and redemption procedures, applicable Exchange rules, the various fees and expenses, and the prospectus delivery requirements applicable to the Shares.

This Order is conditioned on NYSE's adherence to the foregoing representations.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,[18] that the proposed rule change (SR–NYSE–2006–75), as modified by Amendment No. 1, be, and it hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[19]

Nancy M. Morris,

Secretary.

[FR Doc. E7–6897 Filed 4–11–07; 8:45 am]

BILLING CODE 8010–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–55593; File No. SR–NYSE–2004–56]

Self-Regulatory Organizations; New York Stock Exchange Inc. (n/k/a New York Stock Exchange LLC); Notice of Filing and Order Granting Accelerated Approval to Proposed Rule Change Relating to Amendments to Exchange Rule 611, ''Disqualification or Other Disability of Arbitrators''

April 6, 2007.

I. Introduction

On October 12, 2004, the New York Stock Exchange Inc. (n/k/a New York Stock Exchange LLC) (''NYSE'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission''), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'')[1] and Rule 19b–4 thereunder,[2] a proposed rule change amending NYSE Rule 611 (''Disqualification or other Disability of Arbitrators'') to give the Director of Arbitration the authority to remove an arbitrator in the event a conflict comes to the attention of the parties or the Exchange that, for any reason, was not appropriately disclosed pursuant to NYSE rules. On May 26, 2006, the Exchange filed Amendment No. 1 to the proposed rule change (''Amendment No. 1'').[3] The proposed rule change, as amended by Amendment No. 1, was published for comment in the **Federal Register** on August 7, 2006.[4] The Commission received one comment on the proposal, as amended.[5] On January 11, 2007, the NYSE filed Amendment No. 2 (''Amendment No. 2''),[6] and on March 21, 2007, the Exchange filed Amendment No. 3 (''Amendment No. 3'')[7] to the proposed rule change. This order approves the proposed rule change, as amended, on an accelerated basis, and solicits comment from interested persons on the proposed rule change as modified by Amendment Nos. 2 and 3.

II. Description of the Proposed Rule Change

A. Description of the Proposal

At present, once an arbitrator has taken the Oath of Arbitrators for a particular case, NYSE rules do not provide for the Director of Arbitration to remove an arbitrator from serving on that case. Rather, NYSE Rule 610 permits the Director of Arbitration to remove an arbitrator prior to, but not after, the commencement of the hearing. The need to remove a sitting arbitrator could arise if, for example, an item that should have been disclosed by the arbitrator pursuant to Exchange rules had not been disclosed, or a conflict arises after commencement of the hearing. Historically, when this situation has arisen, the remedy has been for the arbitrator to recuse himself or herself. Nevertheless, the Exchange proposed to amend its rules, indicating that it would be prudent to give the Director of Arbitration the authority to remove an arbitrator in the event a conflict comes to the attention of the parties or the Exchange that for any reason was not appropriately disclosed pursuant to NYSE rules and was unknown to the parties, or if a conflict arises after the commencement of the hearing.

B. Comment Summary and NYSE's Response

1. Comments Received

The proposal was published for comment in the **Federal Register** on August 7, 2006,[8] and the Commission received one comment.[9] The commenter generally supported the proposed rule change, but expressed concern that it would not sufficiently protect against possible gamesmanship or delays in seeking to remove arbitrators. In the commenter's view, a party who is aware of grounds for removal but does not act should be prevented from bringing a later challenge to remove the arbitrator.

2. NYSE's Response to Comments

The NYSE responded to the commenter's concerns by filing Amendment No. 2 to the proposed rule change, providing that the Director of Arbitration may remove an arbitrator from an arbitration panel solely for information not disclosed pursuant to NYSE Rule 610 or based on information not known to the parties when the arbitrator was appointed. Subsequently, the NYSE filed Amendment No. 3, correcting an ambiguity in the rule, and clearly setting forth that the grounds for removal from the panel would be either a new conflict, arising after the commencement of the hearing (whether arising from circumstances known to the parties prior to the commencement of the hearing but only developing into a conflict after the commencement of the hearing, or from circumstances arising after the hearing), or, alternatively, an undisclosed conflict of which the parties were previously unaware.

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[18] 15 U.S.C. 78s(b)(2).

[19] 17 CFR 200.30–3(a)(12).

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

[2] 17 CFR 240.19b–4.

[3] In Amendment No. 1, which supplemented the original filing, the Exchange amended the filing to note that the need to remove an arbitrator might arise from a failure to disclose information that should have been disclosed, or from a conflict that arises after the commencement of the hearing. The Exchange also amended the filing to eliminate the proposal to provide the Director of Arbitration with discretion to limit a party's additional information requests of an arbitrator.

[4] *See* Exchange Act Release No. 54233 (July 27, 2006), 71 FR 44751 (Aug. 7, 2006) (the ''Notice'').

[5] *See* letter from Seth E. Lipner (Aug. 28, 2006) (''Lipner Letter'').

[6] In Amendment No. 2, which supplemented the original filing, the Exchange modified the proposed rule to provide that the Director of Arbitration may remove an arbitrator from a panel based on information that was not known to the parties when the arbitrator was appointed. Amendment No. 2 also limited the reasons for which the Director of Arbitration may remove an arbitrator to information not known to the parties when the arbitrator was appointed and information required to be disclosed pursuant to NYSE Rule 610 that was not previously disclosed. The rule, as amended by Amendment No. 1, had not required the parties to be unaware of the information serving as the basis for the Director of Arbitration's decision, and had not limited the reasons for removal of the arbitrator.

[7] In Amendment No. 3, which supplemented the original filing, the Exchange corrected an ambiguity in Amendment No. 2. Amendment No. 3 clarified that the Director of Arbitration could remove an arbitrator for information that should have been disclosed pursuant to NYSE Rule 610, providing for disclosure of conflicts, and that either was not known to the parties prior to the commencement of the hearing, or that represented a new conflict, arising after the commencement of the hearing. The amendment also clarified that the Director of Arbitration could also remove an arbitrator where circumstances known to the parties before the commencement of the hearing developed into a conflict after the commencement of the hearing. The rule as amended by Amendment No. 2 did not clearly establish these requirements for removal.

[8] *See* Notice, *supra* note 4.

[9] *See* Lipner Letter, *supra* note 5.

III. Discussion and Commission Findings

After careful review, the Commission finds that the proposed rule change is consistent with Section 6(b) of the Act[10] in general and Section 6(b)(5) of the Act[11] in particular, which require that the rules of the Exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade and, in general, to protect investors and the public interest.[12] The proposed rule change, as amended, enables the Director of Arbitration to remove an arbitrator when a conflict arises after the commencement of the hearing or when information required to be disclosed pursuant to Exchange Rule 610 and of which the parties were previously unaware, is not disclosed. Similarly, the proposed rule change also permits an arbitrator to be removed where circumstances known before the commencement of the hearing develop into a conflict after the commencement of the hearing. Enabling the Director of Arbitration to remove arbitrators with any of these conflicts if they fail to recuse themselves will address circumstances in which an arbitrator with a conflict could otherwise continue serving on a panel. We believe that allowing the Director of Arbitration to exercise this authority will facilitate the removal of arbitrators with either previously undisclosed and unknown conflicts or newly-arising conflicts (whether from known or unknown circumstances), and will therefore enhance the fairness and transparency of the arbitration process. *Accelerated Approval of the Proposed Rule Change as Modified by Amendment Nos. 2 and 3.* The Commission finds good cause for approving the proposed rule change as modified by Amendment Nos. 2 and 3 to the proposed rule change prior to the thirtieth day after the amendment is published for comment in the **Federal Register** pursuant to Section 19(b)(2) of the Act.[13] Amendment No. 2 responded to a comment by providing that parties aware of conflicts prior to the time that the arbitrator was appointed could not delay action on that knowledge. Amendment No. 3, which clarified Amendment No. 2, set forth the two grounds for removal of an arbitrator after commencement of the hearing: first, a conflict arising after the commencement of the hearing; and second, a failure to disclose information pursuant to Rule 610 if the parties were previously unaware of the undisclosed information. The Commission finds that, given the concerns the commenter raised with respect to the possibility that the arbitration process might be manipulated by parties seeking to remove an arbitrator based on information known to a party at an earlier date but acted upon only after the party assessed the arbitrator, it is appropriate and responsive for the Exchange to amend the proposed rule change to provide that an arbitrator cannot be removed after taking the oath of arbitration for a particular case based on a conflict of which the parties were previously aware. In essence, the rule provides that parties who come into knowledge of a conflict may not delay before requesting removal of an arbitrator. Similarly, the Commission believes that it is appropriate to permit the Director of Arbitration to remove an arbitrator for whom a conflict arises after commencement of the hearing, as the NYSE rules do not presently provide for such removal. Accordingly, the Commission finds good cause to accelerate approval of the proposed rule change, as amended.

[10] 15 U.S.C. 78f(b).

[11] 15 U.S.C. 78f(b)(5).

[12] In approving this proposed rule change, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

[13] 15 U.S.C. 78s(b)(2).

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the proposed rule change as modified by Amendment Nos. 2 and 3, including whether Amendment Nos. 2 and 3 are consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (*http://www.sec.gov/rules/sro.shtml*); or
- Send e-mail to *rule-comments@sec.gov.* Please include File Number SR–NYSE–2004–56 on the subject line.

Paper Comments

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

All submissions should refer to File Number SR–NYSE–2004–56. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (*http://www.sec.gov/rules/sro/shtml*). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing also will be available for inspection and copying at the principal office of the NYSE. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–NYSE–2004–56 and should be submitted on or before May 3, 2007.

V. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act[14] that the proposed rule change (SR–NYSE–2004–56), as amended, be, and hereby is, approved on an accelerated basis.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[15]

Florence E. Harmon,

Deputy Secretary.

[FR Doc. E7–6935 Filed 4–11–07; 8:45 am]

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[14] 15 U.S.C. 78s(b)(2).

[15] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–55591; File No. SR–Phlx–2007–30]

Self-Regulatory Organizations; Philadelphia Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Ratio Spreads

April 6, 2007.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on March 27, 2007, the Philadelphia Stock Exchange, Inc. (''Phlx'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I and II below, which Items have been prepared substantially by the Phlx.

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

[2] 17 CFR 240.19b–4.