

standing instructions of the portfolio managers or return remaining amounts for investment directly by the portfolio managers of the Funds.

13. FRIMCo will monitor the Interfund Loan Rate and the other terms and conditions of the Interfund Loans and will make a quarterly report to the Trustees of each Trust concerning the participation of the Funds in the proposed credit facility and the terms and other conditions of any extensions of credit under the credit facility.

14. The Board of each Trust, including a majority of the Independent Trustees, will:

(a) Review, no less frequently than quarterly, each Fund's participation in the proposed credit facility during the preceding quarter for compliance with the conditions of any order permitting such transactions;

(b) Establish the Bank Loan Rate formula used to determine the interest rate on Interfund Loans and review, no less frequently than annually, the continuing appropriateness of the Bank Loan Rate formula; and

(c) Review, no less frequently than annually, the continuing appropriateness of each Fund's participation in the proposed credit facility.

15. In the event an Interfund Loan is not paid according to its terms and such default is not cured within two business days from its maturity or from the time the lending Fund makes a demand for payment under the provisions of the Interfund Lending Agreement, FRIMCo will promptly refer such loan for arbitration to an independent arbitrator selected by the Board of each Fund involved in the loan who will serve as arbitrator of disputes concerning Interfund Loans.³ The arbitrator will resolve any problem promptly, and the arbitrator's decision will be binding on both Funds. The arbitrator will submit, at least annually, a written report to the Board setting forth a description of the nature of any dispute and the actions taken by the Funds to resolve the dispute.

16. Each Fund will maintain and preserve for a period of not less than six years from the end of the fiscal year in which any transaction by it under the proposed credit facility occurred, the first two years in an easily accessible place, written records of all such transactions setting forth a description of the terms of the transactions, including the amount, the maturity and

the Interfund Loan Rate, the rate of interest available at the time on overnight repurchase agreements and commercial bank borrowings, the yield of any money market Fund in which the lending Fund could otherwise invest, and such other information presented to the Fund's Board in connection with the review required by conditions 13 and 14.

17. FRIMCo will prepare and submit to the Board for review an initial report describing the operations of the proposed credit facility and the procedures to be implemented to ensure that all Funds are treated fairly. After the commencement of the proposed credit facility, FRIMCo will report on the operations of the proposed credit facility at the Board's quarterly meetings.

In addition, for two years following the commencement of the proposed credit facility, the independent auditors for each Trust shall prepare an annual report that evaluates FRIMCo's assertion that it has established procedures reasonably designed to achieve compliance with the terms and conditions of the order. The report shall be prepared in accordance with the Statements on Standards for Attestation Engagements No. 10 and it shall be filed pursuant to Item 77Q3 of Form N-SAR, as such Statements or Form may be revised, amended, or superseded from time to time. In particular, the report shall address procedures designed to achieve the following objectives:

(a) That the Interfund Loan Rate will be higher than the Repo Rate, and, if applicable, the yield of the money market Funds, but lower than the Bank Loan Rate;

(b) Compliance with the collateral requirements as set forth in the application;

(c) Compliance with the percentage limitations on interfund borrowing and lending;

(d) Allocation of interfund borrowing and lending demand in an equitable manner and in accordance with procedures established by the Board; and

(e) That the interest rate on any Interfund Loan does not exceed the interest rate on any third-party borrowings of a borrowing Fund at the time of the Interfund Loan. After the final report is filed, each Trust's independent auditors, in connection with their audit examinations of the Funds, will continue to review the operation of the proposed credit facility for compliance with the conditions of the application and their review will form the basis, in part, of the auditor's

report on internal accounting controls in Form N-SAR.

18. No Fund will participate in the proposed credit facility upon receipt of requisite regulatory approval unless it has fully disclosed in its prospectus and/or SAI all material facts about its intended participation.

19. The Board of each Trust will satisfy the fund governance standards as defined in rule 0-1(a)(7) under the Act.

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

Jill M. Peterson,

Assistant Secretary.

[FR Doc. E6-6481 Filed 4-28-06; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Public Law 94-409, that the Securities and Exchange Commission will hold the following meeting during the week of May 1, 2006:

A closed meeting will be held on Thursday, May 4, 2006 at 2 p.m.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the closed meeting. Certain staff members who have an interest in the matters may also be present.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(3), (5), (7), (9)(B), and (10) and 17 CFR 200.402(a)(3), (5), (7), (9)(ii) and (10) permit consideration of the scheduled matters at the closed meeting.

Commissioner Atkins, as duty officer, voted to consider the items listed for the closed meeting in closed session.

The subject matter of the closed meeting scheduled for Thursday, May 4, 2006 will be:

Formal orders of investigation;
Institution and settlement of injunctive actions;

Institution and settlement of administrative proceedings of an enforcement nature; and

Resolution of litigation claims.

At times, changes in Commission priorities require alterations in the scheduling of meeting items.

For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact: The Office of the Secretary at (202) 551-5400.

³ If the dispute involves Funds with different Trustees, the respective Trustees of each Fund will select an independent arbitrator that is satisfactory to each Fund.

Dated: April 26, 2006.

Nancy M. Morris,

Secretary.

[FR Doc. 06-4099 Filed 4-26-06; 4:06 pm]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-53702; File No. SR-NSX-2005-09]

Self-Regulatory Organizations; National Stock Exchange; Order Granting Approval of Proposed Rule Change and Notice of Filing and Order Granting Accelerated Approval to Amendment Nos. 1 and 2 Thereto to Amend Exchange Delisting Rules to Conform to Recent Amendments to Commission Rules Regarding Removal from Listing and Withdrawal from Registration

April 21, 2006.

I. Introduction

On October 24, 2005, the National Stock Exchange (“NSX” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “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 to amend Exchange delisting rules to conform to recent amendments to Commission rules regarding removal from listing and withdrawal from registration. The proposed rule change was published for comment in the *Federal Register* on March 22, 2006.³ No comments were received regarding the proposal. On March 23, 2006, NSX filed Amendment No. 1 to the proposed rule change.⁴ On April 12, 2006, NSX filed Amendment No. 2 to the proposed rule change.⁵ This order approves the proposed rule change, publishes notice of Amendment Nos. 1 and 2 to the proposed rule

change, and grants accelerated approval to Amendment Nos. 1 and 2.

II. Description of the Proposed Rule Change

Section 12 of the Act⁶ and SEC Rule 12d2-2 govern the process for the delisting and deregistration of securities listed on national securities exchanges. Recent amendments to SEC Rule 12d2-2 (“amended SEC Rule 12d2-2”) and other Commission rules require the electronic filing of revised Form 25⁷ on the Commission’s Electronic Data Gathering, Analysis, and Retrieval (“EDGAR”) system by exchanges and issuers for all delistings, other than delistings of standardized options and securities futures, which are exempted.⁸

In the case of exchange-initiated delistings, amended SEC Rule 12d2-2(b) states that a national securities exchange may file an application on Form 25 to strike a class of securities from listing and/or withdraw the registration of such securities, in accordance with its rules, if the rules of such exchange, at a minimum, provide for:

- (i) Notice to the issuer of the exchange’s decision to delist its securities;
- (ii) An opportunity for appeal to the exchange’s board of directors, or to a committee designated by the board; and
- (iii) Public notice of the national securities exchange’s final determination to remove the security from listing and/or registration, by issuing a press release and posting notice on its Web site. Public notice must be disseminated no fewer than 10 days before the delisting becomes effective pursuant to amended SEC Rule 12d2-2(d)(1), and must remain posted on its Web site until the delisting is effective.

The Exchange’s current provisions with respect to the delisting of securities are contained in Article IV, Section 3 of the NSX Bylaws. The Exchange proposes to amend Section 3.1(b) of the Bylaws to comply with new requirements set forth in amended SEC Rule 12d2-2(b). The provisions set forth in current Section 3 of the Bylaws, which provide for notification to the issuer in the event that the Exchange determines to delist the issuer’s securities and the right to appeal the Exchange’s determination, satisfy the minimum provisions set forth in amended SEC Rule 12d2-2(b)(1)(i)-(ii). NSX rules do not currently provide for

public notice of the delisting, as mandated by amended SEC Rule 12d2-2(b)(1)(iii). Therefore, proposed Section 3.1(b) of the Bylaws would require the Exchange to provide public notice, in accordance with amended SEC Rule 12d2-2(b)(1)(iii), of a final determination by the Exchange to strike an issuer’s securities from listing and/or withdraw the registration of such securities on the Exchange.

The criteria the Exchange would employ for issuers that desire to delist their security from the Exchange are contained in Section 3.2 of the NSX Bylaws. Currently, Section 3.2 of the NSX Bylaws requires that an issuer seeking to voluntarily delist its security submit a certified copy of the issuer’s board resolution authorizing withdrawal from listing and registration and a statement of the reasons for the withdrawal and supporting facts. NSX is retaining these provisions. The Exchange proposes to amend Section 3.2 of the NSX Bylaws to add new requirements that an issuer certify that it is in compliance with the Exchange’s rules for delisting and applicable state law (in conformity with amended SEC Rule 12d2-2(c)(2)(i)) and certify that the issuer is in compliance with the public notice requirements under amended SEC Rule 12d2-2(c)(2)(iii). The proposed rule filing sets forth a new requirement separate from those set forth in amended SEC Rule 12d2-2(c) that would require the issuer to notify the Exchange in writing that it has filed Form 25 with the SEC simultaneously with such filing. Such notification would include the date the issuer expects the delisting to become effective. In addition, NSX proposes to amend Section 3.2 of the Bylaws to add provisions requiring the issuer to submit written notice that is in conformity with the requirements of amended SEC Rule 12d2-2(c)(2)(ii) to the Exchange no fewer than ten days before the issuer files its application to delist with the Commission and another notice when such application becomes effective. The proposal would also eliminate the provision in Section 3.2 of the NSX Bylaws that requires the issuer to submit the proposed voluntary delisting of its security to the security holders for their vote in a meeting for which proxies are submitted.

The Exchange also proposes in Interpretations and Policies .01 to new Section 3.2A to the NSX Bylaws to require any issuer seeking to voluntarily apply to withdraw a class of securities from listing on the Exchange pursuant to Section 3.2A that has received notice from the Exchange, pursuant to Section 3.1A or otherwise, that it is below the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 53508 (March 17, 2006), 71 FR 14562.

⁴ In Amendment No. 1, NSX added an interpretation and policy to Section 3.2A to Article IV of the NSX Bylaws to: (i) Clarify the effective date of the proposal; (ii) clarify the use of Form 25 as a delisting application; and (iii) state that an issuer that is below the continued listing policies and standards of the Exchange and seeks to voluntarily apply to withdraw a class of securities from listing must disclose that it is no longer eligible for continued listing in its statement of material facts relating to the reason for withdrawal from listing, its public press release, and its Web site notice.

⁵ In Amendment No. 2, NSX made technical changes to its Form 19b-4, Exhibit 1, and Exhibits that clarify the changes proposed in Amendment No. 1.

⁶ 15 U.S.C. 78l.

⁷ 17 CFR 249.25.

⁸ See Securities Exchange Act Release No. 52029 (July 14, 2005), 70 FR 42456 (July 22, 2005) (“SEC Rule 12d2-2 Approval Order”).