

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

The foregoing proposed rule change has become effective pursuant to section 19(b)(3)(A)(ii) of the Act⁷ and Rule 19b-4(f)(2) thereunder,⁸ because it establishes or changes a due, fee, or other charge imposed by the Exchange. Accordingly, the proposal will take effect upon filing with the Commission.

At any time within 60 days of the filing of such 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-CBOE-2007-72 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-CBOE-2007-72. 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, 100 F Street, NE., Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of CBOE. 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-CBOE-2007-72 and should be submitted on or before August 3, 2007.

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. 34-56031; File No. SR-ISE-2007-53]

Self-Regulatory Organizations; International Securities Exchange, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Extend the Quarterly Options Series Pilot Program

July 9, 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 June 27, 2007, the International Securities Exchange, LLC ("Exchange" or "ISE") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been substantially prepared by the Exchange. The Exchange has designated this proposal as non-controversial under Section 19(b)(3)(A)(iii) of the Act³ and Rule 19b-4(f)(6) 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

The Exchange is proposing to extend, until July 10, 2008, its quarterly options pilot program ("Pilot Program"). The text of the proposed rule change is available on the Exchange's Web site (<http://www.ise.com>), at the Exchange's principal office, and at 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, 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

The Exchange is proposing to extend, until July 10, 2008, an ISE pilot program ("Pilot Program") to list options series that would expire at the close of business on the last business day of a calendar quarter ("Quarterly Options Series").⁵ The Pilot Program is currently set to expire on July 10, 2007. Under the Pilot Program, the Exchange is allowed to open Quarterly Options Series on up to five (5) currently listed options classes that are either index options or options on ETFs. The Exchange also is allowed to list Quarterly Options Series on any options class that is selected by other securities exchanges that employ a similar pilot program under their respective rules. The Exchange has selected the following five options classes to participate in the Pilot Program: the Standard & Poor's Depository Receipts® (SPY); Nasdaq-100® Shares (QQQQ); Diamonds® Trust Series 1 (DIA); iShares Russell 2000®

⁹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(iii).

⁴ 17 CFR 240.19b-4(f)(6).

⁵ See Exchange Act Release No. 54113 (July 7, 2006), 71 FR 39694 (July 13, 2006) (File No. SR-ISE-2006-24) ("Approval Order").

⁷ 15 U.S.C. 78s(b)(3)(A)(ii).

⁸ 17 CFR 240.19b-4(f)(2).

Index Fund (IWM); and Select Sector SPDR®—Energy (XLE). The ISE believes the Pilot Program has been successful and well received by its members and the investing public. Thus, the ISE proposes to extend the Pilot Program until July 10, 2008.

In support of this proposed rule change, and as required by the Approval Order, the Exchange is submitting to the Commission a report (“Pilot Program Report”), attached as Exhibit 3 to the Form 19b-4 filed with the Commission, detailing the Exchange’s experience with the Pilot Program. Specifically, the Pilot Program Report contains data and written analysis regarding the five options classes included in the Quarterly Options Pilot Program for the period from July 10, 2006 through December 29, 2006. The Exchange believes there is sufficient investor interest and demand to extend the Pilot Program for another year. The Exchange further believes that the Pilot Program has provided investors with a flexible and valuable tool to manage risk exposure, minimize capital outlays, and the ability to more closely tailor their investment strategies and decisions to the movement of the underlying security. Finally, the Exchange has not detected any material proliferation of illiquid options series resulting from the introduction of the Pilot Program.

Additionally, the Exchange proposes to amend ISE Rule 2009, Supplementary Material .02 to: (1) Limit the number of strike prices that the Exchange may initially open for Quarterly Options Series to five strike prices above or below the value of the underlying index; (2) clarify that the Exchange may open for trading additional Quarterly Options Series of the same class when the Exchange deems such action necessary to maintain an orderly market or meet customer demand, provided that the additional series priced above (below) the value of the underlying index do not cause there to be more than five strike prices above (below) the value of the underlying index; and (3) clarify that the opening of any new Quarterly Options Series will not affect the previously opened series of options of the same class.⁶

Finally, the Exchange represents that it has the necessary systems capacity to support new options series that result

from the continued listing and trading of Quarterly Options Series.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act⁷ in general, and furthers the objectives of Section 6(b)(5) of the Act⁸ in particular, in that it is designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts, to remove impediments to and perfect the mechanism for a free and open market and a national market system, and, in general, to protect investors and the public interest. The Exchange believes that extension of the Pilot Program will result in a continuing benefit to investors, by allowing them to more closely tailor their investment decisions, and will allow the Exchange to further study investor interest in quarterly options.

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 Act.

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

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any unsolicited written comments from members or other interested parties.

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

The Exchange has designated the proposed rule change as one that: (1) Does not significantly affect the protection of investors or the public interest; (2) does not impose any significant burden on competition; and (3) does not become operative for 30 days from the date of filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest. Therefore, the foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act⁹ and subparagraph (f)(6) of Rule 19b-4 thereunder.¹⁰ The Exchange has asked the Commission to waive the operative

delay to permit the Pilot Program extension to become effective prior to the 30th day after filing.¹¹

The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest because it will allow the benefits of the Pilot Program to continue without interruption.¹² Therefore, the Commission designates the proposal operative upon filing.¹³

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate the 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 No. SR-ISE-2007-53 on the subject line.

¹¹ As required under Rule 19b-4(f)(6)(iii), the Exchange provided the Commission with written notice of its intent to file the proposed rule change at least five business days before doing so.

¹² For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule’s impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

¹³ As set forth in the Approval Order, if the Exchange were to propose an extension, an expansion, or permanent approval of the Pilot Program, the Exchange would submit, along with any filing proposing such amendments to the program, a report that would provide an analysis of the Pilot Program covering the entire period during which the Pilot Program was in effect. The report would include, at a minimum: (1) Data and written analysis on the open interest and trading volume in the classes for which Quarterly Option Series were opened; (2) an assessment of the appropriateness of the option classes selected for the Pilot Program; (3) an assessment of the impact of the Pilot Program on the capacity of the Exchange, OPRA, and market data vendors (to the extent data from market data vendors is available); (4) any capacity problems or other problems that arose during the operation of the Pilot Program and how the Exchange addressed such problems; (5) any complaints that the Exchange received during the operation of the Pilot Program and how the Exchange addressed them; and (6) any additional information that would assist in assessing the operation of the Pilot Program. The report must be submitted to the Commission at least sixty (60) days prior to the expiration date of the Pilot Program. See Approval Order, *supra* note 5.

⁶ The Commission recently approved a similar change to the rules of the Chicago Board Options Exchange and the Philadelphia Stock Exchange. See Securities Exchange Act Releases No. 54762 (November 16, 2006), 71 FR 67663 (November 22, 2006) (Notice of Filing and Order Granting Accelerated Approval of File No. SR-CBOE-2006-93) and 55301 (February 15, 2007), 72 FR 8238 (February 23, 2007) (Notice of Filing and Immediate Effectiveness of File No. SR-Phlx-2007-08).

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(5).

⁹ 15 U.S.C. 78s(b)(3)(A).

¹⁰ 17 CFR 240.19b-4(f)(6).

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-ISE-2007-53. 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 Commissions 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, 100 F Street, NE., Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange. 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-ISE-2007-53 and should be submitted on or before August 3, 2007.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁴

Florence E. Harmon,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-56028; File No. SR-NASDAQ-2007-031]

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Order Granting Approval of a Proposed Rule Change Relating to Three-Characters Ticker Symbols

July 9, 2007.

I. Introduction

On March 29, 2007, The NASDAQ Stock Market LLC ("Nasdaq") 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 an issuer with a three-character ticker symbol that transfers its listing to Nasdaq from another listing market to continue using its three-character ticker symbol on Nasdaq. The proposed rule change was published for comment in the **Federal Register** on April 4, 2007.³

The Commission received 24 comment letters on the proposal.⁴ On

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 55563 (March 30, 2007), 72 FR 16391.

⁴ See letters from Edward J. Resch, Executive Vice President, Chief Financial Officer and Treasurer, State Street Corporation, dated May 21, 2007 ("State Street Letter"); Larry A. Mizel, Chairman and Chief Executive Officer, M.D.C. Holdings, Inc. ("MDC Letter"), dated May 17, 2007; Jack R. Hartung, Chief Finance and Development Officer, Chipotle Mexican Grill, dated May 15, 2007 ("Chipotle Letter"); Carol R. Kaufman, Sr. Vice President Legal Affairs, The Cooper Companies, Inc., dated May 14, 2007 ("Cooper Companies Letter"); Farooq Kathwari, Chairman, President and CEO, Ethan Allen Interiors, Inc., dated May 9, 2007 ("Ethan Allen Letter"); James J. Angel, Associate Professor of Finance, McDonough School of Business, Georgetown University, dated May 9, 2007 ("Angel Letter"); Jack Sennott, Senior Vice President and Chief Financial Officer, Darwin Professional Underwriters, Inc., dated May 8, 2007 ("Darwin Letter"); Bart J. Ward, Chief Executive Officer, Ward & Company, dated May 8, 2007 ("Ward Letter"); Craig D. Mallick, Corporate Secretary, United States Steel Corporation, dated May 4, 2007 ("United States Steel Letter"); Michael Tenenbaum, Trustee, Strategic Technologies Employees Pension Fund Trust, dated May 2, 2007 ("Strategic Technologies Letter"); Carrie E. Dwyer, General Counsel and Executive Vice President Corporate Oversight, The Charles Schwab Corporation ("Schwab"), dated April 27, 2007 ("Schwab Letter"); Mary Yeager, Assistant Secretary, New York Stock Exchange LLC ("NYSE"), dated April 25, 2007 ("NYSE Letter"); Patrick J. Healy, Issuer Advisory Group, dated April 24, 2007 ("Issuer Advisory Group Letter"); Neal L. Wolkoff, Chairman and Chief Executive Officer, American Stock Exchange LLC ("Amex"), dated April 16, 2007 ("Amex Letter"); Eric W. Nodiff, Sr. V.P. and General Counsel, Cantel Medical Corp., dated April 9, 2007 ("Cantel Medical Letter"); Dave Patch, dated April 6, 2007 ("Patch Letter"); Steve S. Fishman, Chairman and Chief Executive Officer,

May 1, 2007, Nasdaq filed a response to the comment letters.⁵ This order approves the proposed rule change.

II. Description of the Proposal

Historically, it has been the practice of NYSE, Amex, and the regional exchanges to list securities using three-character ticker symbols, and of Nasdaq to list securities using four- and five-character symbols.⁶ Nasdaq recently submitted a proposed rule change to begin listing Delta Financial Corp., a security that transferred its listing from Amex, while retaining its three-character symbol ("DFC").⁷

Nasdaq now proposes to allow any issuer with a three-character ticker symbol that transfers its listing to Nasdaq from another domestic listing market to continue using its three-character ticker symbol on Nasdaq.

III. Summary of Comments

Four commenters expressed support for Nasdaq's proposal;⁸ the remaining 20 commenters, including 16 issuers listed on NYSE, objected to Nasdaq listing transferred securities with their three-character ticker symbols.⁹

The commenters objecting to the proposal generally argued that the proposal would violate the long-

Big Lots, Inc., dated April 4, 2007 ("Big Lots Letter"); David M. Brain, President and CEO, Entertainment Properties Trust, dated April 3, 2007 ("Entertainment Properties Trust Letter"); Cathy Burzik, President and Chief Executive Officer, Kinetic Concepts, Inc., dated March 30, 2007 ("Kinetic Concepts Letter"); Edward W. Moore, Vice President, General Counsel & Secretary, RPM International Inc., dated March 29, 2007 ("RPM Letter"); Leo Liebowitz, Chairman and Chief Executive Officer, Getty Realty Corp., dated March 29, 2007 ("Getty Realty Letter"); Timothy J. O'Donovan, Chairman of the Board and Chief Executive Officer, Wolverine World Wide, Inc., dated March 28, 2007 ("Wolverine World Wide Letter"); Jason Korstange, SVP, Director of Corporate Communications, TCF Financial Corporation, dated March 28, 2007 ("TCF Financial Letter"); and Edward F. Tancer, Vice President & General Counsel, FPL Group, Inc., dated March 28, 2007 ("FPL Group Letter").

⁵ See letter from Joan C. Conley, Senior Vice President and Corporate Secretary, Nasdaq, to Nancy M. Morris, Secretary, Commission, dated May 1, 2007 ("Nasdaq Response Letter").

⁶ It has also been the practice of NYSE, Amex, and the regional exchanges to list securities using two-character ticker symbols. In addition, NYSE lists securities with one-character ticker symbols.

⁷ See Securities Exchange Act Release No. 55519 (March 26, 2007), 72 FR 15737 (April 2, 2007) (SR-NASDAQ-2007-025).

⁸ See Angel Letter, Schwab Letter, Issuer Advisory Group Letter, and Patch Letter.

⁹ See State Street Letter, MDC Letter, Chipotle Letter, Cooper Companies Letter, Ethan Allen Letter, Darwin Letter, Ward Letter, United States Steel Letter, Strategic Technologies Letter, NYSE Letter, Amex Letter, Cantel Medical Letter, Big Lots Letter, Entertainment Properties Trust Letter, Kinetic Concepts Letter, RPM Letter, Getty Realty Letter, Wolverine World Wide Letter, TCF Financial Letter, and FPL Group Letter.

¹⁴ 17 CFR 200.30-3(a)(12).