

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55671; File No. SR-Amex-2007-22]

Self-Regulatory Organizations; American Stock Exchange LLC; Order Approving Proposed Rule Change, as Modified by Amendment No. 1 Thereto, To Amend Its Minor Rule Violation Fine Systems

April 26, 2007.

On February 21, 2007, the American Stock Exchange LLC ("Amex" 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 incorporate violations of Amex Rule 131A—AEMI and Commentary .03 to Amex Rule 958—ANTE into Part 1 of its Minor Rule Violation Fine Systems ("Plan").³ On March 20, 2007, the Exchange filed Amendment No. 1 to the proposed rule change. The proposed rule change, as amended, was published for comment in the **Federal Register** on March 27, 2007.⁴ The Commission received no comments regarding the proposal. The Commission is approving the proposed rule change, as modified by Amendment No. 1.

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.⁵ In particular, the Commission believes that the proposal is consistent with Section 6(b)(5) of the Act,⁶ because a rule that is reasonably designed to encourage members to comply with Exchange rules should help the Exchange carry out its supervisory responsibilities and thereby help protect investors and the public interest.

The Commission further believes that the proposal is consistent with Sections 6(b)(1) and 6(b)(6) of the Act,⁷ which require that the rules of an exchange enforce compliance with, and provide appropriate discipline for, violations of Commission and Exchange rules. In addition, because the Plan provides

procedural rights to a person fined for any violation of an Exchange rule that is determined to be minor in nature to contest the fine and permits disciplinary proceedings on the matter, the Commission believes that the Plan, as amended by this proposal, provides a fair procedure for the disciplining of members and persons associated with members, consistent with Sections 6(b)(7) and 6(d)(1) of the Act.⁸

Finally, the Commission finds that the proposal is consistent with the public interest, the protection of investors, or otherwise in furtherance of the purposes of the Act, as required by Rule 19d-1(c)(2) under the Act,⁹ which governs minor rule violation plans. The Commission believes that the proposed change to the Plan will strengthen the Exchange's ability to carry out its oversight and enforcement responsibilities as a self-regulatory organization in cases where full disciplinary proceedings are unsuitable in view of the minor nature of the particular violation.

In approving this proposed rule change, the Commission in no way minimizes the importance of compliance with Amex rules and all other rules subject to the imposition of fines under the Exchange's Plan. The Commission believes that the violation of any self-regulatory organization's rules, as well as Commission rules, is a serious matter. However, the Plan provides a reasonable means of addressing rule violations that do not rise to the level of requiring formal disciplinary proceedings, while providing greater flexibility in handling certain violations. The Commission expects that Amex will continue to conduct surveillance with due diligence and make a determination based on its findings, on a case-by-case basis, whether a fine of more or less than the recommended amount is appropriate for a violation under the Plan or whether a violation requires formal disciplinary action.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act¹⁰ and Rule 19d-1(c)(2) under the Act,¹¹ that the proposed rule change (SR-Amex-2007-22), as modified by Amendment No. 1, be, and hereby is, approved and declared effective.

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

Florence E. Harmon,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55668; File No. SR-NASDAQ-2007-030]

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change Relating to the Extension of a Fee Pilot for National Quotation Data Service

April 25, 2007.

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 March 29, 2007, 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 substantially by the Nasdaq. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons and is approving the proposal on an accelerated basis.

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

Nasdaq proposes to re-establish retroactively from January 1, 2007 through December 31, 2007, a pilot program under Nasdaq Rule 7017(b), which reduced from \$50 to \$10 the monthly fee that non-professional users pay to receive National Quotation Data Service ("NQDS").

The text of the proposed rule change is available at <http://nasdaq.complinet.com>, Nasdaq's principal office, 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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Amex Rule 590.

⁴ See Securities Exchange Act Release No. 55500 (March 21, 2007), 72 FR 14314.

⁵ In approving this proposed rule change, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

⁶ 15 U.S.C. 78f(b)(5).

⁷ 15 U.S.C. 78f(b)(1) and 78f(b)(6).

⁸ 15 U.S.C. 78f(b)(7) and 78f(d)(1).

⁹ 17 CFR 240.19d-1(c)(2).

¹⁰ 15 U.S.C. 78s(b)(2).

¹¹ 17 CFR 240.19d-1(c)(2).

¹² See 17 CFR 200.30-3(a)(12); 17 CFR 200.30-3(a)(44).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

rule change. The text of these statements may be examined at the places specified in Item III 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 proposes to re-establish retroactively from January 1, 2007 through December 31, 2007, the fee reduction pilot program under Nasdaq Rule 7017(b) that reduced from \$50 to \$10 the monthly fee that non-professional users pay to receive NQDS.

NQDS delivers market maker quotations, Nasdaq Level 1³ service (including calculation and display of the inside market), and last sale information that is dynamically updated on a real-time basis. NQDS data is used not only by firms, associated persons, and other market professionals, but also by non-professionals who receive the service through authorized vendors, including, for example, on-line brokerage firms. Prior to August 31, 2000, NQDS data was available through authorized vendors at a monthly rate of \$50 for professionals and non-professionals users alike. In August 2000, the NASD, through Nasdaq, filed a rule change to reduce from \$50 to \$10 the monthly fee that non-professional users pay to receive NQDS data. The Commission approved the pilot on August 22, 2000, and the fee reduction commenced on August 31, 2000 on a one-year pilot basis.⁴ On September 5, 2001, August 29, 2002, August 15, 2003, August 20, 2004, and January 24, 2006, the NASD, through Nasdaq, filed proposed rule changes to extend the pilot for additional one-year periods.⁵ Nasdaq adopted the existing pilot program when it began operating as a national securities exchange in 2006, and is now proposing to extend the pilot of its own accord.

Nasdaq has consistently supported broad, effective dissemination of market information to public investors. Thus, Nasdaq is proposing to re-establish the

fee-reduction pilot retroactively from January 1, 2007 through December 31, 2007. Nasdaq notes that the existing pilot reduced by 80% the fees that non-professionals paid for NQDS data prior to August 31, 2000. Continuing the reduction of NQDS for non-professional users demonstrates Nasdaq's continued commitment to individual investors and responds to the dramatic increase in the demand for real-time market data by non-professional market participants. In addition, Nasdaq member firms often supply real-time market data to their customers through automated means. Thus, Nasdaq member firms' customers would benefit from the continued fee reduction.

2. Statutory Basis

Nasdaq believes that the proposed rule change is consistent with the provisions of Section 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 the Nasdaq operates or controls. Nasdaq also believes that the fee reduction enhances the public's access to market data that is relevant to investors when they make financial decisions and encourages increased public participation in the securities markets.

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. 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

<bullet> Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
<bullet> Send an e-mail to rule-comments@sec.gov. Please include File

Number SR-NASDAQ-2007-030 on the subject line.

Paper Comments

<bullet> 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-2007-030. 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 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-2007-030 and should be submitted on or before May 23, 2007.

IV. Commission's Findings and Order Granting Accelerated Approval of Proposed Rule Change

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder, applicable to a national securities exchange.⁸ In particular, the Commission believes that the proposal is consistent with Section 6(b)(4) of the Act,⁹ which requires that the rules of an exchange provide an equitable allocation of reasonable dues, fees and other charges among its members and other persons using its facilities.

The pilot lowers the monthly fee for non-professionals to receive NQDS from

³ Pursuant to Nasdaq Rule 7011(b), Nasdaq separately distributes Level 1 data to non-professionals for a monthly fee of \$1.00.

⁴ See Securities Exchange Act Release No. 43190 (August 22, 2000), 65 FR 52460 (August 29, 2000).

⁵ See Securities Exchange Act Release Nos. 44788 (September 13, 2001), 66 FR 48303 (September 19, 2001); 46446 (August 30, 2002), 67 FR 57260 (September 9, 2002); 48386 (August 21, 2003), 68 FR 51618 (August 27, 2003); 50318 (September 3, 2004), 69 FR 54821 (September 10, 2004); and 53531 (March 21, 2006); 71 FR 15506 (March 28, 2006).

⁶ 15 U.S.C. 78f.

⁷ 15 U.S.C. 78f(b)(4).

⁸ In approving this proposal, the Commission has considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁹ 15 U.S.C. 78f(b)(4).

\$50 to \$10 a month. The Commission notes that the NQDS feature provides a mechanism to allow access to market data that is relevant to investors when they make financial decisions and that it does not unfairly discriminate between customers, issuers, brokers or dealers.

Accordingly, the Commission finds good cause for approving this proposed rule change before the 30th day after the date of publication of notice of filing thereof in the **Federal Register** pursuant to Section 19(b)(2) of the Act.¹⁰

V. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹¹ that the proposed rule change (SR-NASDAQ-2007-030), be, and it hereby is, approved on an accelerated basis, as a pilot, scheduled to expire on December 31, 2007.

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

Florence E. Harmon,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55672; File No. SR-NASDAQ-2007-029]

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing of Proposed Rule Change and Amendment No. 1 Thereto To Require That Companies Submit Material News to Nasdaq Using Nasdaq's Electronic Disclosure System, Except in Emergency Situations

April 26, 2007.

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 March 27, 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 Amendment No. 1 to the proposed rule change on April 25, 2007. The Commission is publishing this notice to solicit comments on the

proposed rule change, as amended, from interested persons.

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

Nasdaq proposes to amend Nasdaq Rule 4120, "Trading Halts," and IM-4120-1, "Disclosure of Material Information," to require Nasdaq-listed companies to submit material news to Nasdaq using Nasdaq's electronic disclosure submission system, except in emergency situations. To allow Nasdaq sufficient time to communicate with listed companies about the new requirement, Nasdaq will not implement the proposed rule change until approximately 90 days after the proposal is approved. Nasdaq's communication with companies regarding this proposed change will provide notice of the implementation date. The text of the proposed rule change is available at Nasdaq, in the Commission's Public Reference Room, and at <http://www.nasdaq.com>.

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

Pursuant to Nasdaq Rules 4310(c)(16) and 4320(e)(14), a Nasdaq-listed company is required, except in unusual circumstances, to make prompt disclosure to the public through any Regulation FD compliant method (or combination of methods) of disclosure of any material information that would reasonably be expected to affect the value of its securities or influence investors' decisions. These rules also require that the company provide prior notice of certain disclosures to Nasdaq's MarketWatch Department ("MarketWatch").

Current methods to provide prior notification to MarketWatch include electronic submission using Nasdaq's Electronic Disclosure submission

service, fax, and phone. While the Electronic Disclosure submission service was introduced to companies in 2004, the majority of companies still rely primarily on fax submission to MarketWatch.³ The material information from fax-delivered documents and telephonic notifications must be manually retyped into MarketWatch's database systems. Nasdaq notes that this uses staff time with no added regulatory benefit, introduces error risk, and results in a less robust audit trail. To reduce this administrative burden, Nasdaq has recently taken steps to make the Electronic Disclosure submission system more accessible to listed companies⁴ and is now proposing to require that companies submit material news to Nasdaq using the Electronic Disclosure submission system, except in emergency situations.

Using the Electronic Disclosure submission system, company employees and representatives can transmit disclosures to Nasdaq using a secure, encrypted connection. Upon receipt, Nasdaq reviews these disclosures to determine if a trading halt is appropriate. If Nasdaq believes that a halt may be appropriate, Nasdaq will confirm all disclosures with a company source before taking any action. Nasdaq does not disseminate any information received over the Electronic Disclosure submission system.

Companies would still be required to notify Nasdaq before disseminating material news, even if an emergency situation prevented them from accessing the Electronic Disclosure submission system. Nasdaq would accept notification by phone or fax in these situations. Examples of the types of situations where Nasdaq believes this could occur include: Lack of computer or internet access; a technical problem on either the issuer or Nasdaq system, or an incompatibility between those systems; and a material development such that no draft disclosure document exists, but immediate notification to MarketWatch is important based on the event.

Nasdaq believes that companies should be familiar with electronic submission of documents, given that most reports to the Commission must be

³ Nasdaq notes, for example, that of approximately 4,200 material news notifications submitted to MarketWatch in January 2007, over 70% were submitted by fax.

⁴ According to Nasdaq, although the system was previously on a portion of the Nasdaq Online issuer Web site that offered limited access, it now resides on an area of Nasdaq Online that can be more easily and directly accessed by companies and their representatives.

¹⁰ 15 U.S.C. 78s(b)(2).

¹¹ See *id.*

¹² 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.