

## SECURITIES AND EXCHANGE COMMISSION

### Submission for OMB Review; Comment Request

Upon Written Request, Copies Available  
From: Securities and Exchange Commission, Office of Investor Education and Assistance, Washington, DC 20549-0213.

#### Extension:

Rule 303; SEC File No. 270-450; OMB Control No. 3235-0505.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") has submitted to the Office of Management and Budget a request for extension of the previously approved collection of information discussed below.

Regulation ATS (17 CFR 242.300 *et seq.*) under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*) provides a regulatory structure that directly addresses issues related to alternative trading systems' role in the marketplace. Regulation ATS allows alternative trading systems to choose between two regulatory structures. Alternative trading systems have the choice between registering as broker-dealers and complying with Regulation ATS or registering as national securities exchanges. Regulation ATS provides the regulatory framework for those alternative trading systems that choose to be regulated as broker-dealers. Rule 303 of Regulation ATS describes the record preservation requirements for alternative trading systems that are not national securities exchanges.

Alternative trading systems that register as broker-dealers, comply with Regulation ATS, and meet certain volume thresholds are required to preserve all records made pursuant to Rule 302, which includes information relating to subscribers, trading summaries and order information. Such alternative trading systems are also required to preserve records of any notices communicated to subscribers, a copy of the system's standards for granting access to trading, and any documents generated in the course of complying with the capacity, integrity and security requirements for automated systems under Rule 301(b)(6) of Regulation ATS. Rule 303 also describes how such records must be kept and how long they must be preserved.

The information contained in the records required to be preserved by the Rule will be used by examiners and other representatives of the Commission, state securities regulatory

authorities, and the SROs to ensure that alternative trading systems are in compliance with Regulation ATS as well as other rules and regulations of the Commission and the SROs. Without the data required by the proposed Rule, the Commission would be limited in its ability to comply with its statutory obligations, provide for the protection of investors and promote the maintenance of fair and orderly markets.

Respondents consist of alternative trading systems that choose to register as broker-dealers and comply with the requirements of Regulation ATS. The Commission estimates that there are currently approximately 65 respondents.

An estimated 65 respondents will spend approximately 260 hours per year (65 respondents at 4 burden hours/respondent) to comply with the record preservation requirements of Rule 303. At an average cost per burden hour of \$86.54, the resultant total related cost of compliance for these respondents is \$22,500.00 per year (260 burden hours multiplied by \$86.54/hour; a slight discrepancy is due to arithmetic rounding).

Compliance with Rule 303 is mandatory. The information required by the Rule 303 is available only to the examination of the Commission staff, state securities authorities and the SROs. Subject to the provisions of the Freedom of Information Act, 5 U.S.C. 522, and the Commission's rules thereunder (17 CFR 200.80(b)(4)(iii)), the Commission does not generally publish or make available information contained in any reports, summaries, analyses, letters, or memoranda arising out of, in anticipation of, or in connection with an examination or inspection of the books and records of any person or any other investigation.

Regulation ATS requires alternative trading systems to preserve any records, for at least three years, made in the process of complying with the systems capacity, integrity and security requirements.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number.

Comments should be directed to (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503 or by sending an e-mail to: [David\\_Rostker@omb.eop.gov](mailto:David_Rostker@omb.eop.gov); and (ii) R. Corey Booth, Director/Chief Information Officer, Securities and Exchange

Commission, c/o Shirley Martinson, 6432 General Green Way, Alexandria, VA 22312 or send an e-mail to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov). Comments must be submitted within 30 days of this notice.

Dated: July 30, 2007.

Nancy M. Morris,  
Secretary.

[FR Doc. E7-15736 Filed 8-10-07; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

### Proposed Collection; Comment Request

Upon Written Request, Copies Available  
From: Securities and Exchange Commission, Office of Investor Education and Advocacy, Washington, DC 20549-0213.

#### Extension:

Rule 17a-7; SEC File No. 270-147; OMB Control No. 3235-0131.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") is soliciting comments on the collection of information summarized below. The Commission plans to submit this existing collection of information to the Office of Management and Budget for extension and approval.

Rule 17a-7 (17 CFR 240.17a-7) under the Securities Exchange Act of 1934 ("Exchange Act") (15 U.S.C. 78a *et seq.*) requires non-resident broker-dealers registered or applying for registration pursuant to section 15 of the Exchange Act to maintain—in the United States—complete and current copies of books and records required to be maintained under any rule adopted under the Securities Exchange Act of 1934. Alternatively, Rule 17a-7 provides that the non-resident broker-dealer may sign a written undertaking to furnish the requisite books and records to the Commission upon demand.

There are approximately 54 non-resident brokers and dealers. Based on the Commission's experience in this area, it is estimated that the average amount of time necessary to preserve the books and records required by Rule 17a-7 is one hour per year. Accordingly, the total burden is 54 hours per year. With an average cost per hour of approximately \$245, the total cost of compliance for the respondents is \$13,230 per year.

Written comments are invited on: (a) Whether the proposed collection of

information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

Comments should be directed to: R. Corey Booth, Director/Chief Information Officer, Securities and Exchange Commission, c/o Shirley Martinson, 6432 General Green Way, Alexandria, Virginia 22312 or send an e-mail to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov). Comments must be submitted within 60 days of this notice.

Dated: August 6, 2007.

**Florence E. Harmon,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-56210; File No. SR-Amex-2007-58]

### Self-Regulatory Organizations; American Stock Exchange, LLC.; Notice of Filing and Order Granting Accelerated Approval to Proposed Rule Change Modifying an Aspect of the Definition of Independent Director

August 6, 2007.

Pursuant to Section 19(b)(1) <sup>1</sup> of the Securities Exchange Act of 1934 ("Act") and Rule 19b-4 thereunder, <sup>2</sup> notice is hereby given that on June 8, 2007, the American Stock Exchange, LLC. ("Amex" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. This order provides notice of the proposed rule change and approves the proposed rule change on an accelerated basis.

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

The Exchange proposes to amend Section 121A(2)(b) of its Company Guide ("Guide") to modify an aspect of the definition of "independent director."

The text of the proposed rule change is available at Amex, the Commission's Public Reference Room, and <http://www.amex.com>.

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item III below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

###### 1. Purpose

Under current Section 121A(2)(b) of the Guide, a director of a listed issuer is generally precluded from being considered "independent" if that director has received more than \$60,000 in compensation from the issuer or any parent or subsidiary of the issuer during any period of twelve consecutive months within the three years preceding the determination of independence. <sup>3</sup> The Exchange proposes to raise this amount to \$100,000, which is the same amount specified by both the New York Stock Exchange, LLC. ("NYSE") <sup>4</sup> and NASDAQ Stock Market, LLC. ("Nasdaq") <sup>5</sup> in their comparable provisions.

The Exchange believes that the current \$60,000 threshold was originally based on the disclosure threshold set by the Commission in Regulation S-K, Item 404. <sup>6</sup> The Exchange notes that the Commission last year adopted a proposal to raise the threshold in Item 404 of Regulation S-K to \$120,000 <sup>7</sup> and

<sup>3</sup> See Section 121A(2)(b) of the Guide.

<sup>4</sup> See Section 303A.02(b)(ii) of the NYSE Listed Company Manual.

<sup>5</sup> See Nasdaq Rule 4200(a)(15)(B).

<sup>6</sup> 17 CFR 229.404.

<sup>7</sup> See Securities Exchange Act Release No. 54302A (August 29, 2006), 71 FR 53158 (September 8, 2006).

recently approved Nasdaq's proposal to raise the compensation threshold in its definition of independent director from \$60,000 to \$100,000. <sup>8</sup> As a result, the Exchange believes that it would be appropriate to also raise its compensation threshold.

Further, the Exchange believes that by making its "bright line" test with respect to the maximum amount of compensation a director can receive from the issuer (or any parent or subsidiary) consistent with the equivalent tests of NYSE and Nasdaq, it will provide a uniform standard for issuers to understand and apply. However, the Exchange notes that even if a director passes the "bright line" test as proposed to be amended, an issuer's board of directors must still make an affirmative determination that such director has no relationship whatsoever with the issuer that would interfere with the director's exercise of independent judgment. <sup>9</sup>

###### 2. Statutory Basis

The Exchange states that the proposed rule change is consistent with Section 6(b) of the Act <sup>10</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act <sup>11</sup> in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

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

According to the Exchange, the proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that the proposed rule change will promote greater uniformity with the corporate governance standards of other markets.

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

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

<sup>8</sup> See Securities Exchange Act Release No. 55463 (March 13, 2007), 72 FR 13327 (March 21, 2007) (SR-NASDAQ-2006-041).

<sup>9</sup> See Section 121A(2) of the Guide.

<sup>10</sup> 15 U.S.C. 78f(b).

<sup>11</sup> 15 U.S.C. 78f(b)(5).

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

<sup>2</sup> 17 CFR 240.19b-4.