Determined

Legal Deadline: None

Abstract: The Division is considering
recommending that the Commission
propose Rule 15i-1, which would apply
the broker-dealer registration
requirements of the Exchange Act to
banks that act as brokers or dealers in
security futures products.

Timetable:

Action	Date	FR Cite
NPRM	09/00/07	

**Regulatory Flexibility Analysis
Required:** Undetermined

Government Levels Affected: None

Agency Contact: Linda Stamp
Sundberg, Division of Market
Regulation, Securities and Exchange
Commission, 100 F Street NW,
Washington, DC 20549
Phone: 202 551-5579
Fax: 202 772-9270

RIN: 3235-AI83

3785. AMENDMENTS TO FINANCIAL RESPONSIBILITY RULES FOR BROKER-DEALERS

Priority: Substantive, Nonsignificant.
Major status under 5 USC 801 is
undetermined.

Legal Authority: 15 USC 78o(c); 15
USC 78q(a)

CFR Citation: 17 CFR 15c3-1; 17 CFR
15c3-3; 17 CFR 240.17a-3; 17 CFR
240.17a-4; 17 CFR 17a-11

Legal Deadline: None

Abstract: The Division is considering
recommending that the Commission
propose amendments to the broker-
dealer financial responsibility rules,
including the net capital rule (Rule
15c3-1), the customer protection rule
(Rule 15c3-3), the books and records
rules (Rules 17a-3 and 17a-4), and the
notification rule (Rule 17a-11).

Together, these rules require broker
dealers to (1) maintain specified levels
of liquid assets, (2) create reserves for
amounts owed to customers, (3)
maintain possession or control of
customer fully paid and excess margin
securities, (4) make and maintain books
and records, and (5) provide regulators,
if necessary, with notices of extreme
events.

The amendments would facilitate the
use of cross-margining of certain
customer accounts; reduce certain
capital charges in Rule 15c3-1 to better
align the requirement with the risk; and

SEC—Division of Market Regulation

Proposed Rule Stage

generally strengthen the financial responsibility rules in certain areas.

Timetable:

Action	Date	FR Cite
NPRM	12/00/07	

Regulatory Flexibility Analysis Required: Undetermined

Government Levels Affected: Undetermined

Agency Contact: Randall Roy, Division of Market Regulation, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549
Phone: 202 551-5522

RIN: 3235-AJ48

3786. FORM BD AND FORM BDW

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: 15 USC 78a et seq

CFR Citation: Not Yet Determined

Legal Deadline: None

Abstract: The Division is considering recommending that the Commission propose amendments to Forms BD and BDW, the uniform broker-dealer registration form and the uniform request for withdrawal from broker-dealer registration, respectively. The proposed amendments would update the forms in light of market, legal, and technological developments; clarify provisions of the forms; and make them easier to complete.

Timetable:

Action	Date	FR Cite
NPRM	04/00/07	

Regulatory Flexibility Analysis Required: Undetermined

Government Levels Affected: Undetermined

Agency Contact: Haimera Abaineh Workie, Division of Market Regulation, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549
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RIN: 3235-AJ52

3787. RULE 15C2-3: POINT-OF-SALE DISCLOSURE OF PURCHASES IN OPEN-END MANAGEMENT INVESTMENT COMPANY SHARES, UNIT INVESTMENT TRUST INTERESTS, AND MUNICIPAL FUND SECURITIES USED FOR EDUCATION SAVINGS

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: 15 USC 78j; 15 USC 78k; 15 USC 78o; 15 USC 78q; 15 USC 78w(a); 15 USC 78mm

CFR Citation: 17 CFR 240.15c2-2; 17 CFR 240.15c2-3; 17 CFR 240.10b-10

Legal Deadline: None

Abstract: The Commission proposed new Rules 15c2-2 and 15c2-3 under the Exchange Act, together with accompanying Schedules 15C and 15D. The Commission also proposed related amendments to Rule 10b-10. Proposed Rules 15c2-2 and 15c2-3 and Schedules 15C and 15D would provide for improved confirmation and pre-transaction "point of sale" disclosure of distribution costs and conflicts of interest associated with transactions in mutual funds, municipal fund securities, and unit investment trusts. The amendments to Rule 10b-10 in part would reflect the new rules and would provide improved confirmation disclosure about certain callable securities. They also would clarify that the confirmation disclosure requirements do not determine broker-dealer disclosure obligations under other provisions of the law.

Timetable:

Action	Date	FR Cite
NPRM	02/10/04	69 FR 6438
NPRM Comment Period End	04/12/04	
NPRM Comment Period Extended	03/04/05	70 FR 10521
NPRM Comment Period End	04/04/05	
Second NPRM	06/00/07	

Regulatory Flexibility Analysis Required: Yes

Small Entities Affected: Businesses

Government Levels Affected: None

URL For More Information: www.sec.gov/rules/proposed/33-8544.htm

Agency Contact: Dawn Jessen, Division of Market Regulation, Securities and

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Related RIN: Related to 3235-AJ11, Related to 3235-AJ13, Related to 3235-AJ14

RIN: 3235-AJ12

3788. RULE 15C-101: SCHEDULE 15D

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: 15 USC 78j; 15 USC 78k; 15 USC 78o; 15 USC 78q; 15 USC 78w(a); 15 USC 78mm

CFR Citation: 17 CFR 240.15c2-2; 17 CFR 240.15c2-3; 17 CFR 240.10b-10

Legal Deadline: None

Abstract: The Commission proposed new Rules 15c2-2 and 15c2-3 under the Exchange Act, together with accompanying Schedules 15C and 15D. The Commission also proposed related amendments to Rule 10b-10. Proposed Rules 15c2-2 and 15c2-3 and Schedules 15C and 15D would provide for improved confirmation and pre-transaction "point of sale" disclosure of distribution costs and conflicts of interest associated with transactions in mutual funds, municipal fund securities, and unit investment trusts. The amendments to Rule 10b-10 in part would reflect the new rules and would provide improved confirmation disclosure about certain callable securities. They also would clarify that the confirmation disclosure requirements do not determine broker-dealer disclosure obligations under other provisions of the law.

Timetable:

Action	Date	FR Cite
NPRM	02/10/04	69 FR 6438
NPRM Comment Period End	04/12/04	
NPRM Comment Period Extended	03/04/05	70 FR 10521
NPRM Comment Period End	04/04/05	
Second NPRM	06/00/07	

Regulatory Flexibility Analysis Required: Yes

Small Entities Affected: Businesses

Government Levels Affected: None

URL For More Information:

SEC—Division of Market Regulation

Proposed Rule Stage

www.sec.gov/rules/proposed/33-8544.htm

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Related RIN: Related to 3235-AJ11, Related to 3235-AJ12, Related to 3235-AJ13

RIN: 3235-AJ14

3789. CONCEPT RELEASE CONCERNING SELF-REGULATION

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: 15 USC 78f; 15 USC 78o-3; 15 USC 78s

CFR Citation: None

Legal Deadline: None

Abstract: The Commission issued a concept release on SRO structure to solicit public comment on a wide range of issues related to the efficacy of the SRO system.

Timetable:

Action	Date	FR Cite
ANPRM	12/08/04	69 FR 71256
ANPRM Comment Period End	03/08/05	
NPRM	06/00/07	

Regulatory Flexibility Analysis Required: Undetermined

Government Levels Affected: Undetermined

URL For More Information:

www.sec.gov/rules/concept/34-50700.htm

Agency Contact: Nancy J. Sanow, Division of Market Regulation, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549
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RIN: 3235-AJ36

3790. ELECTRONIC FILING OF MUNICIPAL SECURITIES DISCLOSURE

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: Not Yet Determined

CFR Citation: 17 CFR 240

Legal Deadline: None

Abstract: The Division is considering recommending that the Commission propose amending Rule 240.15c2-12 under section 15 of the Exchange Act to establish the concept of a "central post office" ("CPO") and to require the use of a CPO to satisfy the Rule 15c2-12 requirements.

Timetable:

Action	Date	FR Cite
NPRM	12/00/07	

Regulatory Flexibility Analysis

Required: Undetermined

Government Levels Affected: Local, State, Tribal

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RIN: 3235-AJ66

3791. PROCESSING OF REORGANIZATION EVENTS, TENDER OFFERS, AND EXCHANGE OFFERS

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: 15 USC 78b; 15 USC 78k-1(a)(1)(B); 15 USC 78n(d)(4); 15 USC 78o(c)(3); 15 USC 78o(c)(6); 15 USC 78q-1(a); 15 USC 78q-1(d)(1); 15 USC 78w(a)

CFR Citation: 17 CFR 240.17Ad-14

Legal Deadline: None

Abstract: The Commission proposed amendments to Rule 17Ad-14 under the Exchange Act. The amendments would require the establishment of book-entry accounts in connection with reorganization events and would give securities depositories up to 3 business days after the expiration of a tender offer, exchange offer, or reorganization event to deliver physical securities certificates to the agents.

Timetable:

Action	Date	FR Cite
NPRM	09/04/98	63 FR 47209
NPRM Comment Period End	11/03/98	
Second NPRM	02/00/08	

Regulatory Flexibility Analysis Required: Yes

Small Entities Affected: Businesses

Government Levels Affected: None

URL For More Information:

www.sec.gov/rules/proposed/34-40386.htm

Agency Contact: Matthew Landon, Division of Market Regulation, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1001

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RIN: 3235-AH53

3792. PUBLICATION OR SUBMISSION OF QUOTATIONS WITHOUT SPECIFIED INFORMATION

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: 15 USC 78b; 15 USC 78c; 15 USC 78j(b); 15 USC 78o(q); 15 USC 78q(a); 15 USC 78w(a)

CFR Citation: 17 CFR 240.15c2-11

Legal Deadline: None

Abstract: As part of its efforts to respond to fraud and manipulation in the microcap securities market, the Commission proposed amendments to Rule 15c2-11. These amendments would limit the rule's piggyback provision and increase public availability of issuer information. The amendments would expand the information review requirements for non-reporting issuers and the documentation required for significant relationships between the broker-dealer and the issuer of the security to be quoted. Finally, the amendments would exclude from the rule securities of larger, more liquid issuers.

Timetable:

Action	Date	FR Cite
NPRM	02/25/98	63 FR 9661
NPRM Comment Period End	04/27/98	
Second NPRM	03/08/99	64 FR 11124
Second NPRM Comment Period End	04/07/99	
Second NPRM Comment Period Extended to Supplemental NPRM	04/14/99	64 FR 18393
	12/00/07	

Regulatory Flexibility Analysis Required: Yes

Small Entities Affected: Businesses

SEC—Division of Market Regulation

Proposed Rule Stage

Government Levels Affected: None

URL For More Information:

www.sec.gov/rules/proposal/34-41110.htm

Agency Contact: James A. Brigagliano, Division of Market Regulation, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549
Phone: 202 551-5720
Fax: 202 772-9355

RIN: 3235-AH40

3793. • OVERSIGHT OF CREDIT AGENCIES

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: 15 USC 78o-7; 15 USC 78w(a)

CFR Citation: 17 CFR 240.17g-1; 17 CFR 240.17g-2; 17 CFR 240.17g-3; 17 CFR 240.17g-4; 17 CFR 240.17g-5; 17 CFR 240.17g-6

Legal Deadline: None

Abstract: The Commission proposed for comment rules to implement provisions of the Credit Rating Agency Reform Act of 2006 ("the Act"). The Act defines the term "nationally recognized statistical rating organization" as a credit rating agency registered with the Commission, provides the Commission with authority to implement registration, recordkeeping, financial reporting, and oversight rules with respect to registered credit rating agencies, and directs the Commission to adopt final rules effective no later than 270 days after its enactment on June 26, 2007.

Timetable:

Action	Date	FR Cite
NPRM	02/09/07	72 FR 6378
NPRM Comment Period End	03/12/07	
NPRM Comment Period Extended	03/30/07	72 FR 15079
NPRM Comment Period End	04/30/07	
Final Action	06/00/07	

Regulatory Flexibility Analysis Required: Yes

Small Entities Affected: Businesses

Government Levels Affected: Local, State

Federalism: Undetermined

URL For More Information:

www.sec.gov/rules/proposed/2007/34-55231.pdf

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RIN: 3235-AJ78

3794. • FILINGS WITH RESPECT TO PROPOSED RULE CHANGES SUBMITTED PURSUANT TO SECTION 19(B)(7)(A) OF THE SECURITIES EXCHANGE ACT

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: 15 USC 78s(b)(1); 15 USC 89s(b)(7)

CFR Citation: 17 CFR 240.19b-7; 17 CFR 240.19b-4

Legal Deadline: None

Abstract: The Commission proposed to require self-regulatory organizations ("SROs") that submit proposed rule changes pursuant to section 19(b)(7)(A) of the Exchange Act to file those rule changes electronically. In addition, the Commission proposed to require SROs to post all such proposed rule changes on their Web sites. Together, the proposed amendments are designed to expand the electronic filing by SROs of proposed rule changes, making it more efficient and cost effective, and to harmonize the process of filings made under section 19(b)(7)(A) with that already in place for SRO filings under section 19(b)(1) of the Act.

Timetable:

Action	Date	FR Cite
NPRM	03/01/07	72 FR 9412
NPRM Comment Period End	04/30/07	
Final Action	08/00/07	

Regulatory Flexibility Analysis Required: No

Government Levels Affected: Undetermined

Federalism: Undetermined

URL For More Information:

www.sec.gov/rules/proposed/34-553431.pdf

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RIN: 3235-AJ80

Securities and Exchange Commission (SEC)

Final Rule Stage

Division of Market Regulation

3795. MUNICIPAL SECURITIES DISCLOSURE

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: Not Yet Determined

CFR Citation: 17 CFR 240

Legal Deadline: None

Abstract: The Commission proposed amending Rule 240.15c2-12 under section 15 of the Exchange Act to delete the reference to the Municipal

Securities Rulemaking Board (MSRB) as a recipient of material event notices filed by municipal securities issuers.

Timetable:

Action	Date	FR Cite
NPRM	12/08/06	71 FR 71109
NPRM Comment Period End	01/08/07	
Final Action	04/00/07	

Regulatory Flexibility Analysis Required: Undetermined

Government Levels Affected: Local, State, Tribal

URL For More Information:

www.sec.gov/rules/proposed/2006/34-54863.pdf

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RIN: 3235-AJ41

SEC—Division of Market Regulation

Final Rule Stage

3796. • AMENDMENTS TO RULE 15C3-1 AND RULE 17A-11 APPLICABLE TO BROKER-DEALERS ALSO REGISTERED AS FUTURES COMMISSION MERCHANTS

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: 15 USC 78o; 15 USC 78q; 15 USC 78w(a)

CFR Citation: 17 CFR 240.15c3-1; 17 CFR 240.15c3-1d; 17 CFR 240.17a-11

Legal Deadline: None

Abstract: The Commission proposed for comment amendments to conform provisions of its net capital rule to changes to the net capital rule of the Commodity Futures Trading Commission ("CFTC"). The proposed amendments would apply to broker-dealers also registered as futures commission merchants with the CFTC.

The SEC is also proposing to amend certain rules related to subordinated debt agreements to conform those rules to the CFTC's amended net capital rules. Finally, the SEC is proposing to amend its early warning provisions to require that it be notified if a broker-dealer also registered as a future commission merchant must warn the CFTC or a designated self-regulatory organization that its adjusted net capital has fallen below specified levels

Timetable:

Action	Date	FR Cite
NPRM	10/13/06	71 FR 60636
NPRM Comment Period End	11/23/06	
Final Action	04/00/07	

Regulatory Flexibility Analysis Required: No

Government Levels Affected: None

Federalism: Undetermined

URL For More Information:

www.sec.gov/rules/proposed/2006/34-54575.pdf

Agency Contact: Bonnie L. Gauch, Division of Market Regulation, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549
Phone: 202 551-5524
Fax: 202 772-9273

Related RIN: Related to 3038-AB64

RIN: 3235-AJ72

3797. • DEFINITIONS OF TERMS AND EXEMPTION RELATING TO THE "BROKER" EXCEPTIONS FOR BANKS

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: Not Yet Determined

CFR Citation: 17 CFR 242.700ff

Legal Deadline: None

Abstract: The Commission, in conjunction with the Board of Governors of the Federal Reserve System, proposed rules designed to define and clarify a number of the statutory exceptions from the definition of "broker" under section 3(a)(4) of the Exchange Act, as well as grant new conditional exemptions from the "broker" definitions to banks.

Timetable:

Action	Date	FR Cite
NPRM	12/26/06	71 FR 77522
NPRM Comment Period End	03/26/07	
Interim Final Rule	07/00/07	

Regulatory Flexibility Analysis

Required: Undetermined

Small Entities Affected: Businesses

Government Levels Affected: Undetermined

Federalism: Undetermined

URL For More Information:

www.sec.gov/rules/proposed/2006/34-54946.pdf

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Related RIN: Related to 3235-AJ77

RIN: 3235-AJ74

3798. RULE 15C2-2: CONFIRMATION OF TRANSACTIONS IN OPEN-END MANAGEMENT INVESTMENT COMPANY SHARES, UNIT INVESTMENT TRUST INTERESTS, AND MUNICIPAL FUND SECURITIES USED FOR EDUCATION SAVINGS

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: 15 USC 78j; 15 USC 78k; 15 USC 78o; 15 USC 78q; 15 USC 78w(a); 15 USC 78mm

CFR Citation: 17 CFR 240.15c2-2; 17 CFR 240.15c2-3; 17 CFR 240.10b-10

Legal Deadline: None

Abstract: The Commission proposed new Rules 15c2-2 and 15c2-3 under the Exchange Act, together with accompanying Schedules 15C and 15D. The Commission also proposed related amendments to Rule 10b-10. Proposed Rules 15c2-2 and 15c2-3 and Schedules 15C and 15D would provide for improved confirmation and pre-transaction "point of sale" disclosure of distribution costs and conflicts of interest associated with transactions in mutual funds, municipal fund securities, and unit investment trusts. The amendments to Rule 10b-10 in part would reflect the new rules and would provide improved confirmation disclosure about certain callable securities. They also would clarify that the confirmation disclosure requirements do not determine broker-dealer disclosure obligations under other provisions of the law.

Timetable:

Action	Date	FR Cite
NPRM	02/10/04	69 FR 6438
NPRM Comment Period End	04/12/04	
NPRM Comment Period Extended	03/04/05	70 FR 10521
NPRM Comment Period End	04/04/05	
Final Action	06/00/07	

Regulatory Flexibility Analysis Required: Yes

Small Entities Affected: Businesses

Government Levels Affected: None

URL For More Information:

www.sec.gov/rules/proposed/33-8544.htm

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Related RIN: Related to 3235-AJ12, Related to 3235-AJ13, Related to 3235-AJ14

RIN: 3235-AJ11

SEC—Division of Market Regulation

Final Rule Stage

3799. RULE 15C-100: SCHEDULE 15C

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: 15 USC 78j; 15 USC 78k; 15 USC 78o; 15 USC 78q; 15 USC 78w(a); 15 USC 78mm

CFR Citation: 17 CFR 240.15c2-2; 17 CFR 240.15c2-3; 17 CFR 240.10b-10

Legal Deadline: None

Abstract: The Commission proposed new Rules 15c2-2 and 15c2-3 under the Exchange Act, together with accompanying Schedules 15C and 15D. The Commission also proposed related amendments to Rule 10b-10. Proposed Rules 15c2-2 and 15c2-3 and Schedules 15C and 15D would provide for improved confirmation and pre-transaction "point of sale" disclosure of distribution costs and conflicts of interest associated with transactions in mutual funds, municipal fund securities, and unit investment trusts. The amendments to Rule 10b-10 in part would reflect the new rules and would provide improved confirmation disclosure about certain callable securities. They also would clarify that the confirmation disclosure requirements do not determine broker-dealer disclosure obligations under other provisions of the law.

Timetable:

Action	Date	FR Cite
NPRM	02/10/04	69 FR 6438
NPRM Comment Period End	04/12/04	
NPRM Comment Period Extended	03/04/05	70 FR 10521
NPRM Comment Period End	04/04/05	
Final Action	06/00/07	

Regulatory Flexibility Analysis Required: Yes

Small Entities Affected: Businesses

Government Levels Affected: None

URL For More Information:
www.sec.gov/rules/proposed/33-8544.htm

Agency Contact: Dawn Jessen, Division of Market Regulation, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549
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Related RIN: Related to 3235-AJ11, Related to 3235-AJ12, Related to 3235-AJ14

RIN: 3235-AJ13

3800. FAIR ADMINISTRATION AND GOVERNANCE OF SELF-REGULATORY ORGANIZATIONS

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: 15 USC 78c; 15 USC 78o-3; 15 USC 78q; 15 USC 78w

CFR Citation: Not Yet Determined

Legal Deadline: None

Abstract: The Commission proposed new rules and amendments to existing rules and forms under the Exchange Act. The proposals pertain to the oversight and operation of self-regulatory organizations (SROs) that are national securities exchanges or national securities associations. The new rules would strengthen the governance and administration of national securities exchanges and national securities associations. In addition, the proposal includes amendments to SEC forms for registration as a national securities exchange or national securities association to require that those SROs include specified information relating to their governance, regulatory programs, financial statements, and ownership structure.

Further, the Commission proposed a new rule to require exchanges and associations to submit quarterly and annual electronic reports on particular aspects of their regulatory programs. Finally, the proposal would impose certain checks on the heightened potential conflicts that arise with demutualized SROs relating to the "self-listing" of the SRO's or affiliate's stock, but not otherwise seek to regulate controlling shareholders of an SRO.

Timetable:

Action	Date	FR Cite
NPRM	12/08/04	69 FR 71126
NPRM Comment Period End	01/24/05	
NPRM Comment Period Extended	01/18/05	70 FR 2829

Action	Date	FR Cite
NPRM Comment Period End	03/08/05	
Final Action	12/00/07	

Regulatory Flexibility Analysis Required: No

Government Levels Affected: Undetermined

URL For More Information:
<http://www.sec.gov/rules/proposed/34-50699.htm>

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RIN: 3235-AJ33

3801. • RULE 105, SHORT SELLING IN CONNECTION WITH A PUBLIC OFFERING

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: Not Yet Determined

CFR Citation: Not Yet Determined

Legal Deadline: None

Abstract: The Commission proposed amendments to Rule 105 of Regulation M to further facilitate market prices and offering prices that can be fairly determined by the natural forces of supply and demand. The amendments under consideration should further safeguard the integrity of the capital raising process and protect issuers from potentially manipulative activity that can reduce offering proceeds.

Timetable:

Action	Date	FR Cite
NPRM	12/10/06	71 FR 75002
NPRM Comment Period End	02/12/07	
Final Action	06/00/07	

Regulatory Flexibility Analysis Required: Undetermined

Small Entities Affected: Businesses

Government Levels Affected: None

Federalism: Undetermined

Agency Contact: James A. Brigagliano, Division of Market Regulation, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549
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SEC—Division of Market Regulation

Final Rule Stage

Fax: 202 772-9355

RIN: 3235-AJ75

**3802. • COVERED SECURITIES
PURSUANT TO SECTION 18 OF THE
SECURITIES ACT**

Priority: Substantive, Nonsignificant.
Major status under 5 USC 801 is
undetermined.

Legal Authority: 15 USC 78r

CFR Citation: 17 CFR 230.146

Legal Deadline: None

Abstract: The Nasdaq Stock Market ("Nasdaq") filed a proposed rule change with the Commission to amend its quantitative listing standards for National Capital Market ("NCM") securities. The Commission believes that Nasdaq's proposed NCM listing standards would be substantially similar to those of a Named Market as designated in section 18 of the Securities Act.

The Commission proposed an amendment to Rule 146(b) under that Act to designate securities traded on the NCM as covered securities for purposes of section 18 of the Act and also proposed technical amendments to Rule 146(b) to account for the name changes of the Pacific Exchange to NYSE Arca, Inc., and the National Market System of the Nasdaq to Nasdaq Global Market.

Timetable:

Action	Date	FR Cite
NPRM	11/22/06	71 FR 67762
NPRM Comment Period End	12/22/06	
Final Action	04/00/07	

**Regulatory Flexibility Analysis
Required:** No

Government Levels Affected: State

URL For More Information:
www.sec.gov/rules/proposed/2006/33-8754.pdf

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RIN: 3235-AJ73

**3803. • REGULATION SHO AND
RULE 10A-1**

Priority: Substantive, Nonsignificant.
Major status under 5 USC 801 is
undetermined.

Legal Authority: 16 USC 78j(a)

CFR Citation: 17 CFR 240.a-1; 17 CFR 242.200; 17 CFR 242.201

Legal Deadline: None

Abstract: The Commission proposed amendments to Rule 10a-1 and Regulation SHO to modernize and simplify short sale regulation in light of current trading systems and strategies used in the marketplace, while providing greater regulatory consistency.

Timetable:

Action	Date	FR Cite
NPRM	12/10/06	71 FR 75068
NPRM Comment Period End	02/17/07	
Final Action	04/00/07	

**Regulatory Flexibility Analysis
Required:** Undetermined

Small Entities Affected: Businesses

Government Levels Affected: None

Federalism: Undetermined

URL For More Information:
www.sec.gov/rules/proposed/2006/34-54892

Agency Contact: James A. Brigagliano, Division of Market Regulation, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549
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RIN: 3235-AJ76

**3804. AMENDMENTS TO REGULATION
M: ANTI-MANIPULATION RULES
CONCERNING SECURITIES
OFFERINGS**

Priority: Substantive, Nonsignificant.
Major status under 5 USC 801 is
undetermined.

Legal Authority: 15 USC 77g; 15 USC 77a(a); 15 USC 77s(a); 15 USC 78b; 15 USC 78c; 15 USC 78g(c)(2); 15 USC 78i(a); 15 USC 78j; 15 USC 78k-1(c); 15 USC 78l; 15 USC 78m; 15 USC 78n; 15 USC 78o(b); 15 USC 78(o)(c); 15 USC 78o(g); 15 USC 78q(a); 15 USC 78q(b); 15 USC 78q(h); 15 USC 78w(a); 15 USC 78dd-1; 15 USC 78mm; 15 USC 80a-23; 15 USC 80a-29; 15 USC 80a-37

CFR Citation: 17 CFR 242.100; 17 CFR 242.101; 17 CFR 242.102; 17 CFR 242.103; 17 CFR 242.104; 17 CFR 105

Legal Deadline: None

Abstract: In order to prohibit certain activities by underwriters and other distribution participants that can undermine the integrity and fairness of the offering process, particularly with respect to allocation of offered securities, the Commission proposed amendments to Regulation M. The proposal seeks to enhance the transparency of syndicate covering bids and prohibit the use of penalty bids. The amendments are also intended to update certain definitional and operational provisions in light of market developments since Regulation M's adoption.

Timetable:

Action	Date	FR Cite
NPRM	12/17/04	69 FR 75774
NPRM Comment Period End	02/15/05	
Final Action	06/00/07	

**Regulatory Flexibility Analysis
Required:** Undetermined

Government Levels Affected:
Undetermined

URL For More Information:
<http://www.sec.gov/rules/proposed/33-8511.html>

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Related RIN: Related to 3235-AJ00, Related to 3235-AF54

RIN: 3235-AJ37

**3805. REGULATION SHO (SHORT
SALES)**

Priority: Substantive, Nonsignificant.
Major status under 5 USC 801 is
undetermined.

Legal Authority: Not Yet Determined
CFR Citation: Not Yet Determined

Legal Deadline: None

Abstract: The Commission proposed amendments to Rules 200(e)(3) and 203(b)(3) of Regulation SHO. The proposals are intended to reduce the frequency that stock is not delivered after it is sold, by eliminating the grandfather provision and narrowing

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Final Rule Stage

the options market maker exception to the delivery requirement. They are also intended to update the market decline limitation referenced in the rule.

Timetable:

Action	Date	FR Cite
NPRM	07/21/06	71 FR 41710
NPRM Comment Period End	09/19/06	
Final Action	06/00/07	

Regulatory Flexibility Analysis Required: Undetermined

Government Levels Affected: Undetermined

URL For More Information:

www.sec.gov/rules/proposed/2006/34-54154.pdf

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Phone: 202 551-5720
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RIN: 3235-AJ57

3806. • EXEMPTIONS FOR BANKS UNDER SECTION 3(A)(5) OF THE EXCHANGE ACT

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: 15 USC 78c(a)(4); 15 USC 78c(b); 15 USC 78(A); 15 USC 781; 15 USC 78w(A); 15 USC 78mm

CFR Citation: 17 CFR 240.3a5-2; 17 CFR 240.3a5-3; 17 CFR 240.15a-6; 17 CFR 240.15a-8; 17 CFR 240.15a-9; 17 CFR 240.15a-11

Legal Deadline: NPRM, Statutory, April 12, 2007, 180 days after October 13, 2006, the date of enactment of the Regulatory Relief Act.

Abstract: The Commission proposed rules and rule amendments regarding exemptions from the definitions of "broker" and "dealer" under the Exchange Act for banks' securities activities.

Timetable:

Action	Date	FR Cite
NPRM	12/26/06	71 FR 7750
NPRM Comment Period End	03/26/07	
Final Action	07/00/07	

Regulatory Flexibility Analysis Required: No

Small Entities Affected: Businesses

Government Levels Affected: Undetermined

Federalism: Undetermined

URL For More Information:

www.sec.gov/rules/proposed/2006/34-54947

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Related RIN: Related to 3235-AJ28, Related to 3235-AJ74

RIN: 3235-AJ77

Securities and Exchange Commission (SEC)
Division of Market Regulation

Long-Term Actions

3807. REQUEST FOR COMMENT ON NASDAQ'S PETITION RELATING TO THE REGULATION OF NASDAQ-LISTED SECURITIES

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Unfunded Mandates: Undetermined

Legal Authority: 15 USC 78f(b)(1); 15 USC 78o-3(b)(2); 15 USC 78F(b)(5); 15 USC 78f(b)(8); 15 USC 78o-3(b)(6); 15 USC 78o-3(b)(9)

CFR Citation: Not Yet Determined

Legal Deadline: None

Abstract: The Commission requested comment on a petition submitted by the NASDAQ Stock Market, Inc. concerning the regulation of NASDAQ-listed securities. Specifically, NASDAQ requested that the Commission amend the rules of all markets that trade NASDAQ-listed securities to establish uniform trading rules, and to ensure equal surveillance and enforcement of those rules; order that the exchanges' costs of regulation, including costs associated with proper data collection, surveillance, and enforcement, be

aggregated and deducted from the market data revenue collected pursuant to the NASDAQ Unlisted Trading Privileges Plan; and prohibit the launch or continuation of NASDAQ trading by any market that fails to protect investors as required under the Exchange Act. In addition, the Commission requested comment on whether the same actions would be appropriate for the regulation and trading of exchange-listed securities.

Timetable:

Action	Date	FR Cite
ANPRM	05/20/03	68 FR 27722
ANPRM Comment Period End	06/19/03	
Next Action	Undetermined	

Regulatory Flexibility Analysis Required: Undetermined

Government Levels Affected: Undetermined

URL For More Information: www.sec.gov/rules/concept/34-47849.htm

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RIN: 3235-AI86

3808. CONCEPT RELEASE: COMPETITIVE DEVELOPMENTS IN THE OPTIONS MARKETS

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: Not Yet Determined

CFR Citation: Not Yet Determined

Legal Deadline: None

Abstract: The Commission published a concept release discussing changes in the U.S. options market since the start of widespread multiple trading of options in 1999 that have had the greatest impact on competition. The release sought comment on, among other things, the impact on the marketplace of payment for order flow, specialist guarantees, and internalization; whether the Commission should extend Exchange

SEC—Division of Market Regulation

Long-Term Actions

Act Rules 11Ac1-4 and 11Ac1-5 to the options markets; and whether options should be quoted in penny increments.

Timetable:

Action	Date	FR Cite
ANPRM	02/09/04	69 FR 6124
ANPRM Comment	04/09/04	
Period End		
Next Action	Undetermined	

Regulatory Flexibility Analysis Required: No

Government Levels Affected: None

URL For More Information:
www.sec.gov/rules/concept/34-49175.htm

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RIN: 3235-AJ15

Securities and Exchange Commission (SEC) Division of Market Regulation

Completed Actions

3809. REGULATION B

Priority: Substantive, Nonsignificant.
Major status under 5 USC 801 is undetermined.

Unfunded Mandates: Undetermined

Legal Authority: 15 USC 77g; 15 USC 77q(a); 15 USC 77s(a); 15 USC 78b; 15 USC 78c; 15 USC 78g(c)(2); 15 USC 78i(a); 15 USC 78j; 15 USC 78k-1(c); 15 USC 78l; 15 USC 78m; 15 USC 78n; 15 USC 78o(b); 15 USC 78o(c); 15 USC 78o(g); 15 USC 78q(a); 15 USC 78q(b); 15 USC 78q(h); 15 USC 78w(a); 15 USC 78dd-1; 15 USC 78mm; 15 USC 80a-23; 15 USC 80a-29; 15 USC 80a-37

CFR Citation: 17 CFR 242.710 to 242.781

Legal Deadline: None

Abstract: The Commission proposed Regulation B, which would grant new exemptions for banks from the definition of the term "broker" and broaden a number of existing exemptions already available to banks, savings associations, and savings banks that effect transactions in securities.

The Commission is withdrawing this item from the Regulatory Agenda; it was superseded by the enactment of the Financial Services Regulatory Relief Act of 2006 (Pub. L. No. 109-351), which directed the Commission and the Federal Reserve Board to issue a joint proposal on the subject. That proposal was issued on December 26, 2006, under RIN 3235-AJ74.

Timetable:

Action	Date	FR Cite
NPRM	06/30/04	69 FR 39682
NPRM Comment	07/28/04	69 FR 44988
Period Extended		
NPRM Comment	09/01/04	
Period End		
Withdrawn	12/26/06	71 FR 77522

Regulatory Flexibility Analysis Required: Yes

Small Entities Affected: Businesses

Government Levels Affected: None

URL For More Information:
www.sec.gov/rules/proposed/34-49879.htm

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Related RIN: Related to 3235-AI19,
Related to 3235-AJ74

RIN: 3235-AJ28

**3810. ELECTRONIC FILING OF
TRANSFER AGENT FORMS**

Priority: Substantive, Nonsignificant

Legal Authority: 15 USC 77s(a); 15 USC 78q; 15 USC 78q-1; 16 USC w(a)

CFR Citation: 17 CFR 232.101; 17 CFR 232.104; 17 CFR 232.201; 17 CFR 240.17Ac2-1; 17 CFR 17Ac2-2; 17 CFR 17Ac3-1; 17 CFR 239; 17 CFR 249; 17 CFR 249b; 17 CFR 269; 17 CFR 274

Legal Deadline: None

Abstract: The Commission amended the rules and forms under section 17A of the Exchange Act to require that forms for transfer agent registration, annual reporting, and withdrawal from registration be filed with the Commission electronically. The forms would be accessible on the Commission's EDGAR database in XML format to the Commission staff and the public for search and retrieval. The rule will improve the Commission's ability to utilize the information reported on the forms in performing its oversight function of transfer agent operations and public dissemination of the information on the forms.

Timetable:

Action	Date	FR Cite
NPRM	09/11/06	71 FR 53494
NPRM Comment	10/26/06	
Period End		
Final Action	12/12/06	71 FR 74698
Final Action Effective	01/11/07	

Regulatory Flexibility Analysis Required: Yes

Small Entities Affected: Businesses

Government Levels Affected: None

URL For More Information:
www.sec.gov/rules/final/2006/34-54864.pdf

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RIN: 3235-AJ68

**Securities and Exchange Commission (SEC)
Offices and Other Programs**
Proposed Rule Stage
3811. REGULATION PCAOB

Priority: Substantive, Nonsignificant.
Major status under 5 USC 801 is undetermined.

Legal Authority: 15 USC 77a et seq;
15 USC 78a et seq; 15 USC 79a et seq;
15 USC 7201 et seq

CFR Citation: 17 CFR 210

Legal Deadline: None

Abstract: The Office of the Chief Accountant is considering recommending that the Commission propose rules that would establish procedures for the Commission's interim review of PCAOB inspection reports and other matters of PCAOB oversight.

Timetable:

Action	Date	FR Cite
NPRM	08/00/07	

Regulatory Flexibility Analysis Required: Undetermined

Government Levels Affected: Undetermined

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RIN: 3235-AJ34

3812. INFLATION ADJUSTMENTS

Priority: Substantive, Nonsignificant.
Major status under 5 USC 801 is undetermined.

Legal Authority: Not Yet Determined

CFR Citation: Not Yet Determined

Legal Deadline: None

Abstract: The Office of the General Counsel is considering recommending that the Commission propose a rule setting forth inflation-based adjustments to dollar amounts contained in certain rules administered by the Commission.

Timetable:

Action	Date	FR Cite
NPRM	06/00/07	

Regulatory Flexibility Analysis Required: Undetermined

Government Levels Affected: Undetermined

Agency Contact: Owen Donley, Office of the General Counsel, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549
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RIN: 3235-AJ69

3813. TRANSFORMATION OF COMPANY DISCLOSURES

Priority: Substantive, Nonsignificant.
Major status under 5 USC 801 is undetermined.

Legal Authority: Not Yet Determined

CFR Citation: Not Yet Determined

Legal Deadline: None

Abstract: The Office of Information Technology is considering recommending that the Commission propose rulemaking that might be necessary to facilitate the transformation of company and regulated entity disclosures from the current text-based formats to ones that leverage interactive data.

Timetable:

Action	Date	FR Cite
NPRM	05/00/07	

Regulatory Flexibility Analysis Required: Undetermined

Government Levels Affected: None

Federalism: Undetermined

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RIN: 3235-AJ70

**Securities and Exchange Commission (SEC)
Offices and Other Programs**
Final Rule Stage
3814. INTERPRETIVE RELEASE CONCERNING MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Priority: Substantive, Nonsignificant.
Major status under 5 USC 801 is undetermined.

Legal Authority: 15 USC 77aa et seq;
15 USC 78

CFR Citation: Not Yet Determined

Legal Deadline: None

Abstract: The Commission published proposed interpretive guidance for

management regarding its evaluation and assessment of internal control over financial reporting.

Timetable:

Action	Date	FR Cite
ANPRM	07/18/06	71 FR 40866
ANPRM Comment Period End	09/18/06	
NPRM	12/27/06	71 FR 77635
NPRM Comment Period End	02/26/07	
Final Action	04/00/07	

Regulatory Flexibility Analysis Required: Yes

Small Entities Affected: Businesses

Government Levels Affected: None

URL For More Information:

www.sec.gov/rules/proposed/2006/33-8762.pdf

Agency Contact: Michael G. Gaynor, Office of Chief Accountant, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549
Phone: 202 551-5929

RIN: 3235-AJ58

**Securities and Exchange Commission (SEC)
Offices and Other Programs**
Long-Term Actions
3815. INTERNATIONAL ACCOUNTING STANDARDS

Priority: Substantive, Nonsignificant.
Major status under 5 USC 801 is undetermined.

Legal Authority: 15 USC 77a et seq; 15 USC 78a et seq

CFR Citation: 17 CFR 210; 17 CFR 249.220f

Legal Deadline: None

Abstract: The Commission staff has reviewed comments received in response to a concept release on whether the Commission should recognize accounting standards promulgated by the International Accounting Standards Board for purposes of cross-border offerings and listings by foreign companies. The staff is monitoring the development and implementation of international accounting standards for consideration in drafting appropriate rule proposals and recommendations to the Commission.

Timetable:

Action	Date	FR Cite
ANPRM	02/23/00	65 FR 8896
ANPRM Comment Period End	05/23/00	

Next Action Undetermined

Regulatory Flexibility Analysis Required: Undetermined

Government Levels Affected: Undetermined

URL For More Information:
www.sec.gov/rules/concept/34-42430.htm

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RIN: 3235-AH65

3816. IMPLEMENTATION OF STANDARDS OF PROFESSIONAL CONDUCT FOR ATTORNEYS

Priority: Substantive, Nonsignificant

Legal Authority: 15 USC 7202, 7245, 7262; 15 USC 77s; 15 USC 78c(b), 78d-3, 78m, 78w; 15 USC 80a-37, 80a-38; 15 USC 80b-11

CFR Citation: 17 CFR 205

Legal Deadline: Final, Statutory, January 26, 2003.

Abstract: The Commission adopted a rule establishing standards of professional conduct for attorneys who appear and practice before the Commission on behalf of issuers in accordance with section 307 of the Sarbanes-Oxley Act 2002. The standards include a rule requiring an attorney to report evidence of a material violation of a securities law or breach of fiduciary duty or similar violation by the issuer up-the-ladder within the company to the chief legal counsel or the chief executive officer of the company (or the equivalent thereof) and, if they do not respond appropriately to the evidence, requiring the attorney to report the evidence to the audit committee, another committee of independent directors, or the full board of directors.

The Commission is still considering the "noisy withdrawal" provisions of the original proposal under which attorneys would be required under certain circumstances to withdraw from representing an issuer and disclose that fact to the Commission. In the related proposing release, the Commission discusses that part of the original

proposal and seeks comment on additional alternatives. Although the Commission has not yet determined the date for the next action in this rulemaking, that does not necessarily mean that the Commission will not act within the next 12 months.

Timetable:

Action	Date	FR Cite
NPRM for Professional Standard Rules	12/02/02	67 FR 71670
NPRM for Professional Standard Rules Comment Period End	12/18/02	
NPRM for "Noisy Withdrawal" Rule	02/06/03	68 FR 6324
Final Action for Professional Standard Rules	02/06/03	68 FR 6296
NPRM for "Noisy Withdrawal" Rule Comment Period End	04/07/03	
Final Action for Professional Standard Rules Effective	08/05/03	

Next Action Undetermined

Regulatory Flexibility Analysis Required: Undetermined

Government Levels Affected: None

URL For More Information:
www.sec.gov/rules/final/33-8185.htm

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RIN: 3235-AI72

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