

the Shares will trade on Amex. Additionally, the Commission notes that the Exchange will disseminate through the facilities of CTA at least every 15 seconds a calculation of the IIV, along with an updated market value of the Shares. Comparing these two figures will help investors to determine whether, and to what extent, the Shares may be selling at a premium or discount to NAV and thus will facilitate arbitrage of the Shares in relation to the Index component securities.

The Commission also notes that the Trust's or Advisor's Web site and/or that of the Exchange, which is and will be publicly accessible at no charge, will contain the Shares' prior business day NAV, the reported closing price, and a calculation of the premium or discount of such price in relation to the closing NAV.

The Funds' total portfolio composition will be disclosed to all market participants at the same time on the Web site of the Trust (<http://www.profund.com>) and/or the Exchange (<http://www.amex.com>). The Commission believes that such disclosure is reasonably designed to facilitate a functional arbitrage mechanism and mitigate the risks of improper market activity that could arise from inconsistent disclosure of information.

#### C. Listing and Trading

The Commission finds that the Exchange's proposed rules and procedures for the listing and trading of the Shares are consistent with the Act. Shares will trade as equity securities subject to Amex rules including, among others, rules governing trading halts, specialist activities, stop and stop limit orders, prospectus delivery, and customer suitability requirements. In addition, the Shares will be subject to Amex listing and delisting/suspension rules and procedures governing the trading of Index Fund Shares on the Exchange. The Commission believes that listing and delisting criteria for the Shares should help to maintain a minimum level of liquidity and therefore minimize the potential for manipulation of the Shares. Finally, the Commission believes that the information circular the Exchange will distribute will inform members and member organizations about the terms, characteristics, and risks in trading the Shares.

#### IV. Accelerated Approval of Amendment No. 4

The Commission finds good cause for approving the proposed Amendment No. 4 before the thirtieth day of

publication of notice of filing thereof in the **Federal Register**. The Amex filed Amendment No. 4 to clarify the proposed rule text. Specifically, Amendment No. 4 makes clear that, as part of the creation and redemption process, APs will deposit or receive only stocks and/or cash. The Commission believes that Amex's proposed changes in Amendment No. 4 clarify the proposed rule change, raise no new regulatory issues and are consistent with the Act. Based on the above, the Commission finds good cause for accelerating approval of Amendment No. 4.

#### V. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning Amendment No. 4, including whether the amendment is consistent with the Act. Comments may be submitted by any of the following methods:

##### Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-Amex-2004-62 on the subject line.

##### Paper Comments

- Send paper comments in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549-9303.

All submissions should refer to File Number SR-Amex-2004-62. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing also will be available for inspection and copying at the principal office of the Amex. All comments received will be posted without change; the Commission does

not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-Amex-2004-62 and should be submitted on or before November 1, 2005.

#### VI. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>33</sup> that the proposed rule change, as amended, (SR-Amex-2004-62) is approved, and that Amendment No. 4 to the proposed rule change be, and hereby is, approved on an accelerated basis.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>34</sup>

Jonathan G. Katz,  
Secretary.

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#### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-52555, File No. SR-MSRB-2005-02]

#### Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Order Approving Proposed Rule Change Relating to Amendments to MSRB Rule G-20, on Gifts and Gratuities, and MSRB Rule G-8, on Recordkeeping

October 3, 2005.

On January 13, 2005, the Municipal Securities Rulemaking Board ("MSRB" or "Board"), filed with the Securities and Exchange Commission ("SEC" or "Commission"), 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> a proposed rule change consisting of amendments to Rule G-20, on gifts and gratuities, and the related recordkeeping requirements of Rule G-8. The proposed rule change was published for comment in the **Federal Register** on August 24, 2005.<sup>3</sup> The Commission received one comment letter regarding the proposal.<sup>4</sup> On September 26, 2005, the MSRB filed a

<sup>33</sup> 15 U.S.C. 78s(b)(2).

<sup>34</sup> 17 CFR 200.30-3(a)(12).

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

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

<sup>3</sup> See Securities Exchange Act Release No. 52290 (August 18, 2005), 70 FR 49696 (August 24, 2005) (the "Commission's Notice").

<sup>4</sup> See letter to Jonathan G. Katz, Secretary, Commission, from Robert J. Stracks, Counsel to Griffin, Kubik, Stephens & Thompson, Inc. ("Griffin, Kubik"), dated September 13, 2005 ("Griffin, Kubik's Letter").

response to the comment letter from Griffin, Kubik.<sup>5</sup> This order approves the proposed rule change.

The proposed rule change would more fully conform Rule G-20 to NASD requirements relating to gifts and gratuities, and add new provisions governing non-cash compensation and sales incentives in connection with municipal fund securities and other primary offerings of municipal securities, based on NASD requirements for non-cash compensation and sales incentives. A full description of the proposal is contained in the Commission's Notice.

Griffin, Kubik stated in its comment letter that they agree with the MSRB that the regulation of gifts and gratuities ought to be consistent across those regulators governing the conduct of broker-dealers. Nonetheless, Griffin, Kubik's Letter states that they believe that adoption of any changes to Rule G-20 is premature because they understand that the NASD, the New York Stock Exchange, Inc. ("NYSE") and other regulators are currently considering the question of appropriate rules and standards for gifts and because the status of the NASD's current rule and interpretation is less than clear. The Commission's Notice noted that the NYSE has a pending rule filing with the Commission on gifts and gratuities that is currently being reviewed, and that the MSRB has agreed to consider filing further amendments to Rule G-20 or other rules, as necessary, to make its rules on gifts and gratuities consistent with future rule changes made by other self-regulatory organizations (SROs) overseen by the Commission.

The MSRB's Response Letter stated that the MSRB determined that provisions comparable to current NASD requirements governing gifts and gratuities and the payment of non-cash compensation are appropriate for dealers effecting transactions in municipal securities. The MSRB's Response Letter also stated that, as the commentator noted, the MSRB has undertaken to make its rules on gifts and gratuities consistent with other self-regulatory organizations where appropriate for the municipal securities market.

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to the MSRB<sup>6</sup> and, in

particular, the requirements of Section 15B(b)(2)(C) of the Act and the rules and regulations thereunder.<sup>7</sup> Section 15B(b)(2)(C) of the Act requires, among other things, that the MSRB's rules be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in municipal securities, to remove impediments to and perfect the mechanism of a free and open market in municipal securities, and, in general, to protect investors and the public interest.<sup>8</sup> In particular, the Commission finds that the proposed rule change is consistent with the Act because it will provide for more consistent treatment across the securities markets regarding gifts, gratuities, non-cash compensation and sales incentives, thereby facilitating dealer understanding of, and compliance with, these requirements.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act<sup>9</sup> that the proposed rule change (SR-MSRB-2005-02) be, and hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>10</sup>

**Jonathan G. Katz,**

*Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-52547; File No. SR-NASD-2005-110]

### Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Revisions to the Series 6 Examination Program

September 30, 2005.

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 September 13, 2005, the National Association of Securities Dealers, Inc. ("NASD") filed with the Securities and

efficiency, competition and capital formation. 15 U.S.C. 78c(f).

<sup>7</sup> 15 U.S.C. 78o-4(b)(2)(C).

<sup>8</sup> *Id.*

<sup>9</sup> 15 U.S.C. 78s(b)(2).

<sup>10</sup> 17 CFR 200.30-3(a)(12).

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

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

Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by NASD. NASD has designated the proposed rule change as constituting a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule of the self-regulatory organization pursuant to Section 19(b)(3)(A)(i) of the Act<sup>3</sup> and Rule 19b-4(f)(1) 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

NASD is filing revisions to the study outline and selection specifications for the Limited Representative—Investment Company and Variable Contracts Products (Series 6) examination program.<sup>5</sup> The proposed revisions update the material to reflect changes to the laws, rules, and regulations covered by the examination, as well as modify the content of the examination program to track more closely the functional workflow of a Series 6 limited representative. NASD is not proposing any textual changes to the By-Laws, Schedules to the By-Laws, or Rules of NASD.

The revised study outline is available on NASD's Web site (<http://www.nasd.com>), at NASD, and at the Commission.<sup>6</sup> However, NASD has omitted the Series 6 selection specifications from this filing and has submitted the specifications under separate cover to the Commission with a request for confidential treatment pursuant to Rule 24b-2 under the Act.<sup>7</sup>

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

<sup>4</sup> 17 CFR 240.19b-4(f)(1).

<sup>5</sup> NASD also is proposing corresponding revisions to the Series 6 question bank, but based upon instruction from the Commission staff, NASD is submitting SR-NASD-2005-110 for immediate effectiveness pursuant to Section 19(b)(3)(A)(i) of the Act and Rule 19b-4(f)(1) thereunder, and is not filing the question bank for Commission review. See letter to Alden S. Adkins, Senior Vice President and General Counsel, NASD Regulation, from Belinda Blaine, Associate Director, Division of Market Regulation ("Division"), Commission, dated July 24, 2000. The question bank is available for Commission review.

<sup>6</sup> Telephone conversation between Mia Zur, Attorney, Jan Woo, Attorney, Division, Commission, and Afshin Atabaki, Counsel, NASD, dated September 23, 2005.

<sup>7</sup> 17 CFR 240.24b-2.

<sup>5</sup> See letter from Jill C. Finder, Assistant General Counsel, MSRB, to Martha M. Haines, Chief, Office of Municipal Securities, Commission, dated September 22, 2005 ("MSRB's Response Letter").

<sup>6</sup> In approving this rule the Commission notes that it has considered the proposed rule's impact on