

Specialists have certain obligations under Exchange rules, as well as the Act, that do not exist for other market participants. For example, pursuant to Amex Rule 170, a specialist is required to maintain a fair and orderly market in his or her assigned securities. Other members of the Exchange, as well as non-member market participants, do not have this obligation. As a result, the Exchange believes that the proposed retroactive suspension of transaction charges for specialist orders in the QQQQ is reasonable and equitable, given the obligations that specialists must adhere to in making markets. The Exchange further submits that the fee suspension will provide greater incentive to specialists to continue to provide market liquidity, rendering the Exchange an attractive venue for market participants to execute orders.

2. Statutory Basis

The Exchange believes that the proposed rule change, as amended, is consistent with Section 6(b) of the Act,¹⁰ in general, and furthers the objectives of Section 6(b)(4) of the Act,¹¹ in particular, and is an equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons using its facilities.

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

The Exchange believes that the proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the 1934 Act.

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

No written comments were solicited or received with respect to the proposed rule change.

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 Exchange consents, the Commission will:

(A) By order approve such proposed rule change, as amended, 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, as amended, 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-Amex-2006-64 on the subject line.

Paper Comments

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, Station Place, 100 F Street, NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-Amex-2006-64. 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 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-2006-64 and should be submitted on or before August 29, 2006.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹²

Nancy M. Morris,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION /

[Release No. 34-54260; File No. SR-NASDAQ-2006-024]

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Regarding Technical and Conforming Changes to Nasdaq's 7000 Series Rules

August 1, 2006.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on July 31, 2006, The NASDAQ Stock Market LLC ("Nasdaq") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by Nasdaq. Nasdaq has filed the proposed rule change as a "non-controversial" rule change pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(6) thereunder,⁴ which renders it 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 conform the Rule 7000 Series of Nasdaq's rules to certain changes made to the Rule 7000 Series of the rules of the National Association of Securities Dealers, Inc. ("NASD") since approval of Nasdaq's rules by the Commission in January 2006 and to correct certain errors in the approved rules. Nasdaq proposes to implement the proposed rule change on August 1, 2006. The text of the proposed rule change is available on Nasdaq's Web site at <http://www.nasdaq.com>, at the principal office of Nasdaq, and at the Commission's Public Reference Room.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(6).

¹⁰ 15 U.S.C. 78f(b).

¹¹ 15 U.S.C. 78f(b)(4).

¹² 17 CFR 200.30-3(a)(12).

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 modifying its 7000 Series Rules to reflect certain changes made to the Rule 7000 Series of the rules of NASD since approval of Nasdaq's rules by the Commission in January 2006 and to correct certain errors in the approved rules. Specifically, Nasdaq is:

- Amending Nasdaq Rule 7015 to reflect changes to NASD Rule 7010(f) by SR-NASD-2006-026, SR-NASD-2006-027, and SR-NASD-2006-043.⁵ The amendments to Nasdaq Rule 7015 also reflect prior Commission approvals for the application of NASD Rule 7010(f) to non-members, such as service bureaus, that obtain access services from Nasdaq.
- Amending Nasdaq Rule 7017 to restore a pilot program for NQDS fees for non-professional users that had lapsed at the time of the approval of Nasdaq's exchange registration application but that was restored under NASD rules in SR-NASD-2006-009.⁶
- Amending Nasdaq Rule 7021 to reflect changes to NASD Rule 7010(n) made by SR-NASD-2006-072.⁷
- Adding NASDAQ Rule 7034 to reflect the addition of Inet connectivity fees to NASD Rule 7010(w) in SR-NASD-2005-147 and SR-NASD-2005-148⁸ and subsequent amendments to the Rule by SR-NASD-2006-013, SR-

NASD-2006-031 and SR-NASD-2006-032.⁹

- Adding Nasdaq Rule 7035 to reflect the addition of NASD Rule 7010(x) in SR-NASD-2006-030.¹⁰
- Adding Nasdaq Rule 7036 to reflect the addition of NASD Rule 7010(y) in SR-NASD-2006-056.¹¹
- Amending Nasdaq Rules 7011, 7025, 7028, and 7033 to correct typographical errors.

2. Statutory Basis

Nasdaq believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,¹² in general, and with Sections 6(b)(4) and (5) of the Act,¹³ in particular, in that the proposal 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, and is 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 securities, 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. Nasdaq believes the proposed rule change conforms the Rule 7000 Series of Nasdaq's rules to certain changes made to the Rule 7000 Series of NASD rules since approval of Nasdaq's rules by the Commission in January 2006 and corrects certain errors in the approved rules.

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.

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

Because the forgoing rule change does not: (1) Significantly affect the protection of investors or the public interest; (2) impose any significant burden on competition; and (3) become operative for 30 days after the date of this filing, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act¹⁴ and Rule 19b-4(f)(6) thereunder.¹⁵

A proposed rule change filed under 19b-4(f)(6) normally may not become operative prior to 30 days after the date of filing.¹⁶ However, Rule 19b-4(f)(6)(iii)¹⁷ permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. Nasdaq provided the Commission with written notice of its intent to file this proposed rule change at least five business days prior to the date of filing the proposed rule change. In addition, Nasdaq has requested that the Commission waive the 30-day pre-operative delay, and the Commission hereby grants that request.¹⁸ The Commission believes that waiving the 30-day pre-operative delay is consistent with the protection of investors and in the public interest because it will allow Nasdaq to implement the rule changes, which have either recently been made effective as changes to NASD rules or are technical in nature, at the time when Nasdaq begins to operate as a national securities exchange.

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 Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and

⁵ Securities Exchange Act Release Nos. 53536 (March 21, 2006), 71 FR 15784 (March 29, 2006) (SR-NASD-2006-026); 53535 (March 21, 2006), 71 FR 15788 (March 29, 2006) (SR-NASD-2006-027); and 53617 (April 7, 2006), 71 FR 19597 (April 14, 2006) (SR-NASD-2006-043).

⁶ Securities Exchange Act Release No. 53255 (February 8, 2006), 71 FR 8016 (February 15, 2006) (SR-NASD-2006-009).

⁷ Securities Exchange Act Release No. 54002 (June 16, 2006), 71 FR 36143 (June 23, 2006) (SR-NASD-2006-072).

⁸ Securities Exchange Act Release Nos. 53005 (December 22, 2005), 70 FR 77215 (December 29, 2005) (SR-NASD-2005-147); and 53006 (December 22, 2005), 70 FR 77220 (March 29, 2006) (SR-NASD-2005-148).

⁹ Securities Exchange Act Release Nos. 53256 (February 8, 2006), 71 FR 8020 (February 15, 2006) (SR-NASD-2006-013); 53504 (March 16, 2006), 71 FR 14760 (March 23, 2006) (SR-NASD-2006-031); and 53505 (March 16, 2006), 71 FR 14758 (March 23, 2006) (SR-NASD-2006-032).

¹⁰ Securities Exchange Act Release No. 54005 (June 16, 2006), 71 FR 36145 (June 23, 2006) (SR-NASD-2006-030).

¹¹ Securities Exchange Act Release No. 54003 (June 16, 2006), 71 FR 36141 (June 23, 2006) (SR-NASD-2006-056).

¹² 15 U.S.C. 78f.

¹³ 15 U.S.C. 78f(b)(4) and (5).

¹⁴ 15 U.S.C. 78s(b)(3)(A).

¹⁵ 17 CFR 240.19b4(f)(6).

¹⁶ 17 CFR 240.19b-4(f)(6)(iii).

¹⁷ *Id.*

¹⁸ For the purposes only of waiving the 30-day pre-operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

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 No. SR-NASDAQ-2006-024 on the subject line.

Paper Comments

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, Station Place, 100 F Street, NE., Washington, DC 20549-1090.

All submissions should refer to File No. SR-NASDAQ-2006-024. 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 will also 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 No. SR-NASDAQ-2006-024 and should be submitted on or before August 29, 2006.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁹

Nancy M. Morris,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-54255; File No. SR-NYSE-2005-03]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing of Proposed Rule Change and Amendments Nos. 1 and 2 To Amend Exchange Rule 325 (Capital Requirements for Member Organizations), Rule 326 (Growth Capital Requirement, Business Reduction Capital Requirement, Unsecured Loans and Advances), and Rule 431 (Margin Requirement)

July 31, 2006.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (the "Exchange Act"),² and Rule 19b-4 thereunder,³ notice is hereby given that on January 5, 2005, the New York Stock Exchange LLC ("NYSE" or the "Exchange") filed with the Securities and Exchange Commission ("SEC" or the "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange.⁴ The NYSE filed Amendment No. 1 to the proposed rule change on February 13, 2006.⁵ The NYSE filed Amendment No. 2 to the proposed rule change on March 17, 2006.⁶ The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a *et seq.*

³ 17 CFR 240.19b-4.

⁴ Pursuant to discussions with the Commission staff, the Exchange clarified the application of proposed amendments to NYSE Rules 325, 326 and 431 to reflect the Exchange's March 7, 2006 merger with Archipelago Holdings, Inc. ("Archipelago"), adjustments to capital levels in Rule 326 and other general editorial changes. Telephone conversations between William Jannace, Director, Exchange, William Wollman, Vice President, Exchange and E. David Hwa, Special Counsel, Division of Market Regulation, Commission, on May 11, 2006, June 8, 2006, July 19, 2006 and email dated July 19, 2006.

⁵ In Amendment No. 1, the Exchange clarified the application of proposed amendments to NYSE Rule 431(e)(9) solely to OTC derivatives transactions and expanded upon elements of the written risk analysis provided by the proposed rule for member organizations utilizing the alternative method of computing net capital.

⁶ In Amendment No. 2, the Exchange clarified the application of proposed amendments to NYSE Rule 326 to make explicit the ability of the Exchange to restrict the growth or business of a member organization, respectively, when its tentative net capital declines below the early warning notification amount required by the Exchange Act Rule 15c3-1(a)(7)(ii).

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange is proposing to amend Rule 325, Rule 326, and Rule 431 to reflect recent SEC rule amendments under the Exchange Act, including amendments to Exchange Act Rule 15c3-1 that established an alternative method of computing net capital for broker-dealers.

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

In its filing with the Commission, the Exchange 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. The Exchange 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

Background

Exchange Act Rule 15c3-1 (the "net capital rule") contains basic financial responsibility standards for broker-dealers. The rule is intended to protect customers and other market participants from broker-dealer failures, and to enable those firms that fall below the minimum net capital requirements to liquidate in an orderly fashion without the need for a formal proceeding or financial assistance from the Securities Investor Protection Corporation. To help insure that broker-dealers maintain sufficient liquid assets to satisfy promptly the claims of customers and cover potential market and credit risks, the net capital rule requires broker-dealers to maintain different minimum levels of capital based upon the nature of their business and whether they handle customer funds or securities.

On August 20, 2004, the SEC adopted rule amendments under the Exchange Act, including amendments to Exchange Act Rule 15c3-1, that establish a voluntary, alternative method of computing net capital for certain large broker-dealers that are part of consolidated supervised groups referred to as consolidated supervised entities ("CSEs"). Under the SEC amendments, a broker-dealer may use this

¹⁹ 17 CFR 200.30-3(a)(12).