

and retain a written notification from each bank in which it has a Special Reserve Bank Account to evidence bank's acknowledgement that assets deposited in the Account are being held by the bank for the exclusive benefit of the broker-dealer's customers. As stated previously, 279 broker-dealers are presently fully-subject to Rule 15c3-3. In addition, 120 broker-dealers operate in accordance with the exemption provided in paragraph (k)(2)(i) which also requires that a broker-dealer maintain a Special Reserve Bank Account. The staff estimates that of the total broker-dealers that must comply with this rule, only 25%, or 100 ((279 + 120) × .25) must obtain 1 new letter each year (either because the broker-dealer changed the type of business it does and became subject to either paragraph (e)(3) or (k)(2)(i) or simply because the broker-dealer established a new Special Reserve Bank Account). The staff estimates that it would take a broker-dealer approximately 1 hour to obtain this written notification from a bank regarding a Special Reserve Bank Account because the language in these letters is largely standardized. Therefore, Commission staff estimates that broker-dealers will spend approximately 100 hours each year to obtain these written notifications.

In addition, a broker-dealer must immediately notify the Commission and its designated examining authority if it fails to make a required deposit to its Special Reserve Bank Account. Commission staff estimates that broker-dealers file approximately 33 such notices per year. Broker-dealers would require approximately 30 minutes, on average, to file such a notice. Therefore, Commission staff estimates that broker-dealers would spend a total of approximately 17 hours each year to comply with the notice requirement of Rule 15c3-3.

Finally, a broker-dealer that effects transactions in SFPs for customers also will have paperwork burdens associated with the requirement in paragraph (o) of Rule 15c3-3 to make a record of each change in account type.¹ More specifically, a broker-dealer that changes the type of account in which a customer's SFPs are held must create a record of each change in account type that includes the name of the customer, the account number, the date the broker-dealer received the customer's request to change the account type, and the date the change in account type took place. As of December 31, 2009, broker-dealers that were also registered as futures commission merchants reported that

they maintained 35,242,468 customer accounts. The staff estimates that 8% of these customers may engage in SFP transactions (35,242,468 accounts × 8% = 2,819,397). Further, the staff estimates that 20% per year may change account type. Thus, broker-dealers may be required to create this record for up to 563,879 accounts (2,819,397 accounts × 20%). The staff believes that it will take approximately 3 minutes to create each record.² Thus, the total annual burden associated with creating a record of change of account type will be 28,194 hours (563,879 accounts × (3min/60min)).

Consequently, the staff estimates that the total annual burden hours associated with Rule 15c3-3 would be approximately 65,091 hours (36,780 hours + 100 hours + 17 hours + 28,194 hours).

In addition, a broker-dealer that effects transactions in SFPs for customers also will have an annualized cost burden associated with the requirements in paragraph (o) of Rule 15c3-3 to (1) provide each customer that plans to effect SFP transactions with a disclosure document containing certain information,³ and (2) send each SFP customer notification of any change of account type.⁴ Approximately 8% of the accounts held by broker-dealers that are also registered as FCMs, or 2,819,397 accounts, may engage in SFP transactions. The staff estimates that the cost of printing and sending each disclosure document will be approximately \$.15 per document sent.⁵ Thus, the staff estimates that the cost of printing and sending disclosure documents would be approximately \$422,910 (2,819,397 accounts × \$.15). In addition, approximately 563,879 accounts (2,819,397 accounts × 20%) may change account type per year requiring that broker-dealers provide notification to those customers. The staff estimates that the cost of sending this notification to customers will be about \$84,582 (563,879 accounts × \$.15). Consequently, the staff estimates that the total annual cost associated with Rule 15c3-3 would be \$507,492 (\$422,910 + \$84,583).

Records required to be created and notices required to be filed with the Commission pursuant to Rule 15c3-3

² In fact, the staff believes that most firms will have this process automated. To the extent that no person need be involved in the generation of this record, the burden will be very minimal.

³ 17 CFR 240.15c3-3(o)(2).

⁴ 17 CFR 240.15c3-3(o)(3)(ii).

⁵ Based on past conversations with industry representatives regarding other rule changes as adjusted to account for inflation and increased postage costs.

must be maintained in accordance with Rule 17a-4 (17 CFR 240.17a-4). The collection of information is mandatory and the information required to be provided to the Commission pursuant to these Rules are deemed confidential, notwithstanding any other provision of law under Section 24(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78x(b)) and Section 552(b)(3)(B) of the Freedom of Information Act (5 U.S.C. 552(b)(3)(B)).

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.

The public may view the background documentation for this information collection at the following Web site, <http://www.reginfo.gov>. 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:

Shagufta_Ahmed@omb.eop.gov; and (ii) Thomas Bayer, Chief Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 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: March 14, 2011.

Cathy H. Ahn,
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.

Extension:

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

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 discussed below.

¹ 17 CFR 240.15c3-3(o)(3)(i).

Rule 17a-4 requires approximately 5,057 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 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 1,284,478 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 Clerk is \$67 per hour.¹ Based upon these numbers, the total cost of compliance for 5,057 respondents is the dollar cost of approximately \$86.1 million (1,284,478 yearly hours × \$67). The total burden hour decrease of 468,122 results from the decrease in the number of respondents from 6,900 to 5,057.

Based on conversations with members of the securities industry and based on the Commission’s experience in the area, the staff estimates that the average broker-dealer spends approximately \$5,000 each year to store documents required to be retained under Rule 17a-4. Costs include the cost of physical space, computer hardware and software, etc., which vary widely depending on the size of the broker-dealer and the type of storage media employed. The Commission estimates that the annual reporting and record-keeping cost burden is \$25,285,000. This cost is calculated by the number of active, registered broker-dealers multiplied by the reporting and record-keeping cost for each respondent (5,057 active, registered broker-dealers × \$5,000).

The public may view the background documentation for this information collection at the following Web site, <http://www.reginfo.gov>. Comments

¹ This figure is based on SIFMA’s *Office Salaries in the Securities Industry 2010*, modified by Commission staff to account for an 1,800-hour work-year multiplied by 2.93 to account for bonuses, firm size, employee benefits, and overhead.

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:

Shagufta_Ahmed@omb.eop.gov; and (ii) Thomas Bayer, Chief Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 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: March 14, 2011.

Cathy H. Ahn,

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 206(4)-6; SEC File No. 270-513; OMB Control No. 3235-0571.

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 (“OMB”) a request for extension of the previously approved collection of information discussed below.

The title for the collection of information is “Rule 206(4)-6” under the Investment Advisers Act of 1940 (15 U.S.C. 80b-1 et seq.) (“Advisers Act”) and the collection has been approved under OMB Control No. 3235-0571. The Commission adopted rule 206(4)-6 (17 CFR 275.206(4)-6), the proxy voting rule, to address an investment adviser’s fiduciary obligation to clients who have given the adviser authority to vote their securities. Under the rule, an investment adviser that exercises voting authority over client securities is required to: (i) Adopt and implement policies and procedures that are reasonably designed to ensure that the adviser votes securities in the best interest of clients, including procedures to address any material conflict that may arise between the interest of the

adviser and the client; (ii) disclose to clients how they may obtain information on how the adviser has voted with respect to their securities; and (iii) describe to clients the adviser’s proxy voting policies and procedures and, on request, furnish a copy of the policies and procedures to the requesting client. The rule is designed to assure that advisers that vote proxies for their clients vote those proxies in their clients’ best interest and provide clients with information about how their proxies were voted.

Rule 206(4)-6 contains “collection of information” requirements within the meaning of the Paperwork Reduction Act. 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. The collection is mandatory and responses to the disclosure requirement are not kept confidential.

The respondents are investment advisers registered with the Commission that vote proxies with respect to clients’ securities. Advisory clients of these investment advisers use the information required by the rule to assess investment advisers’ proxy voting policies and procedures and to monitor the advisers’ performance of their proxy voting activities. The information required by Rule 206(4)-6 also is used by the Commission staff in its examination and oversight program. Without the information collected under the rule, advisory clients would not have information they need to assess the adviser’s services and monitor the adviser’s handling of their accounts, and the Commission would be less efficient and effective in its programs.

The estimated number of investment advisers subject to the collection of information requirements under the rule is 10,207. It is estimated that each of these advisers is required to spend on average 10 hours annually documenting its proxy voting procedures under the requirements of the rule, for a total burden of 102,070 hours. We further estimate that on average, approximately 121 clients of each adviser would request copies of the underlying policies and procedures. We estimate that it would take these advisers 0.1 hours per client to deliver copies of the policies and procedures, for a total burden of 123,505 hours. Accordingly, we estimate that rule 206(4)-6 results in an annual aggregate burden of collection for SEC-registered investment advisers of a total of 225,575 hours.

Records related to an adviser’s proxy voting policies and procedures and proxy voting history are separately