

following entities are excepted from the requirement of the Order that any person effecting a short sale in the publicly traded securities of substantial financial firms, as identified in Appendix A to the Order (“Appendix A Securities”),³ using the means or instrumentalities of interstate commerce, must borrow or arrange to borrow the security or otherwise have the security available to borrow in its inventory prior to effecting the short sale: Registered market makers, block positioners, or other market makers obligated to quote in the over-the-counter market, that are selling short as part of bona fide market making and hedging activities related directly to bona fide market making in: (a) Appendix A Securities; (b) derivative securities based on Appendix A Securities, including standardized options; and (c) exchange traded funds of which Appendix A Securities are a component.

B. Documentation

Rule 203(b)(1)(iii) of Regulation SHO requires a broker or dealer to document its compliance with the “locate” requirement contained in Rule 203(b)(1)(i) of the regulation.⁴ Brokers and dealers have developed processes and procedures to meet this documentation requirement. Because the borrow or arrangement-to-borrow requirement in the Order constitutes the Commission’s “locate” requirement during the effectiveness of the Order, brokers and dealers need not change their processes and procedures used to document compliance.

It is therefore ordered that, pursuant to our Section 12(k)(2) powers, brokers and dealers must document compliance with the borrow and arrangement-to-borrow requirement of the Order and may use the same processes and procedures to document compliance with the Order as used for compliance with Regulation SHO, provided such processes and procedures would comply with Rule 203(b)(1) of Regulation SHO.

³ Appendix A incorrectly referenced “HSI” as a ticker symbol for HSBC Holdings PLC ADS. This reference to HSI is hereby removed from Appendix A. In addition, the reference to BNP Paribas Securities Corp. is hereby changed to BNP Paribas. See Appendix A attached as revised.

⁴ Rule 203(b)(1) of Regulation SHO provides: “A broker or dealer may not accept a short sale order in an equity security from another person, or effect a short sale in an equity security for its own account, unless the broker or dealer has: (1) Borrowed the security, or entered into a bona-fide arrangement to borrow the security; or (2) Reasonable grounds to believe that the security can be borrowed so that it can be delivered on the date delivery is due; and (3) Documented compliance with this paragraph (b)(1).” 17 CFR 242.203(b)(1).

C. Sales of Restricted Securities

The Order does not apply to short sales of Appendix A Securities effected pursuant to Rule 144 of the Securities Act of 1933.⁵ This is consistent with Rule 203(b)(2)(ii) of Regulation SHO and will permit the orderly settlement of such sales without the risk of causing market disruption due to unnecessary purchasing activity to meet the settlement date delivery requirement of the Order. Such sales, however, remain subject to the requirements of Regulation SHO.

It is therefore ordered that, pursuant to our Section 12(k)(2) powers, the Order does not apply to any person that effects a short sale pursuant to Rule 144 of the Securities Act of 1933 (17 CFR 230.144) in an Appendix A Security.

D. Syndicate Offerings

The Order does not apply to short sales by underwriters, or members of a syndicate or group participating in distributions of Appendix A Securities in connection with an over-allotment of securities, or any lay-off sale by such person in connection with a distribution of Appendix A Securities through a rights or a standby underwriting commitment. It is not necessary for the Order to apply to such selling activity because it is addressed in Regulation M under the Securities Exchange Act of 1934,⁶ an anti-manipulation rule, and does not raise the same concerns as “naked” short selling in secondary markets.

It is therefore ordered that, pursuant to our Section 12(k)(2) powers, the Order does not apply with regard to any sale by an underwriter, or any member of a syndicate or group participating in the distribution of an Appendix A Security, in connection with an over-allotment of securities, or any lay-off sale by such person in connection with a distribution of Appendix A Securities through a rights or a standby underwriting commitment. In addition, the Order does not apply with respect to a net syndicate short position created in connection with a distribution of an Appendix A Security that is part of a fail to deliver position at a registered clearing agency in Appendix A Securities if action is taken to close out the net syndicate short position no later than the 30th day after commencement of sales in the distribution.

The Commission believes that these amendments are necessary in the public interest and for the protection of investors to maintain fair and orderly securities markets, and to prevent

⁵ 17 CFR 230.144.

⁶ 17 CFR 242.100 *et seq.*

substantial disruption to securities markets.

By the Commission.
Florence E. Harmon,
Acting Secretary.

Appendix A

Company	Ticker symbol(s)
BNP Paribas	BNPQF or BNPQY.
Bank of America Corporation.	BAC.
Barclays PLC	BCS.
Citigroup Inc	C.
Credit Suisse Group	CS.
Daiwa Securities Group Inc.	DSECY.
Deutsche Bank Group AG.	DB.
Allianz SE	AZ.
Goldman, Sachs Group Inc.	GS.
Royal Bank ADS	RBS.
HSBC Holdings PLC ADS.	HBC.
J. P. Morgan Chase & Co.	JPM.
Lehman Brothers Holdings Inc.	LEH.
Merrill Lynch & Co., Inc.	MER.
Mizuho Financial Group, Inc.	MFG.
Morgan Stanley	MS.
UBS AG	UBS.
Freddie Mac	FRE.
Fannie Mae	FNM.

[FR Doc. E8–16863 Filed 7–22–08; 8:45 am]

BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 28331; 812–13513]

PIMCO Funds, et al.; Notice of Application

July 17, 2008.

AGENCY: Securities and Exchange Commission (“Commission”).

ACTION: Notice of an application under section 6(c) of the Investment Company Act of 1940 (“Act”) for an exemption from rule 12d1–2(a) under the Act.

SUMMARY OF APPLICATION: Applicants request an order to permit funds of funds relying on rule 12d1–2 under the Act to invest in certain financial instruments.

APPLICANTS: PIMCO Funds, PIMCO Variable Insurance Trust (“PVIT”) (collectively, the “Trusts”), Allianz Global Investors Distributors LLC (“AGID”) and Pacific Investment Management Company LLC (“PIMCO”).

FILING DATES: The application was filed on March 25, 2008, and amended on

June 26, 2008. Applicants have agreed to file an amendment during the notice period, the substance of which is reflected in this notice.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission's Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on August 11, 2008, and should be accompanied by proof of service on applicants, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the Commission's Secretary.

ADDRESSES: Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549-1090; Applicants, c/o J. Stephen King, Jr., Pacific Investment Management Company LLC, 840 Newport Center Drive, Newport Beach, CA 92660.

FOR FURTHER INFORMATION CONTACT: Steven I. Amchan, Attorney Adviser, at (202) 551-6826, or Marilyn Mann, Branch Chief, at (202) 551-6821 (Division of Investment Management, Office of Investment Company Regulation).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee at the Commission's Public Reference Branch, 100 F Street, NE., Washington, DC 20549-1520 (telephone (202) 551-5850).

Applicants' Representations

1. PIMCO Funds is organized as a Massachusetts business trust and PVIT is organized as a Delaware statutory trust. The Trusts are registered under the Act as open-end management investment companies. Applicants request the exemption to the extent necessary to permit any existing or future registered open-end management investment company or series thereof advised by PIMCO or an entity controlling, controlled by, or under common control with PIMCO and which invests in other registered open-end management investment companies in reliance on section 12(d)(1)(G) of the Act, and which is also eligible to invest in securities (as defined in section 2(a)(36) of the Act) in reliance on rule 12d1-2 under the Act (together with the Trusts and their series, the "Applicant

Funds"), to also invest, to the extent consistent with its investment objective, policies, strategies and limitations, in financial instruments that may not be securities within the meaning of section 2(a)(36) of the Act ("Other Investments").

2. AGID provides distribution and marketing services for the Applicant Funds. AGID is organized as a Delaware limited liability company and is an indirect subsidiary of Allianz SE. AGID is a registered broker-dealer under the Securities Exchange Act of 1934, as amended ("Exchange Act"). PIMCO is the Trusts' investment adviser with overall responsibility for the day-to-day investment management of the Trusts and investing the assets of PIMCO Funds and PVIT. PIMCO is organized as a Delaware limited liability company and is an indirect subsidiary of Allianz SE. PIMCO is a registered investment adviser under the Investment Advisers Act of 1940. Allianz SE is a European based, multinational insurance and financial services holding company.

3. Consistent with its fiduciary obligations under the Act, each Applicant Fund's board of trustees will review the advisory fees charged by the Applicant Fund's investment adviser to ensure that they are based on services provided that are in addition to, rather than duplicative of, services provided pursuant to the advisory agreement of any investment company in which the Applicant Fund may invest.

Applicants' Legal Analysis

1. Section 12(d)(1)(A) of the Act provides that no registered investment company ("acquiring company") may acquire securities of another investment company ("acquired company") if such securities represent more than 3% of the acquired company's outstanding voting stock or more than 5% of the acquiring company's total assets, or if such securities, together with the securities of other investment companies, represent more than 10% of the acquiring company's total assets. Section 12(d)(1)(B) of the Act provides that no registered open-end investment company may sell its securities to another investment company if the sale will cause the acquiring company to own more than 3% of the acquired company's voting stock, or cause more than 10% of the acquired company's voting stock to be owned by investment companies.

2. Section 12(d)(1)(G) of the Act provides that section 12(d)(1) will not apply to securities of an acquired company purchased by an acquiring company if: (i) The acquiring company and acquired company are part of the

same group of investment companies; (ii) the acquiring company holds only securities of acquired companies that are part of the same group of investment companies, government securities, and short-term paper; (iii) the aggregate sales loads and distribution-related fees of the acquiring company and the acquired company are not excessive under rules adopted pursuant to section 22(b) or section 22(c) of the Act by a securities association registered under section 15A of the Exchange Act or by the Commission; and (iv) the acquired company has a policy that prohibits it from acquiring securities of registered open-end management investment companies or registered unit investment trusts in reliance on section 12(d)(1)(F) or (G) of the Act.

3. Rule 12d1-2 under the Act permits a registered open-end investment company or a registered unit investment trust that relies on section 12(d)(1)(G) of the Act to acquire, in addition to securities issued by another registered investment company in the same group of investment companies, government securities, and short-term paper: (1) Securities issued by an investment company that is not in the same group of investment companies, when the acquisition is in reliance on section 12(d)(1)(A) or 12(d)(1)(F) of the Act; (2) securities (other than securities issued by an investment company); and (3) securities issued by a money market fund, when the investment is in reliance on rule 12d1-1 under the Act. For the purposes of rule 12d1-2, "securities" means any security as defined in section 2(a)(36) of the Act.

4. Section 6(c) of the Act provides that the Commission may exempt any person, security, or transaction from any provision of the Act, or from any rule under the Act, if such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policies and provisions of the Act.

5. Applicants state that the proposed arrangement would comply with the provisions of rule 12d1-2 under the Act, but for the fact that the Applicant Funds may invest a portion of their assets in Other Investments. Applicants request an order under section 6(c) of the Act for an exemption from rule 12d1-2(a) to allow the Applicant Funds to invest in Other Investments. Applicants assert that permitting the Applicant Funds to invest in Other Investments as described in the application would not raise any of the concerns that the requirements of section 12(d)(1) were designed to address.

Applicants' Condition

Applicants agree that the order granting the requested relief will be subject to the following condition:

Applicants will comply with all provisions of rule 12d1-2 under the Act, except for paragraph (a)(2), to the extent that it restricts any Applicant Fund from investing in Other Investments as described in the application.

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

Florence E. Harmon,

Acting Secretary.

[FR Doc. E8-16835 Filed 7-22-08; 8:45 am]

BILLING CODE 8010-01-P

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 a Closed Meeting on July 24, 2008 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 also may 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), (8), (9)(B), and (10) and 17 CFR 200.402(a)(3), (5), (7), (8), 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 July 24, 2008 will be:

- Formal orders of investigation;
- Institution and settlement of injunctive actions;
- Institution and settlement of administrative proceedings of an enforcement nature;
- Adjudicatory matters;
- A regulatory matter regarding a financial institution;
- A litigation matter; and
- Other matters related to enforcement proceedings.

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.

Dated: July 17, 2008.

Florence E. Harmon,

Acting Secretary.

[FR Doc. E8-16762 Filed 7-22-08; 8:45 am]

BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-58172; File No. SR-ODD-2008-03]

Canadian Derivatives Clearing Corporation; Order Approving Accelerated Distribution of an Amended Options Disclosure Document

July 16, 2008.

On July 14, 2008, the Canadian Derivatives Clearing Corporation ("CDCC"), on behalf of the Bourse de Montréal, Inc. ("Bourse de Montréal"), submitted to the Securities and Exchange Commission ("Commission"), pursuant to Rule 9b-1 under the Securities Exchange Act of 1934 ("Act"),¹ five definitive copies of an amended options disclosure document ("ODD") that describes the risks and characteristics of options traded on the Bourse de Montréal.² The CDCC has

¹ 17 CFR 240.9b-1.

² The Commission initially reviewed the ODD in 1984. See Securities Exchange Act Release No. 21365 (October 2, 1984), 49 FR 39400 (October 5, 1984) (File No. SR-ODD-84-1). Since then, the Commission has reviewed several amendments to the ODD. See, e.g., Securities Exchange Act Release Nos. 51124 (February 2, 2005), 70 FR 6740 (February 8, 2005) (File No. SR-ODD-2004-03) (amending the ODD to reflect, among other things, the name change from the S&P/TSE 60 Index to the S&P/TSX 60 Index and to add an Annex to the ODD setting forth the holidays and early closings of the Bourse de Montréal); 44333 (May 21, 2001), 66 FR 29193 (May 29, 2001) (File No. SR-ODD-00-04) (amending the ODD to reflect, among other things, changes to the structure of the Canadian equity markets and to provide a discussion of Enhanced Capital Marketing); 37569 (August 14, 1996), 61 FR 43281 (August 21, 1996) (File No. SR-ODD-96-01) (amending the ODD to reflect, among other things, the name change from TCO to CDCC); 29033 (April 1, 1991), 56 FR 14407 (April 9, 1991) (File No. SR-ODD-91-1) (amending the ODD to include, among other things, references to Toronto Stock Exchange 35 Composite Index options); 24480 (May 19, 1987),

revised the ODD to, among other things, reflect the CDCC's current automatic exercise parameters for equity and bond options, to update the discussion of the treatment of adjustments in the terms of equity options with respect to stock splits, stock dividends or other stock distributions, and to update the discussion of Canadian federal income tax considerations applicable to non-residents.

Rule 9b-1 under the Act provides that an options market must file five preliminary copies of an amended ODD with the Commission at least 30 days prior to the date when definitive copies of the amended ODD are furnished to customers, unless the Commission determines otherwise, having due regard to the adequacy of the information disclosed and the public interest and protection of investors.³

The Commission has reviewed the amended ODD and finds, having due regard to the adequacy of the information disclosed, that it is consistent with the protection of investors and in the public interest to allow the distribution of the amended ODD as of the date of this order.⁴

It is therefore ordered, pursuant to Rule 9b-1 under the Act,⁵ that the distribution of the revised ODD (SR-ODD-2008-03) as of the date of this order, is approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁶

Florence E. Harmon,

Acting Secretary.

[FR Doc. E8-16761 Filed 7-22-08; 8:45 am]

BILLING CODE 8010-01-P

52 FR 20179 (May 29, 1987) (File No. SR-ODD-87-2) (amending the ODD to include, among other things, a discussion of Government of Canada Treasury Bill Price Index options); and 22349 (August 21, 1985), 50 FR 34956 (August 28, 1985) (File No. SR-ODD-85-1) (amending the ODD to include, among other things, a discussion of the risks and uses of stock index and bond options).

³ This provision is intended to permit the Commission either to accelerate or extend the time period in which definitive copies of a disclosure document may be distributed to the public.

⁴ Rule 9b-1 under the Act provides that the use of an ODD shall not be permitted unless the options class to which the document relates is the subject of an effective registration statement on Form S-20 under the Securities Act of 1933 or is exempt from such registration. On April 7, 2008, the Commission declared effective the CDCC's most recent Post-Effective Amendment to its Form S-20 registration statement. See File No. 002-69458.

⁵ 17 CFR 240.9b-1.

⁶ 17 CFR 200.30-3(a)(39)(i).