SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–56202, File No. SR–MSRB–2007–01]

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Order Approving Proposed Rule Change to MSRB Rule G–14, Reports of Sales or Purchases Relating to Reporting of Transactions in Certain Special Trading Situations

August 3, 2007.

On June 13, 2007, the Municipal Securities Rulemaking Board (''MSRB''), 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 consisting of an amendment to and interpretation of its Rule G–14, Reports of Sales or Purchases. The MSRB proposed an effective date for this proposed rule change of January 2, 2008. The proposed rule change was published for comment in the **Federal Register** on July 3, 2007.[3] The Commission received no comment letters regarding the proposal. This order approves the proposed rule change.

The proposed rule change would: (i) Clarify transaction reporting requirements and require use of the existing M9c0 special condition indicator on trade reports of three types of transactions arising in certain special trading situations that do not represent typical arm's-length transactions negotiated in the secondary market; (ii) provide an end-of-day exception from real-time transaction reporting for trade reports containing the M2c0 or M9c0 special condition indicator; and (iii) create two new special condition indicators for purposes of reporting certain inter-dealer transactions ''late.'' A full description of the proposal is contained in the Commission's Notice.

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to the MSRB[4] and, in particular, the requirements of Section 15B(b)(2)(C) of the Act[5] and the rules and regulations thereunder. Section 15B(b)(2)(C) of the Act requires, among other things, that the MSRB's rules be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in municipal securities, to remove impediments to and perfect the mechanism of a free and open market in municipal securities, and, in general, to protect investors and the public interest.[6] In particular, the Commission finds that the proposed rule change is consistent with the Act because it will allow the municipal securities industry to produce more accurate trade reporting and transparency and will enhance surveillance data used by enforcement agencies. The proposal will be effective January 2, 2008, as requested by the MSRB.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,[7] that the proposed rule change (SR–MSRB–2007–01) be, and it hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[8]

Florence E. Harmon,

Deputy Secretary.

[FR Doc. E7–15598 Filed 8–9–07; 8:45 am]

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

[2] 17 CFR 240.19b–4.

[3] *See* Securities Exchange Act Release No. 55957 (June 26, 2007), 72 FR 36532 (July 3, 2007) (''Commission's Notice'').

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

[5] 15 U.S.C. 78o–4(b)(2)(C).

[6] *Id.*

[7] 15 U.S.C. 78s(b)(2).

[8] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–56208; File No. SR–NYSE–2007–48]

Self-Regulatory Organizations; New York Stock Exchange LLC; Order Granting Accelerated Approval of Proposed Rule Change and Amendment No. 1 Thereto Relating to Proposed Amendments to Rule 600 To Provide Guidance Regarding New and Pending Arbitration Claims in Light of the Consolidation of NYSE Regulation Into NASD DR

August 6, 2007.

I. Introduction

On May 23, 2007, the 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 600 and proposing new NYSE Rule 600A. On June 4, 2007, the Commission published for comment the proposed rule change in the **Federal Register**.[3] The Commission received one comment on the proposal.[4] On June 21, 2007, the NYSE filed Amendment No. 1 to revise the proposed rule change.[5] On July 11, 2007, the Commission published for comment the proposed rule change, as amended, in the **Federal Register**.[6] The Commission received no comments on the proposed rule change, as amended. This order approves the proposed rule change, as amended, on an accelerated basis.

II. Description of the Proposal

NYSE proposes to amend current Rule 600 and adopt a new Rule 600A. The purpose of the proposed rule change is to provide guidance regarding both new and pending arbitration claims in light of the consolidation of the member firm regulation function of NYSE Regulation, Inc. (''NYSE Regulation'') with the National Association of Securities Dealers, Inc. (''NASD'').[7] On July 30, 2007,[8] NYSE Regulation ceased to provide an arbitration program, and its arbitration department (''NYSE Arbitration'') was consolidated with that of NASD Dispute Resolution, Inc. (''NASD DR'').[9] Because the consolidation has already occurred, the effective date of this rule change will be when the Commission approves this proposed rule change (SR–NYSE–2007–48) (''Effective Date''). As a result, on

[2] 17 CFR 240.19b–4.

[3] *See* Securities Exchange Act Release No. 55818 (May 25, 2007), 72 FR 30898 (June 4, 2007).

[4] *See* letter from Jill Gross and Nathan Perrone, Pace Investor Rights Project, dated June 25, 2007 (''Pace'').

[5] Amendment No. 1 replaced and superseded the original filing in its entirety.

[6] *See* Securities Exchange Act Release No. 56015 (July 5, 2007), 72 FR 37891 (July 11, 2007).

[7] On July 26, 2007, the Commission approved a proposed rule change filed by NASD to amend NASD's Certificate of Incorporation to reflect its name change to Financial Industry Regulatory Authority Inc., or FINRA, in connection with the consolidation of the member firm regulatory functions of NASD and NYSE Regulation. *See* Securities Exchange Act Release No. 56146 (July 26, 2007), 72 FR 42190 (Aug. 1, 2007) (SR–NASD–2007–053).

[8] The consolidation of the member firm regulatory functions did not occur until July 30, 2007, when definitive agreements were signed by the NYSE and NASD. *Id.*

[9] NASD DR is now doing business as FINRA DR. NASD DR now administers NYSE Arbitration, which is governed by NYSE Regulation Rules 600 through 639. NASD DR also administers an arbitration program for NYSE Arca, Inc. (''NYSE Arca'') and NYSE Arca Equities, Inc. (''NYSE Arca Equities''), respectively governed by NYSE Arca and NYSE Arca Equities Rule 12.

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

and after July 30, 2007, all arbitration claims filed prior to the Effective Date, and previously subject to NYSE Regulation rules and administration, will be administered by NASD DR pursuant to a Regulatory Services Agreement with the NYSE.

The proposed amendments provide that NYSE Arbitration Rules 600 through 639, and Rule 347, will only apply to NYSE arbitration cases pending prior to the Effective Date, and that, thereafter, disputes between NYSE member organizations, associated persons, and/or their customers will be arbitrated under the NASD DR Codes of Arbitration Procedure.

The rules governing the administration of any particular arbitration will depend on the date the case was filed. This will ensure that any person that filed an arbitration under a particular set of arbitration rules will continue to have the case administered pursuant to those rules through to the case's conclusion. There are two categories of cases. First, NYSE arbitration cases filed before the Effective Date will continue to be governed by existing NYSE Regulation arbitration rules, as will pending NYSE Arca and NYSE Arca Equities cases filed on or after February 1, 2007.[10] Second, those NYSE Arca and NYSE Arca Equities cases filed on or prior to January 31, 2007 are (and will continue to be) governed by Rule 12.[11]

Proposed Exchange Rule 600A(a) provides detailed guidance concerning claims involving member organizations and/or associated persons that are asserted on and after the Effective Date. First, any dispute, claim or controversy between or among member organizations and/or associated persons shall be arbitrated pursuant to the NASD DR Codes of Arbitration Procedure. Second, any dispute, claim or controversy between a customer or a non-member and a member organization and/or associated person arising in connection with the business of such member organization and/or in connection with the activities of an associated person shall be arbitrated pursuant to NASD DR Codes of Arbitration Procedure as provided by any duly executed and enforceable written agreement, or upon the demand of the customer or non-member. This obligation to arbitrate shall extend only to those matters that are permitted to be arbitrated under NASD DR Codes of Arbitration Procedure.

In almost all cases the change from NYSE to NASD DR arbitration rules should not result in material, substantive differences to persons participating in the arbitration process. However, one difference is the treatment of employment discrimination claims. NASD DR rules provide that any claim alleging employment discrimination, including any sexual harassment claims, in violation of a statute, will be eligible for arbitration pursuant to either a pre-dispute or a post-dispute agreement to arbitrate. In contrast, Exchange Rule 600(f) and Exchange Rule 347(b) permit claims to be arbitrated only when the parties have agreed to arbitrate the claim after it has arisen.

Rule 347(a) provides that a controversy between a registered representative and a member organization ''arising out of the employment or termination of employment of such registered representative'' shall be arbitrated at the request of any party. These employment claims will continue to be covered by NASD DR Rule 13200(a), which requires the arbitration of disputes arising out of the ''business activities'' of a member or an associated person and is between or among members, members and associated persons, or associated persons. Accordingly, Rule 600 will be amended to provide that Rule 347 will apply only to claims filed before the Effective Date.

Proposed Rule 600A(b) will explicitly retain the Exchange's enforcement authority related to arbitration. Proposed Rule 600A(c) also will retain the substance of current Exchange Rule 637, regarding the obligation to honor arbitration awards and will specify that failure to submit a matter to arbitration as required by Rule 600A will subject the member organization to Exchange disciplinary action. Finally, proposed Rule 600A(d) will specify that the submission of any matter to arbitration as provided for under the Rule will in no way limit or preclude any right, action or determination by the Exchange that it would otherwise be authorized to adopt, administer or enforce.

III. Summary of Comment Received

The Commission received one comment on the proposal.[12] The commenter supported the proposed rule change because it would reduce confusion for investors. The commenter also noted that the regulatory consolidation is beneficial for investors with claims up to $50,000 because existing NASD rules provide greater investor choice and lower forum costs than the NYSE.[13]

The commenter also urged NASD to adopt a rule, similar to a pending NYSE rule, that would permit one arbitrator to hear claims up to $200,000, instead of $50,000 under existing NASD rules.[14] As this additional point related to matters not covered by the proposed rule change, it is beyond the scope of the proposed rule change.

IV. Discussion and Commission Findings

After careful review, the Commission finds that the proposed rule change, as amended, is consistent with the requirements of section 6(b)(5)[15] of the Act, which requires, among other things, that the rules of an Exchange be designed to promote just and equitable principles of trade and to protect investors and the public interest. The Commission believes that the proposed rule change will streamline the arbitration process and provide for a unified and more efficient arbitration forum with one set of arbitration rules and administrative procedures. This will allow resources to be devoted to maintaining and improving the NASD DR program, rather than splitting resources between two mainly duplicative programs. The Commission also believes the proposed rule change will provide for a clear and orderly transition. As a result, the proposed rule change will better protect investors and the public interest.[16]

The Commission finds good cause to approve the proposed rule change, as amended, prior to the thirtieth day after the proposal was published for comment in the **Federal Register**. This approval allows the proposed rule change to take effect without delay. Because the proposed rule change will provide for a clear and orderly transition from NYSE Arbitration to NASD DR, accelerated approval is necessary to provide clarity to investors regarding the appropriate forums for pending and future arbitration claims. In light of the recent consolidation, accelerated approval of the proposed rule change also will allow NASD DR

[10] *See* Securities Exchange Act Release No. 55142 (January 19, 2007), 72 FR 3898 (January 26, 2007) (SR–NYSEArca–2006–54) and Securities Exchange Act Release No. 55141 (January 19, 2007), 72 FR 3897 (January 26, 2007) (SR–NYSEArca–2006–55).

[11] The Commission also is considering rule filings that would consolidate the NYSE Arca arbitration program into NASD DR. *See* Securities Exchange Act Release No. 56071 (July 13, 2007), 72 FR 40184 (July 23, 2007) (SR–NYSEArca–2007–59); and Securities Exchange Act Release No. 56070 (July 13, 2007), 72 FR 40188 (July 23, 2007) (SR–NYSEArca–2007–60).

[12] Pace.

[13] *Id.*

[14] *Id.*

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

[16] In approving the proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition and capital formation. *See* 15 U.S.C. 78c(f).

and NYSE Regulation to ensure that their arbitration programs are fully consolidated in a timely and efficient manner, without any further delay or uncertainty.

For these reasons, the Commission finds good cause, consistent with section 19(b)(2) of the Act, to grant accelerated approval to the proposed rule change.

V. Conclusion

It is therefore ordered, pursuant to section 19(b)(2) of the Act[17] that the proposed rule change, as modified by Amendment No. 1 (SR–NYSE–2007–48), be, and hereby is, approved on an accelerated basis.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[18]

Florence E. Harmon,

Deputy Secretary.

[FR Doc. E7–15619 Filed 8–9–07; 8:45 am]

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SOCIAL SECURITY ADMINISTRATION

Agency Information Collection Activities: Comment Request

The Social Security Administration (SSA) publishes a list of information collection packages that will require clearance by the Office of Management and Budget (OMB) in compliance with Public Law 104–13, the Paperwork Reduction Act of 1995, effective October 1, 1995. The information collection packages that are included in this notice are for new information collections and revisions to OMB-approved information collections.

SSA is soliciting comments on the accuracy of the agency's burden estimate; the need for the information; its practical utility; ways to enhance its quality, utility, and clarity; and on ways to minimize burden on respondents, including the use of automated collection techniques or other forms of information technology. Written comments and recommendations regarding the information collection(s) should be submitted to the OMB Desk Officer and the SSA Reports Clearance Officer. The information can be mailed, faxed or emailed to the individuals at the addresses and fax numbers listed below:

(OMB), Office of Management and Budget, Attn: Desk Officer for SSA, Fax: 202–395–6974, E-mail address: *OIRA_Submission@omb.eop.gov*

(SSA), Social Security Administration, DCBFM, Attn: Reports Clearance Officer, 1333 Annex Building, 6401 Security Blvd., Baltimore, MD 21235,Fax: 410–965–6400, E-mail address: *OPLM.RCO@ssa.gov*

The information collections listed below have been submitted to OMB for clearance. Your comments on the information collections would be most useful if received by OMB and SSA within 30 days from the date of this publication. You can obtain a copy of the OMB clearance packages by emailing *OPLM.RCO@ssa.gov.*

1. *Consent Based Social Security Number Verification Process—0960–NEW.*

Note: Please note that we published the 60-day Federal Register Notice for this collection on December 30, 2005, at 70 FR 77439. For the year and a half following that date, we have communicated with multiple businesses interested in this collection and have significantly altered our business process plan based on their comments.

Background

The Social Security Administration (SSA) has provided limited fee based Social Security Number (SSN) verification service to private businesses and other requesters that obtain a valid, signed consent form from the Social Security Number Holder. Based on the consent forms, SSA verifies the Number Holders' SSNs for the requesting party. The Privacy Act of 1974, 5 U.S.C. 552a(b), section 1106 of the Social Security Act, 42 U.S.C. 1306, and SSA regulation at 20 CFR 401.100 establish the legal authority for SSA to provide SSN verifications to third party requesters based on consent. Currently, the consent-based SSN verification service for high volume requesters is a paper-driven, labor-intensive process. In recent years, the demand for SSN verification has grown within the business community. As a result, SSA is developing an Agency strategy to perform fee based SSN verifications with consent in a high volume, centralized process.

The Consent Based Social Security Number Verification (CBSV) process is the first phase of the Agency's long term strategy to provide the business community with fee based disclosures with consent in high volume. SSA is developing CBSV as a user-friendly, Internet-based application with safeguards that will protect the public's information. In addition to the benefit of providing high volume, centralized SSN verification services to the business community in a secure manner, CBSV also will provide the Agency with inherent cost and workload management benefits.

SSA is in the planning stage of developing the Agency's second phase of the fee-based web service system which would provide private industry and other third party requesters with disability and retirement data (including insured status information, dates of entitlement, and benefit amounts). This process, the Consent Based Benefit Information System (CBBI), would assist private insurance or pension benefit companies to determine private entitlements and coordinate entitlement to such benefits. These actions help the requesters to reduce and/or eliminate the overpayment of these benefits to their insured clients. Similar to the CBSV process, companies would be required to enter into a legal agreement with SSA, obtain written consent from the record holder, reimburse SSA, and follow SSA's established systems security and audit guidelines.

The CBSV Collection

The CBSV is a fee-based automated SSN verification service that can be used by private businesses and other requesting parties who register with SSA to use the system and have obtained valid consent from Number Holders. The purpose of the information collection is to verify for the requesting party that the submitted name and SSN match or do not match the information contained in the SSA records. After completing a registration process and paying the fee, the requesting party can submit a file through the CBSV Internet application containing names of Number Holders who have given valid consent, along with each Number Holder's accompanying SSN and date of birth (if available) or obtain real-time results using a web service application or SSA's Business Services Online (BSO) application. The Agency matches the information against SSA's Master File of Social Security Numbers, using SSN, name, date of birth and gender code (if available). If batch mode was used, the requesting party retrieves the results file from SSA; the results file indicates a match or no match for each SSN submitted.

Under the CBSV process, the requesting party does not submit the consent forms to SSA. SSA will require each requesting party to retain a valid consent form for each SSN verification request for a period of seven years. The requesting party is permitted to retain the consent forms in either electronic or paper format.

To ensure the integrity of the CBSV Process, SSA has added a strong audit component that requires audits (called

[17] 15 U.S.C. 78s(b)(2).

[18] 17 CFR 200.30–3(a)(12).