

Committee" or "Committee"). The proposed rule change was published for comment in the **Federal Register** on June 30, 2006.³ The Commission received no comments on the proposal. This order approves the proposed rule change.

Currently, the Committee consists of six members. Specifically, the Chief Executive Officer (or his or her designee), a representative of an upstairs member firm and either: (i) Four brokers for equities and other securities admitted to trading on the Exchange except for Exchange Traded Funds and options; (ii) two brokers and two Registered Traders for Exchange Traded Funds; or (iii) two brokers and two Registered Options Traders for options.

The Exchange proposes to change the number and composition of the Allocation Committee from six to eight members. The Exchange proposes to amend Amex Rule 27 to revise the number and composition of the Allocations Committee so that the Committee consists of the Chief Executive Officer of the Exchange (or his or her designee), a representative of an upstairs member firm and either: (i) Six brokers for equities and other securities admitted to trading on the Exchange except for Exchange Traded Funds and options; (ii) three brokers and three Registered Traders for Exchange Traded Funds; or (iii) three brokers and three Registered Options Traders for options. The minimum quorum requirement would remain at four persons.⁴ According to the Exchange, because a small number of members now comprise the Allocations Committee, the minimum quorum requirement of four persons to conduct business has become overly burdensome.⁵ The Exchange represents that the Allocations Committee often fails to meet the minimum quorum requirement to transact business.

The Commission finds that the proposed rule change is consistent with the requirements of Section 6 of the Act,⁶ and the rules and regulations thereunder applicable to a national securities exchange.⁷ In particular, the

Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,⁸ which requires, among other things, that the Exchange'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 facilitating transactions in securities, and to remove impediments to and perfect the mechanism of a free and open market and a national market system. The Commission believes that increasing the number of members of the Committee, from six to eight members, will provide greater flexibility and efficiency to the Allocations Committee to better achieve the minimum four person quorum requirement to transact business.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁹ that the proposed rule change (SR-Amex-2006-58) is approved.

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

J. Lynn Taylor,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-54264; File No. SR-NASDAQ-2006-015]

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Fees Associated With the Use of the National Association of Securities Dealers, Inc.'s Web Central Registration Depository System

August 2, 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 17, 2006, 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 by Nasdaq. Nasdaq has designated this proposal as establishing or changing a due, fee, or

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

¹ 15 U.S.C. 78f(b)(5).

² 15 U.S.C. 78s(b)(2).

³ 17 CFR 200.30-3(a)(12).

⁴ 15 U.S.C. 78s(b)(1).

⁵ 17 CFR 240.19b-4.

other charge imposed by Nasdaq pursuant to Section 19(b)(3)(A)(ii) of the Act,³ and Rule 19b-4(f)(2) thereunder,⁴ 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 implement fees for Nasdaq members that are not members of the National Association of Securities Dealers, Inc. ("NASD"), in connection with such members' use of NASD's Web Central Registration Depository ("CRD") system. Nasdaq will implement the proposed rule change immediately. The text of the proposed rule change is below. Proposed new language is *italicized*.

* * * * *

7003. Registration and Processing Fees

The following fees will be collected and retained by NASD via the Web CRD registration system for the registration of associated persons of Nasdaq members that are not also NASD members:

(1) \$85 for each initial Form U4 filed for the registration of a representative or principal;

(2) \$95 for the additional processing of each initial or amended Form U4 or Form U5 that includes the initial reporting, amendment, or certification of one or more disclosure events or proceedings;

(3) \$30 annually for each of the member's registered representatives and principals for system processing;

(4) \$13 for processing and posting to the CRD system each set of fingerprints submitted by the member, plus a pass-through of any other charge imposed by the United States Department of Justice for processing each set of fingerprints;

(5) \$13 for processing and posting to the CRD system each set of fingerprint results and identifying information that has been processed through a self-regulatory organization other than NASD; and

(6) a \$75 session fee for each individual who is required to complete the Regulatory Element of the Continuing Education Requirements pursuant to Nasdaq Rule 1120.

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³ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴ 17 CFR 240.19b-4(f)(2).

³ See Securities Exchange Act Release No. 54039 (June 23, 2006), 71 FR 37627.

⁴ The Commission notes that the Allocations Committee is chaired by the Chief Executive Officer (or his or her designee) who does not vote except to make or break a tie. See Amex Rule 27(a).

⁵ In October 2005, the Commission approved an Exchange proposal to combine three separate Allocation Committees into a single Committee and reduce the composition of the Committee to six members. See Securities Exchange Act Release No. 52646 (October 20, 2005), 70 FR 61854 (October 26, 2005).

⁶ 15 U.S.C. 78f(b).

⁷ In approving this proposed rule change, the Commission has considered the proposed rule's

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

The purpose of the proposed rule change is to adopt fees associated with the use of NASD's Web CRD system.⁵ The proposed fees are similar to those fees charged by other SROs that use NASD's Web CRD.⁶ Members will pay the NASD fees associated with Web CRD directly to NASD through Web CRD.

Specifically, members will pay: (a) An NASD CRD Processing Fee of \$85 for each initial U4 filed; (b) an NASD Disclosure Processing Fee of \$95 for each initial or amended U4 or U5 that includes the initial reporting, amendment, or certification of one or more disclosure events or proceedings; (c) an NASD Annual System Processing Fee of \$30; (d) a \$75 session fee for individuals required to complete the Regulatory Element of the Continuing Education Requirements under Nasdaq Rule 1120; (e) a fingerprinting fee for submission of fingerprints to NASD equal to \$13 plus a pass-through of the applicable Department of Justice fee (currently \$22 for a first or a third submission); and (f) a \$13 fee for processing fingerprint results where the

⁵ Use of NASD's Web CRD system by Nasdaq members is required by Nasdaq Rule 1013. Fees for the use of Web CRD by Nasdaq members that are also NASD members are assessed by NASD under Schedule A, Section 4 of the NASD By-Laws. This filing will enable the NASD to collect certain fees from Nasdaq members that are not NASD members. To the extent that such Nasdaq members are already members of another self-regulatory organization ("SRO") that participates in Web CRD, these fees are already being assessed by NASD under the authority of such other SRO. Accordingly, this filing will not result in the imposition of duplicative fees by NASD.

⁶ See Securities Exchange Act Release Nos. 53688 (April 20, 2006), 71 FR 24885 (April 27, 2006) (SR-Phlx-2006-24); 51641 (May 2, 2005), 70 FR 24155 (May 6, 2005) (SR-PCX-2005-49); 48066 (June 19, 2003), 68 FR 38409 (June 27, 2003) (SR-AMEX-2003-49); and 45112 (November 28, 2001), 66 FR 63086 (December 4, 2001) (SR-NYSE-2001-47).

member had prints processed through an SRO other than the NASD. NASD will process the fingerprint cards using Web CRD, in accordance with Nasdaq's Fingerprinting Plan.⁷

2. Statutory Basis

Nasdaq believes that the proposed rule change is consistent with the provisions of Section 6 of the Act⁸ in general, and with Section 6(b)(4) of the Act⁹ 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 Nasdaq's facilities.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii)¹⁰ of the Act and paragraph (f)(2) of Rule 19b-4 thereunder,¹¹ in that it establishes or changes a due, fee, or other charge applicable to Nasdaq members.

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:

⁷ Securities Exchange Act Release No. 53908 (May 31, 2006), 71 FR 33007 (June 7, 2006).

⁸ 15 U.S.C. 78f.

⁹ 15 U.S.C. 78f(b)(4).

¹⁰ 15 U.S.C. 78s(b)(3)(A)(ii).

¹¹ 17 CFR 240.19b-4(f)(2).

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-2006-015 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-2006-015. 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 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 File Number SR-NASDAQ-2006-015 and should be submitted on or before August 30, 2006.

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

J. Lynn Taylor,

Assistant Secretary.

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SMALL BUSINESS ADMINISTRATION

Reporting and Recordkeeping Requirements Under OMB Review

AGENCY: Small Business Administration.

¹² 17 CFR 200.30-3(a)(12).