Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549–1090.

All submissions should refer to File No. SR–CBOE–2006–41. 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 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 No. SR–CBOE–2006–41 and should be submitted on or before July 13, 2006.

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

Nancy M. Morris,

Secretary.

[FR Doc. E6–9853 Filed 6–21–06; 8:45 am]

BILLING CODE 8010–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–54010; File No. SR–NASD–2006–076]

Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Notice of Filing of Proposed Rule Change by the National Association of Securities Dealers, Inc. To Exempt All Securities Included in the NASDAQ 100 Index From the Price Test Set Forth in NASD Rule 3350(a)

June 16, 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 June 15, 2006, the National Association of Securities Dealers, Inc. ("NASD"), through its subsidiary, The Nasdaq Stock Market, Inc. ("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. 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 the Substance of the Proposed Rule Change

Nasdaq has submitted a proposed rule change to exempt all securities included in the NASDAQ 100 Index from the price test set forth in NASD Rule 3350(a). The text of the proposed rule change is below. Proposed new language is underlined; proposed deletions are in brackets.

3350 Short Sales

(a)–(b) No Change.

(c)(1)–(9) No Change.

(10) Sales of securities included in the Nasdaq 100 Index.

(d)–(k) No Change.

* * * * *

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 proposing to amend Rule 3350(c) to create an exemption from the short sale rule for securities included in the Nasdaq 100 Index.

The NASDAQ 100 Index. First introduced in 1985, the NASDAQ–100 Index was created to track the performance of the largest non-financial companies listed on The NASDAQ Stock Market. Nasdaq states that the NASDAQ–100 Index Tracking Stock, also known as "QQQ", is the most actively traded ETF and the most actively traded listed equity security in the U.S. by average daily share trading volume. As of the end of the fourth quarter of 2005, QQQ traded an average of 90.4 million shares per day. Nasdaq notes that QQQ has grown significantly since its inception: From $14.5 million in assets at the start to $20.3 billion in assets as of December 31, 2005, and from 300,000 total shares outstanding to 501.95 million at the end of the fourth quarter of 2005.

In addition to the QQQ, Nasdaq states that nearly 150 licensees have contracted with Nasdaq to use the NASDAQ–100 and other Nasdaq indices as benchmarks for the issuing and trading of their global financial products. These third-party underwritten products, such as equity-linked notes, index warrants, certificates of deposits, leveraged products and basket securities, were sold in 32 countries and amounted to $157.05 billion in underlying notional value as of December 31, 2005.6 A total of 33 domestic and international mutual funds use this barometer index as a benchmark as well.

Nasdaq states that, as a result, the Nasdaq 100 stocks are highly liquid. For the month of April 2006, the average daily volume for that group of securities was over 880 million shares. The average daily volume of an individual Nasdaq 100 security was over 8.8 million shares and the mean daily trading value of those securities was over 3.4 million shares.

The Regulation SHO Pilot. On June 23, 2004, Commission approved new and amended short sale regulations in Regulation SHO under the Securities Exchange Act of 1934 (the "Act"). On July 28, 2004, the Commission issued an order creating a one year Pilot ("Pilot") suspending the provisions of Rule 10a–1(a) under the Act and any short sale price test of any exchange or national securities association for short sales of certain securities. The Pilot was created pursuant to Rule 202T of Regulation SHO, which established procedures to allow the Commission to temporarily suspend short sale price tests so that the Commission could study the effectiveness of short sale price tests. On April 20, 2006, the Commission issued an order extending the termination date of the Pilot to August 6, 2007, the date on which temporary Rule 202T expires.

The Pilot exempted a selected list of securities from short sale price test restrictions of SEC Rule 10a–1 and the rules of self regulatory organizations, including NASD Rule 3350. Nasdaq notes that, of the roughly 1000 such securities, roughly 47 percent are listed

[12] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

on Nasdaq and, of those, 24 currently are included in the Nasdaq 100 Index.

Rationale for Proposed Exemption. Nasdaq states that, first, the proposed exemption is consistent with the goals of short sale regulation because the stocks included in the Nasdaq 100 Index are highly liquid and not implicated by the objectives of the short sale rule. Congressional and Commission objectives included allowing relatively unrestricted short selling in an advancing market, preventing short selling at successively lower prices; and preventing short sellers from accelerating a declining market by exhausting all remaining bids at one price level. Nasdaq states that, given the highly liquid nature of securities listed in the Nasdaq 100 Index, the proposed exemption poses no risk to investors.

Nasdaq states that this conclusion is supported by the results of the Reg SHO Pilot to date. Numerous academics have used the implementation of Reg SHO as a natural experiment to study the affects of price-test exemptions on various measures of market quality and trading behavior. Nasdaq states that a recurring finding among these studies is that there is no indication that the pilot increased short-sale volume or volatility, decreased returns, or sacrificed market efficiency. Nasdaq believes that the results also show that bid-test rules had little-to-no affect on market quality or trading behavior for Nasdaq pilot stocks. Nasdaq states that this finding is consistent with the ability of short-sellers to circumvent Nasdaq's bid-test rule by routing orders to markets without short-sale restrictions.

Given the highly liquid nature of Nasdaq 100 securities and the absence of a material impact from the removal of price-based short sale restrictions on 24 of those securities, Nasdaq believes it would benefit investors to exempt the remaining stocks in the Nasdaq 100 Index. As described above, the Nasdaq 100 Index serves as the basis for billions of dollars of assets and trading in the basket of securities that make up the index. Nasdaq believes that the disparity of regulatory treatment between Nasdaq 100 securities that are included in the Pilot and those that are not is inefficient and potentially harmful to investors.

Nasdaq believes that the proposed exemption will also remove the disparity in short sale regulation that currently exists between markets. As opposed to the NASD, which has voluntarily adopted a short sale rule for Nasdaq securities, several exchanges that trade Nasdaq securities do so with no short sale regulation, encouraging market participants to route short sale orders to their markets to avoid any regulatory restriction. As a result, the level of regulatory protection an investor receives depends almost entirely on the market to which the investor's order is routed. Nasdaq believes that this disparity harms customers on all markets by forcing traders to choose between bypassing limit orders posted on Nasdaq, delaying executing those orders, or declining to execute. Nasdaq states that the proposed exemption is designed to help to alleviate these issues.

2. Statutory Basis

Nasdaq believes that the proposed rule change is consistent with the provisions of Section 15A of the Act,[3] in general, and with Section 15A(b)(5) of the Act,[4] in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, remove impediments to a free and open market and a national market system, and, in general, to protect investors and the public interest.

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 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 self-regulatory organization consents, the Commission will:

A. By order approve such proposed rule change, or

B. Institute proceedings to determine whether the proposed rule change should be disapproved.

Nasdaq has requested that this proposal be approved on an accelerated basis. Nasdaq asserts that, given the current disparity between short sale regulation on Nasdaq and the lack of short sale regulation on NYSE/Arca and the National Stock Exchange, there is no basis to conclude that this proposal will generate legitimate controversy. Nasdaq also states that these are highly active and liquid securities that do not present any of the risks commonly understood as the underpinning for short sale regulation.

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–NASD–2006–076 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–NASD–2006–076. 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 Section, 100 F Street, NE., Washington, DC 20549–1090. 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.

[3] 15 U.S.C. 78o–3.

[4] 15 U.S.C. 78o–3(b)(5).

All submissions should refer to File Number SR–NASD–2006–076 and should be submitted on or before July 13, 2006.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[5]

Nancy M. Morris,

Secretary.

[FR Doc. E6–9852 Filed 6–21–06; 8:45 am]

BILLING CODE 8010–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–53998; File No. SR–NYSE–2006–41]

Self-Regulatory Organizations; New York Stock Exchange, Inc. (n/k/a New York Stock Exchange LLC); Notice of Filing and Amendment No. 1 Thereto and Order Granting Accelerated Approval of Proposed Rule Change To List and Trade Thirty-Four WisdomTree Exchange Traded Funds

June 15, 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 May 25, 2006 the New York Stock Exchange, Inc. (n/k/a New York Stock Exchange LLC) (''NYSE'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'' or ''SEC'') the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. On June 15, 2006, the Exchange filed Amendment No. 1 to the proposed rule change.[3] 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

NYSE proposes to list and trade the following thirty-four (34) exchange traded funds (''ETFs''), which are a type of Investment Company Unit: (1) WisdomTree Europe Total Dividend Fund; (2) WisdomTree Europe High-Yielding Equity Fund; (3) WisdomTree Japan Total Dividend Fund; (4) WisdomTree Japan High-Yielding Equity Fund; (5) WisdomTree DIEFA Fund; (6) WisdomTree DIEFA High Yielding Equity Fund; (7) WisdomTree Pacific ex-Japan Dividend Fund; (8) WisdomTree Pacific ex-Japan High-Yielding Equity Fund;[4] (9) WisdomTree International LargeCap Dividend Fund; (10) WisdomTree International MidCap Dividend Fund; (11) WisdomTree International SmallCap Dividend Fund; (12) WisdomTree International Dividend Top 100 Fund; (13) WisdomTree Europe Dividend Top 100 Fund; (14) WisdomTree Europe SmallCap Dividend Fund; (15) WisdomTree Japan SmallCap Dividend Fund; (16) WisdomTree International Consumer Non-Cyclical Sector Fund; (17) WisdomTree International Basic Materials Sector Fund; (18) WisdomTree International Communications Sector Fund; (19) WisdomTree International Consumer Cyclical Sector Fund; (20) WisdomTree International Energy Sector Fund; (21) WisdomTree International Financial Sector Fund; (22) WisdomTree International Healthcare Sector Fund; (23) WisdomTree International Industrial Sector Fund; (24) WisdomTree International Technology Sector Fund; (25) WisdomTree International Utilities Sector Fund; (26) WisdomTree Emerging Markets Total Dividend Fund; (27) WisdomTree Emerging Markets High-Yielding Equity Fund; (28) WisdomTree Emerging Markets Dividend Top 100 Fund; (29) WisdomTree Latin America Dividend Fund; (30) WisdomTree Asia Emerging Markets Total Dividend Fund; (31) WisdomTree Asia Emerging Markets High-Yielding Equity Fund; (32) WisdomTree China Dividend Fund; (33) WisdomTree Hong Kong Dividend Fund; and (34) WisdomTree Singapore Dividend Fund[5] (collectively, the ''Funds'').

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 NYSE 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 NYSE 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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

NYSE states that it has adopted listing standards applicable to Investment Company Units (''ICUs'') that are consistent with the listing criteria currently used by other national securities exchanges, and trading standards pursuant to which the Exchange may either list and trade ICUs or trade such ICUs on the Exchange on an unlisted trading privileges (''UTP'') basis.[6]

The Exchange now proposes to list and trade under Section 703.16 of the NYSE Listed Company Manual (the ''Manual'') and the Exchange's Rule 1100 *et seq.* shares (''Shares'') of the Funds. The Funds are separate investment portfolios of the WisdomTree Trust (the ''Trust'').[7] Because the Funds invest in non-U.S. securities not listed on a national securities exchange or the Nasdaq Stock Market, the Funds do not meet the ''generic'' listing requirements of Section 703.16 of the Manual applicable to listing of ICUs (permitting listing in reliance upon Rule 19b–4(e) under the Act),[8] and cannot be listed without a

[5] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] In Amendment No. 1, the Exchange stated that the net asset value (''NAV'') per share for each Fund would be disseminated to all market participants at the same time.

[4] The Board of Trustees of WisdomTree Trust has approved a name change for the WisdomTree DIPR Fund and WisdomTree DIPR High-Yielding Fund to WisdomTree Pacific ex-Japan Dividend Index Fund and WisdomTree Pacific ex-Japan High-Yielding Equity Fund, respectively, as of the effective date of the Funds' Registration Statement.

[5] ''WisdomTree,'' ''WisdomTree Investments,'' ''High-Yielding Equity,'' ''Dividend Top 100,'' ''WisdomTree DIEFA,'' and ''WisdomTree DIPR'' are servicemarks of WisdomTree Investments, Inc.

[6] In 1996, the Commission approved Section 703.16 of the Manual, which sets forth the rules related to the listing of ICUs. *See* Securities Exchange Act Release No. 36923 (March 5, 1996), 61 FR 10410 (March 13, 1996) (SR–NYSE–95–23). In 2000, the Commission also approved the Exchange's generic listing standards for listing and trading, or the trading pursuant to UTP, of ICUs under Section 703.16 of the Manual and Exchange Rule 1100. *See* Securities Exchange Act Release No. 43679 (December 5, 2000), 65 FR 77949 (December 13, 2000) (SR–NYSE–00–46).

[7] The Trust will be registered under the Investment Company Act of 1940 (15 U.S.C. 80a), (the ''Investment Company Act''). On March 13, 2006, the Trust filed with the Commission a Registration Statement for certain of the Funds (Nos. 1–15) on Form N–1A under the Securities Act of 1933 (15 U.S.C. 77a), and under the Investment Company Act relating to the Funds (File Nos. 333–132380 and 811–21864) (the ''Registration Statement''). The Trust also consists of six funds that invest in indexes comprised of dividend-paying U.S. equity securities, as described in the Registration Statement. Telephone conference between Florence Harmon, Senior Special Counsel, Division of Market Regulation (''Division''), Commission, and Michael Cavalier, Assistant General Counsel, NYSE, on June 9, 2006.

On April 19, 2006, the Trust filed with the Commission an Application for Orders under sections 6(c) and 17(b) of the Investment Company Act for the purpose of exempting of all the Funds from various provisions of the Investment Company Act and the rules thereunder (the ''Application'').

[8] 15 U.S.C. 78a.