

The calendar year 2006 tier 1 tax base is \$94,200. Subtracting \$37,800 from \$94,200 produces \$56,400. Dividing \$56,400 by \$56,700 yields a ratio of 0.99470899. Adding one gives 1.99470899. Multiplying \$600 by the amount 1.99470899 produces the amount of \$1,196.83, which must then be rounded to \$1,195. Accordingly, the monthly compensation base is determined to be \$1,195 for months in calendar year 2006.

Amounts Related to Changes in Monthly Compensation Base

For years after 1988, sections 1(k), 2(c), 3 and 4(a-2)(i)(A) of the Act contain formulas for determining amounts related to the monthly compensation base.

Under section 1(k), remuneration earned from employment covered under the Act cannot be considered subsidiary remuneration if the employee's base year compensation is less than 2.5 times the monthly compensation base for months in such base year. Multiplying 2.5 by the calendar year 2006 monthly compensation base of \$1,195 produces \$2,987.50. Accordingly, the amount determined under section 1(k) is \$2,987.50 for calendar year 2006.

Under section 2(c), the maximum amount of normal benefits paid for days of unemployment within a benefit year and the maximum amount of normal benefits paid for days of sickness within a benefit year shall not exceed an employee's compensation in the base year. In determining an employee's base year compensation, any money remuneration in a month not in excess of an amount that bears the same ratio to \$775 as the monthly compensation base for that year bears to \$600 shall be taken into account.

The calendar year 2006 monthly compensation base is \$1,195. The ratio of \$1,195 to \$600 is 1.99166667. Multiplying 1.99166667 by \$775 produces \$1,544. Accordingly, the amount determined under section 2(c) is \$1,544 for months in calendar year 2006.

Under section 3, an employee shall be a "qualified employee" if his/her base year compensation is not less than 2.5 times the monthly compensation base for months in such base year. Multiplying 2.5 by the calendar year 2006 monthly compensation base of \$1,195 produces \$2,987.50. Accordingly, the amount determined under section 3 is \$2,987.50 for calendar year 2006.

Under section 4(a-2)(i)(A), an employee who leaves work voluntarily without good cause is disqualified from receiving unemployment benefits until

he has been paid compensation of not less than 2.5 times the monthly compensation base for months in the calendar year in which the disqualification ends. Multiplying 2.5 by the calendar year 2006 monthly compensation base of \$1,195 produces \$2,987.50. Accordingly, the amount determined under section 4(a-2)(i)(A) is \$2,987.50 for calendar year 2006.

Maximum Daily Benefit Rate

Section 2(a)(3) contains a formula for determining the maximum daily benefit rate for registration periods beginning after June 30, 1989, and after each June 30 thereafter. Legislation enacted on October 9, 1996, revised the formula for indexing maximum daily benefit rates. Under the prescribed formula, the maximum daily benefit rate increases by approximately two-thirds of the cumulative growth in average national wages since 1984. The maximum daily benefit rate for registration periods beginning after June 30, 2006, shall be equal to 5 percent of the monthly compensation base for the base year immediately preceding the beginning of the benefit year. Section 2(a)(3) further provides that if the amount so computed is not a multiple of \$1, it shall be rounded down to the nearest multiple of \$1.

The calendar year 2005 monthly compensation base is \$1,150. Multiplying \$1,150 by 0.05 yields \$57.50, which must then be rounded down to \$57. Accordingly, the maximum daily benefit rate for days of unemployment and days of sickness beginning in registration periods after June 30, 2006, is determined to be \$57.

Dated: November 8, 2005.

By authority of the Board.

Beatrice Ezerski,

Secretary to the Board.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 52753/November 9, 2005]

Securities Exchange Act of 1934; Order Regarding Alternative Net Capital Computation for Lehman Brothers Inc., Which Has Elected To Be Supervised on a Consolidated Basis

Lehman Brothers Inc. ("LB"), a broker-dealer registered with the Securities and Exchange Commission ("Commission"), and its ultimate holding company, Lehman Brothers Holdings Inc. ("LBHI"), have indicated

their desire to be supervised by the Commission as a consolidated supervised entity ("CSE"). LB, therefore, has submitted an application to the Commission for authorization to use the alternative method of computing net capital contained in Appendix E to Rule 15c3-1 (17 CFR 240.15c3-1e) to the Securities Exchange Act of 1934 ("Exchange Act").

Based on a review of the application that LB submitted, the Commission has determined that the application meets the requirements of Appendix E. The Commission also has determined that LBHI is in compliance with the terms of its undertakings, as provided to the Commission under Appendix E. The Commission, therefore, finds that approval of the application is necessary or appropriate in the public interest or for the protection of investors.

Accordingly,

It is ordered, under paragraph (a)(7) of Rule 15c3-1 (17 CFR 240.15c3-1) to the Exchange Act, that LB may calculate net capital using the market risk standards of Appendix E to compute a deduction for market risk on some or all of its positions, instead of the provisions of paragraphs (c)(2)(vi) and (c)(2)(vii) of Rule 15c3-1, and using the credit risk standards of Appendix E to compute a deduction for credit risk on certain credit exposures arising from transactions in derivatives instruments, instead of the provision of paragraph (c)(2)(iv) of Rule 15c3-1.

By the Commission.

Jonathan G. Katz,

Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-52752; File No. SR-NASD-2004-044]

Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Notice of Filing of Proposed Rule Change and Amendments Nos. 1 and 2 Thereto Relating to Short Sale Delivery Requirements

November 8, 2005.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on March 10, 2005, the National Association of Securities Dealers, Inc.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.