

for the equitable allocation of reasonable dues, fees, and other charges among members and issuers and other persons using any facility or system that the NASD operates or controls, and that NASD rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest. NASD believes that the proposed rule change accomplishes these goals by encouraging arbitrators to decide discovery-related motions on the papers without the need for a pre-hearing conference, thereby expediting the pace of arbitrations, which should reduce the time between the filing of an arbitration claim and the rendering of an award. Moreover, the panel would allocate the honorarium for deciding a discovery-related motion equitably among the parties.

(B) Self-Regulatory Organization's Statement on Burden on Competition

NASD does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.

(C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

Written comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 35 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- A. By order approve such proposed rule change, or
- B. Institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change 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. Please include File Number SR-NASD-2005-052 on the subject line.

Paper Comments

- Send paper comments in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609.

All submissions should refer to File Number SR-NASD-2005-052. 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 at the principal office of NASD. 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 the File Number SR-NASD-2005-052 and should be submitted on or before June 9, 2005.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁷

J. Lynn Taylor,

Assistant Secretary.

[FR Doc. E5-2506 Filed 5-18-05; 8:45 am]

BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-51691; File No. SR-CSE-2003-06]

Self-Regulatory Organizations; National Stock Exchange, Inc.; Order Approving Proposed Rule Change and Notice of Filing and Order Granting Accelerated Approval to Amendment No. 3 to the Proposed Rule Change Relating to Corporate Governance of Listed Issuers

May 12, 2005.

I. Introduction

On September 12, 2003, the Cincinnati Stock Exchange, now known as National Stock Exchange ("Exchange" or "NSX"), filed with the Securities and Exchange Commission ("Commission"), pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to amend Article IV of its By-Laws pertaining to its listing standards, including the addition of new corporate governance standards applicable to listed companies. Among other things, the Exchange also proposed to amend Article IV, Section 2 of the By-Laws, relating to unlisted trading privileges.

The proposed rule change was published for comment in the **Federal Register** on October 20, 2003.³ The Commission received no comments on the proposal. On November 19, 2003, the Exchange submitted Amendment No. 1 to the proposed rule change. On November 21, 2003, the Exchange submitted Amendment No. 2 to the proposed rule change.

On November 25, 2003, the Commission partially approved the proposed rule change as amended by Amendment Nos. 1 and 2. The portion of the proposal that remained unapproved was the proposed change to Article IV, Section 2 of the By-Laws relating to unlisted trading privileges.⁴

On April 19, 2005, the Exchange filed Amendment No. 3 to the proposal, revising the proposed change to Article IV, Section 2. This Order approves this remaining portion of the proposed rule

¹ 5 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ *Id.*

⁴ Securities Exchange Act Release No. 48832 (November 25, 2003), 68 FR 67715 (December 3, 2003) ("Partial Approval Order"). In the Partial Approval Order, the Commission granted accelerated approval to Amendment No. 1, and solicited comments from interested persons on Amendment No. 1. The Commission received no comments on Amendment No. 1. Amendment No. 2 was a technical amendment that was not subject to notice and comment.

⁷ 17 CFR 200.30-3(a)(12).

change by granting accelerated approval to Amendment No. 3, and solicits comments from interested persons on Amendment No. 3.

II. Description of the Proposal

Currently, Article IV, Section 2, of the Exchange's By-Laws provides that no application shall be made by the Exchange to the Commission for the extension of unlisted trading privileges with respect to any security unless the issuer of the security meets the requirements for listing on the Exchange that are set forth in Section 1.3 of Article IV. It further provides that in the event that an issuer whose security has been the subject of a grant of unlisted trading privileges to the Exchange ceases to meet the listing requirements of Section 1.3, the Exchange shall terminate such unlisted trading. An exception is provided that permits the Exchange to seek and continue unlisted trading privileges on any security for which the primary trading market is the New York Stock Exchange or the American Stock Exchange.

The proposed rule change, as amended by Amendment No. 3, would broaden the ability of the Exchange to extend unlisted trading privileges by revising Article IV, Section 2, simply to state: "Notwithstanding the requirements for listing set forth in Section 1.3 of this Article IV, the Exchange may seek and continue unlisted trading privileges on any security *as to which unlisted trading privileges may be extended in accordance with Section 12(f) of the Act and the rules thereunder.*"⁵

III. Discussion

After careful review, the Commission finds that the proposed rule change, as amended, is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.⁶ In particular, the Commission believes that the proposed rule change, as amended, is consistent with section 6(b)(5) and section 12(f) of the Act⁷ in that it

permits the Exchange to extend unlisted trading privileges to the extent permitted by section 12(f) and the rules thereunder.⁸

The Exchange has requested that the Commission grant accelerated approval to Amendment No. 3 to the proposed rule change. The Commission believes that Amendment No. 3 improves the text of the proposed rule change by revising it to mirror the terminology of the statute and to include a reference to the rules thereunder. Acceleration of the amendment will permit the Exchange to implement the proposed rule change without further delay. The Commission therefore finds good cause, consistent with Section 19(b)(2) of the Act,⁹ to approve Amendment No. 3 to the proposed rule change prior to the thirtieth day after the date of publication of notice of filing thereof in the **Federal Register**.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning Amendment No. 3, 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. Please include File Number SR-CSE-2003-06 on the subject line.

Paper Comments

- Send paper comments in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609.

All submissions should refer to File Number SR-CSE-2003-06. 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 Section, 450 Fifth Street, NW., Washington, DC 20549. Copies of such filing also will be available for inspection and copying at the principal office of the NSX. 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-CSE-2003-06 and should be submitted on or before June 9, 2005.

V. Conclusion

For the foregoing reasons, the Commission finds that the proposed rule change, as amended, is consistent with the Act and the rules and regulations thereunder applicable to a national securities exchange.

It is therefore ordered, pursuant to section 19(b)(2) of the Act,¹⁰ that the remaining portion of the proposed rule change (SR-CSE-2003-06), as amended, be, and hereby is, approved, and that Amendment No. 3 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.¹¹

J. Lynn Taylor,

Assistant Secretary.

[FR Doc. E5-2503 Filed 5-18-05; 8:45 am]

BILLING CODE 8010-01-P

⁵ The italicized text reflects Amendment No. 3 to the proposed rule change. The original proposal, as published in the Notice, used the phrase "as to which unlisted trading privileges have been granted pursuant to section 12(f) of the Act."

⁶ 15 U.S.C. 78f(b). In approving this proposal, the Commission has considered the proposed rule's impact on efficiency, competition and capital formation. 15 U.S.C. 78c(f).

⁷ 15 U.S.C. 78f(b)(5) and 15 U.S.C. 78l(f). Section 6(b)(5) requires that the rules of an exchange be designed, among other things, to facilitate transactions in securities, to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and,

in general, to protect investors and the public interest, and not permit unfair discrimination among issuers. Section 12(f) sets forth the requirements in accordance with which a national securities exchange may extend unlisted trading privileges.

⁸ In approving the proposed rule change, the Commission notes that, among other things, the extension of unlisted trading privileges is subject to Rule 12f-5, which prohibits a national securities exchange from extending unlisted trading privileges to a security unless the exchange has in effect a rule or rules providing for transactions in the class or type of security to which the exchange extends unlisted trading privileges. 17 CFR 240.12f-5.

⁹ 15 U.S.C. 78s(b)(2).

¹⁰ 15 U.S.C. 78s(b)(2).

¹¹ 17 CFR 200.30-3(a)(12).

SMALL BUSINESS ADMINISTRATION

Public Federal Regulatory Enforcement Fairness Hearing; Region V Small Business Regulatory Fairness Board

The U.S. Small Business Administration, Region V Small Business Regulatory Fairness Board and the SBA Office of the National