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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55683; File No. SR-ISE-2006-77]

Self-Regulatory Organizations; International Securities Exchange, LLC; Order Granting Approval to Proposed Rule Change, as Modified by Amendment No. 1, Relating to Penny Increments for Block Mechanism Orders

April 30, 2007.

I. Introduction

On December 13, 2006, the International Securities Exchange, LLC ("ISE" or "Exchange") 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 allow orders to be entered into the Block Mechanism in penny increments and to receive executions in penny increments. On March 19, 2007, the Exchange filed Amendment No. 1 to the proposed rule change. The proposed rule change was published for comment in the **Federal Register** on March 27, 2007.³ The Commission received no comment letters on the proposal. This order approves the proposed rule change as modified by Amendment No. 1.

II. Description of the Proposal

The Exchange currently offers a Block Mechanism for the execution of single-sided, block-sized orders.⁴ The Block Mechanism exposes orders of at least 50 contracts to all ISE members for three seconds, giving members an opportunity to respond with contra-side trading interest for their own account or on behalf of their customers.⁵ Currently, orders may be entered and executed using the Block Mechanism at the standard 5 and 10 cent increments and at "split prices" (2.5 cents for options trading in 5 cent standard increments and 5 cents for options trading in 10 cent standard increments). The Exchange proposes to amend ISE Rule 716 to allow these orders to be entered

and executed in penny increments. Such orders would no longer be permitted to be executed at split prices.

III. Discussion

After careful review of the proposal, the Commission finds that the proposed rule change, as modified by Amendment No. 1, 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 finds that the proposal is consistent with Section 6(b)(5) of the Act,⁷ which requires, among other things, that the rules of an exchange be designed to prevent fraudulent and manipulative acts, 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. Specifically, the Commission believes that the proposed rule change is consistent with the Act because it will provide greater flexibility in the pricing of block-size orders and enhanced opportunities for block-size orders to receive price improvement.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁸ that the proposed rule change (SR-ISE-2006-77), as modified by Amendment No. 1, be, and hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁹

Florence E. Harmon,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55678; File No. SR-NASDAQ-2007-044]

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Increase the Nasdaq Trading Rights Fee

April 27, 2007.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934

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

⁷ 15 U.S.C. 78f(b)(5).⁸ 15 U.S.C. 78s(b)(2).⁹ 17 CFR 200.30-3(a)(12).

("Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on April 25, 2007, The NASDAQ Stock Market LLC ("Nasdaq") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared substantially by Nasdaq. Nasdaq filed the proposal pursuant to Section 19(b)(3)(A)(ii) of the Act³ and Rule 19b-4(f)(2)⁴ thereunder, as establishing or changing a member due, fee, or other charge, which renders the proposed rule change 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

Nasdaq proposes to increase the monthly trading rights fee paid by Nasdaq members. Nasdaq will implement this proposed rule change on May 1, 2007. The text of the proposed rule change is available at Nasdaq, <http://www.nasdaq.com>, and the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, Nasdaq included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. Nasdaq has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**1. Purpose**

Nasdaq is increasing its monthly trading rights fee, which is assessed on all Nasdaq members, from \$200 to \$500 per month. The fee had initially been set at a level to ease the transition of the Nasdaq Market Center's status as a facility of the NASD to a facility of a new self-regulatory organization ("SRO"). Now that Nasdaq has an established membership base, Nasdaq believes that the fee increase is

¹ 15 U.S.C. 78s(b)(1).² 17 CFR 240.19b-4.³ 15 U.S.C. 78s(b)(3)(A)(ii).⁴ 17 CFR 240.19b-4(f)(2).¹ 15 U.S.C. 78s(b)(1).² 17 CFR 240.19b-4.³ See Securities Exchange Act Release No. 55493 (March 20, 2007), 72 FR 14315.⁴ See ISE Rule 716(c).⁵ Supplementary Material .03 to ISE Rule 716 prohibits members from entering Responses for the account of an options market maker from another options exchange. This is the only limitation regarding who may enter Responses.

warranted to ensure that its monthly and annual membership fees fund a greater portion of the cost of regulating the Nasdaq market. Nasdaq believes that even with the fee increase, the cost of Nasdaq membership is generally lower than the cost of membership in other SROs.⁵ In this regard, it is particularly notable that unlike other SROs, Nasdaq does not charge annual registration fees for each of a firm's registered representatives.

Nasdaq is also deleting language from Rule 7001 that waived the application fee for NASD members applying for Nasdaq membership prior to August 1, 2006.

2. Statutory Basis

Nasdaq believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,⁶ in general, and with Section 6(b)(4) of the Act,⁷ in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system which Nasdaq operates or controls. Nasdaq believes that an increased monthly trading rights fee is a reasonable and equitable method of ensuring that its monthly and annual membership fees fund a greater portion of the cost of regulating the Nasdaq market, and that the overall cost of Nasdaq membership is reasonable as compared with the cost of membership in other SROs.

B. Self-Regulatory Organization's Statement on Burden on Competition

Nasdaq 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 of Commission Action

The foregoing proposed rule change has become effective upon filing with the Commission pursuant to Section 19(b)(3)(A)(ii) of the Act⁸ and Rule 19b-4(f)(2) thereunder,⁹ in that the proposed rule change establishes or changes a member due, fee, or other charge imposed by the self-regulatory organization. At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

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-NASDAQ-2007-044 on the subject line.

Paper Comments

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090. All submissions should refer to File Number SR-NASDAQ-2007-044. 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 Nasdaq.

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-NASDAQ-2007-044 and should be submitted on or before May 29, 2007.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁰

Florence E. Harmon,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55687; File No. SR-NYSE-2007-27]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing of Amendment No. 3 to Proposed Rule Change and Order Granting Accelerated Approval to Proposed Rule Change, as Modified by Amendments No. 1, 2, and 3 Thereto, To Adopt Generic Listing Standards for Index-Linked Securities

May 1, 2007.

I. Introduction

On March 9, 2007, the New York Stock Exchange LLC ("NYSE" or "Exchange") 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 adopt generic listing standards for equity index-linked securities ("Equity Index-Linked Securities"), commodity-linked securities ("Commodity-Linked Securities"), and currency-linked securities ("Currency-Linked Securities") and, together with Equity Index-Linked Securities and Commodity-Linked Securities, "Index-Linked Securities"). On April 4, 2007, Exchange filed Amendment No. 1 to the proposed rule change. On April 5, 2007, the Exchange filed Amendment No. 2 to the proposed rule change. The proposed rule change, as amended, was published for comment in the **Federal Register** on

⁵ See, e.g., New York Stock Exchange Price List 2007 at <http://www.nyse.com/pdfs/2007pricelist.pdf> (itemizing numerous registration, regulation, and trading rights fees); NASD By-Laws Schedule A, Section 1 at http://nasd.complinet.com/n_nasd/display/display.html?rbid=1189&element_id=1159000126; Chicago Stock Exchange Fees and Assessments at http://wallstreet.cch.com/CHXtools/PlatformViewer.asp?SelectedNode=chp_1_1&manual=/CHX/Admin/chx-feesandassessments/.

⁶ 15 U.S.C. 78f.

⁷ 15 U.S.C. 78f(b)(4).

⁸ 15 U.S.C. 78s(b)(3)(A)(ii).

⁹ 17 CFR 240.19b-4(f)(2).

¹⁰ 17 CFR 200.30-3(a)(12).

¹¹ 15 U.S.C. 78s(b)(1).

¹² 17 CFR 240.19b-4.