

insurance, subsidiary deductible buy-down options, or joint venture opportunities insurance from the commercial insurance market but intends to provide coverage in these areas ranging from \$5 million to \$15 million through KIC.

Applicants state that KIC can be used as a vehicle to lower costs to the KeySpan System companies by acting as a buffer layer between current commercial market deductibles and planned increases in such deductibles. KeySpan could engage the commercial market at higher deductibles than currently possible because KIC would insure the increased risk associated with higher deductibles. Increasing the commercial market deductibles would allow the KeySpan System to reduce commercial market premiums. The premium charged by KIC for this buffer layer would be calculated based on expected losses, utilizing the same method as used by commercial insurance companies. Applicants state that, the premium charged by KIC would not include an additional charge for profit or administration and would therefore provide further savings to the KeySpan System companies.

Applicants state that, to the extent that KIC can provide insurance at a lower cost than that which could be obtained through traditional insurers, the savings would continue to flow through ratably to the KeySpan System companies through the allocation methodology used to establish premiums, as described above. Moreover, there would be no additional staffing requirements for KeySpan System companies. KIC would not be operated to generate profits beyond what is necessary to maintain adequate reserves.

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

**Margaret H. McFarland,**  
Deputy Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

### Bancorp International Group, Inc. File No. 500-1; Order of Suspension of Trading

August 31, 2005.

It appears to the Securities and Exchange Commission that all of the securities currently trading in the name of Bancorp International Group, Inc. ("BCIT") and purportedly signed by Thomas Megas as President and M. Puig

as Secretary are counterfeit. BCIT is quoted on the Pink Sheets LLC.

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

Therefore, it is ordered, pursuant to section 12(k) of the Securities Exchange Act of 1934, that trading in BCIT is suspended for the period from 9:30 a.m. e.d.t., August 31, 2005 through 11:59 p.m. e.d.t., on September 14, 2005.

By the Commission.

**Jonathan G. Katz,**  
Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-52341; File No. SR-BSE-2005-20]

### Self-Regulatory Organizations; Boston Stock Exchange; Order Granting Approval to Proposed Rule Change Relating to Trade Shredding

August 26, 2005.

#### I. Introduction

On June 23, 2005, the Boston Stock Exchange ("BSE" or "Exchange") filed with the Securities and Exchange Commission ("Commission") pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934, as amended, ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> the proposed rule change relating to trade shredding. The proposed rule change was published for notice and comment in the **Federal Register** on July 22, 2005.<sup>3</sup> The Commission received no comments on the proposal. This order approves the proposed rule change.

#### II. Description of the Proposal

The BSE proposed to add language to its existing BSE Rules to prohibit BSE members from splitting large orders into multiple smaller orders for any purpose other than best execution. The text of BSE Rules as the BSE is proposing to amend it is below. New text is in italics.

\* \* \* \* \*

#### Chapter II

#### Dealings on the Exchange

##### Sec. 4.

##### Units of Trading

The unit of trading in bonds shall be \$1000 in par value thereof.

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

<sup>2</sup> 17 CFR 240. 19b-4.

<sup>3</sup> See Securities Exchange Act Release No. 52033 (July 14, 2005), 70 FR 42396.

The unit of trading in stocks shall be 100 shares, except that the Exchange may fix a smaller number of shares in any particular instance.

Bids or offers for less than the unit of trading shall specify the par value of the bonds or number of shares of stock covered by the bid or offer.

A customer's order in the unit of trading, or multiples thereof, in any security traded on the Exchange, the primary market for which is on another Exchange, may not be split into odd-lots. *A member may not split any order into multiple smaller orders for any purpose other than seeking the best execution of the entire order.*

\* \* \* \* \*

## III. Discussion and Commission Findings

The Commission has reviewed carefully the proposed rule change and finds that it is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange,<sup>4</sup> particularly Section 6(b)(5) of the Act which, among other things, requires that the rules of a national securities exchange be designed to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating securities transactions, to remove impediments to perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest.<sup>5</sup> The Commission believes that the proposed rule change should help eliminate the distortive practice of trade shredding, and, therefore, promote just and equitable principles of trade.

## IV. Conclusion

*It is therefore ordered,* pursuant to Section 19(b)(2) of the Act,<sup>6</sup> that the proposed rule change (File No. SR-BSE-2005-20), be and hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>7</sup>

**Margaret H. McFarland,**  
Deputy Secretary.

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<sup>4</sup> In approving this 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).

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

<sup>6</sup> 15 U.S.C. 78s(b)(2).

<sup>7</sup> 17 CFR 200.30-3(a)(12).