

clauses in new subadvisory contracts in order for funds and subadvisers to be able to rely on the exemptions in rule 17a-10. Because these additional clauses are identical to the clauses that a fund would need to insert in their subadvisory contracts to rely on rules 10f-3, 12d3-1, and 17e-1, and because we believe that funds that use one such rule generally use all of these rules, we apportion this 3 hour time burden equally to all four rules. Therefore, we estimate that the burden allocated to rule 17a-10 for this contract change would be 0.75 hours.<sup>5</sup> Assuming that all 600 funds that enter into new subadvisory contracts each year make the modification to their contract required by the rule, we estimate that the rule's contract modification requirement will result in 450 burden hours annually, with an associated cost of approximately \$131,400.<sup>6</sup>

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 will have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information 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.

Please direct your written comments to 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).

Dated: February 7, 2008.

**Florence E. Harmon,**

*Deputy Secretary.*

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on Management & Professional Earnings in the Securities Industry 2006, modified to account for an 1800-hour work-year and multiplied by 5.35 to account for bonuses, firm size, employee benefits and overhead.

<sup>5</sup> This estimate is based on the following calculation (3 hours ÷ 4 rules = .75 hours).

<sup>6</sup> These estimates are based on the following calculations: (0.75 hours × 600 portfolios = 450 burden hours); (\$292 per hour × 450 hours = \$131,400 total cost).

## 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 Advocacy, Washington, DC 20549-0213.

#### Extension:

Rule 17a-4; OMB Control No. 3235-0279; SEC File No. 270-198.

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 for Rule 17a-4 (17 CFR 240.17a-4).

Rule 17a-4 requires approximately 5,791 active, registered exchange members, brokers and dealers ("broker-dealers") to preserve for prescribed periods of time certain records required to be made by Rule 17a-3 (17 CFR 240.17a-3) and other Commission rules, and other kinds of records which firms make or receive in the ordinary course of business. Rule 17a-4 also permits broker-dealers to employ, under certain conditions, electronic storage media to maintain these required records. The records required to be maintained under Rule 17a-4 are used by examiners and other representatives of the Commission to determine whether broker-dealers are in compliance with, and to enforce their compliance with, the Commission's rules.

The staff estimates that the average number of hours necessary for each broker-dealer to comply with Rule 17a-4 is 254 hours annually. Thus, the total burden for broker-dealers is 1,470,914 hours annually. The staff believes that compliance personnel would be charged with ensuring compliance with Commission regulation, including Rule 17a-4. The staff estimates that the hourly salary of a compliance manager is \$245 per hour.<sup>1</sup> Based upon these numbers, the total cost of compliance for 5,791 respondents is the dollar cost is approximately \$360.4 million (1,470,914 yearly hours × \$245).

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.

<sup>1</sup> This figure is based on the SIFMA Report on Office Salaries In the Securities Industry 2006 (Compliance Manager).

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: [Alexander\\_T.\\_Hunt@omb.eop.gov](mailto:Alexander_T._Hunt@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: February 11, 2008.

**Florence E. Harmon,**

*Deputy Secretary.*

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## 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 Advocacy, Washington, DC 20549-0213.

#### Extension:

Rule 701; OMB Control No. 3235-0522; SEC File No. 270-306.

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 the request for extension of the previously approved collection of information discussed below.

Rule 701(17 CFR 230.701) under the Securities Act of 1933 (15 U.S.C. 77a *et seq.*) requires issuers conducting employee benefit plan offerings in excess of \$5 million in reliance on the rule to provide the employees covered by the plan with risk and financial statement disclosures. The purpose of Rule 701 is to ensure that a basic level of information is available to employees and others when substantial amounts of securities are issued in compensatory arrangements. Information provided under Rule 701 is mandatory. Approximately 300 companies annually rely on the Rule 701 exemption and it takes 2 hours per response. We estimate that 25% of the 2 hours per response (.5 hours) is prepared by the company for a total annual reporting burden of 150

hours (.5 hours per response × 300 responses).

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.

Written comments regarding the above information should be directed to the following persons: (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 send an e-mail to

*Alexander\_T.\_Hunt@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*. Comments must be submitted to OMB within 30 days of this notice.

Dated: February 11, 2008.

**Florence E. Harmon,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-57302; File No. SR-BSE-2008-08]

### Self-Regulatory Organizations; Boston Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Expand, and Make Permanent, the \$1 Strike Program

February 11, 2008.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on January 28, 2008, the Boston Stock Exchange, Inc. (“BSE” 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 substantially prepared by the Exchange. BSE filed the proposal pursuant to section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b-4(f)(6) thereunder,<sup>4</sup> which renders the proposal effective upon filing with the Commission. The Commission is publishing this notice to

solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to amend the rules of the Boston Options Exchange (“BOX”) to expand the \$1 Strike Pilot Program (“Program”) and request permanent approval of the Program. The text of the proposed rule change is available at the Exchange, the Commission’s Public Reference Room, and <http://www.bostonoptions.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 IV 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 Statutory Basis for, the Proposed Rule Change

###### 1. Purpose

The purpose of the proposed rule change is to expand the Program and request permanent approval of the Program.<sup>5</sup> Chapter IV, section 6 of the BOX rules establishes guidelines regarding the addition of options series for trading on BOX. The Program currently allows the Exchange to select a total of 5 individual stocks on which option series may be listed at \$1 strike price intervals. To be eligible for selection into the Program, the underlying stock must close below \$20 in its primary market on the previous trading day. If selected for the Program, the Exchange may list strike prices at \$1 intervals from \$3 to \$20, but no \$1 strike

price may be listed that is greater than \$5 from the underlying stock’s closing price in its primary market on the previous day. The Exchange also may list \$1 strikes on any other option class designated by other securities exchanges that employ a similar \$1 strikes program under their respective rules. The Exchange may not list long-term option series (“LEAPS”) at \$1 strike price intervals for any class selected for the Program. The Exchange also is restricted from listing any series that would result in strike prices being \$0.50 apart.

The Exchange proposes to expand the Program to allow it to select a total of 10 individual stocks on which option series may be listed at \$1 strike price intervals. Additionally, the Exchange proposes to expand the price range on which it may list \$1 strikes, presently from \$3 to \$20, to now include stocks priced from \$3 to \$50. The existing restrictions on listing \$1 strikes will continue, e.g., no \$1 strike price may be listed that is greater than \$5 from the underlying stock’s closing price in its primary market on the previous day, and the Exchange is restricted from listing any series that would result in strike prices being \$0.50 apart.

As stated in the Commission notice initially establishing the Program and in the subsequent extensions of the Program,<sup>6</sup> the Exchange believes that \$1 strike price intervals provide investors with greater flexibility in the trading of equity options that overlie lower priced stocks by allowing investors to establish equity options positions that are better tailored to meet their investment objectives. The Exchange states that Participants representing customers have requested that BSE seek to expand the Program, both in terms of the number of classes which can be selected and the range in which \$1 strikes may be listed.

With regard to the impact on systems capacities, the Exchange’s analysis of the Program shows that the impact on BSE’s, OPRA’s, and market data vendors’ respective automated systems has been minimal. In a previously filed proposed rule change,<sup>7</sup> the Exchange analyzed the trading volume for all classes selected by BOX for the Program as a percentage of overall trading volume for all classes on BOX during a specific number of months. The Exchange concluded that the classes selected for the Program represented on average 2.6% of all trading volume on BOX. The Exchange represents that it

<sup>5</sup> BSE implemented the Program in February 2004 and extended it four times through June 5, 2008. See Securities Exchange Act Release Nos. 49292 (February 20, 2004), 69 FR 8993 (February 26, 2004) (SR-BSE-2004-01) (adopting the Program); 49806 (June 4, 2004), 69 FR 32640 (June 10, 2004) (SR-BSE-2004-22) (extending the Program until June 5, 2005); 51778 (June 2, 2005), 70 FR 33562 (June 8, 2005) (SR-BSE-2005-18) (extending the Program until June 5, 2006); 53855 (May 24, 2006), 71 FR 30973 (May 31, 2006) (SR-BSE-2006-19) (extending the Program until June 5, 2007); and 55684 (April 30, 2007), 72 FR 26188 (May 8, 2007) (SR-BSE-2007-17) (extending the Program until June 5, 2008).

<sup>6</sup> See *id.*

<sup>7</sup> See Securities Exchange Act Release No. 55684 (April 30, 2007), 72 FR 26188 (May 8, 2007) (SR-BSE-2007-17).

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

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

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>4</sup> 17 CFR 240.19b-4(f)(6).