

Therefore, this filing proposes to delete CBOE Rule 8.11.

#### Interpretation .01 of CBOE Rule 15.5

This rule pertains to financial reports that each Exchange member is required to submit to the Exchange regarding certain financial information that pertains to that Exchange member. Specifically, Interpretation .01 states that an Exchange Market-Maker must submit to the Exchange a monthly report of the use of his/her credit under Section 220.4(g) of Regulation T of the Board of Governors of the Federal Reserve System ("Regulation T"). Since Section 220.4(g) was removed from Regulation T and therefore is no longer effective, this filing proposes to delete this interpretation since the underlying requirement from which it derived from no longer exists.

#### Interpretation .03 of Rule 15.5

This filing proposes to add an interpretation to Rule 15.5 that pertains to annual FOCUS filers to clarify how certain FOCUS filers may file their annual FOCUS report with the Exchange. Specifically, Interpretation .03 proposes to clarify that an Exchange member who files an annual FOCUS report and who is not net capital computing has the option to file the annual FOCUS report by (i) sending a hard copy to the Exchange's Department of Member Firm Regulation ("DMFR") or (ii) filing it electronically with DMFR.

#### 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,<sup>6</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>7</sup> in particular, in that in that it should promote just and equitable principles of trade, serve 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.

#### 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

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

Because the foregoing proposed rule change does not:

- (i) Significantly affect the protection of investors or the public interest;
- (ii) Impose any significant burden on competition; and
- (iii) Become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest, it has become effective pursuant to Section 19(b)(3)(A) of the Act,<sup>8</sup> and Rule 19b-4(f)(6) thereunder.<sup>9</sup>

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:

##### Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-CBOE-2007-33 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-CBOE-2007-33. 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 number SR-CBOE-2007-33 and should be submitted by or before May 18, 2007.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>10</sup>

**Florence E. Harmon,**  
Deputy Secretary.

[FR Doc. E7-8056 Filed 4-26-07; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55652; File No. SR-NASDAQ-2007-021]

### Self-Regulatory Organizations; The NASDAQ Stock Market, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule To Describe How a Failure To Comply With Nasdaq's Requirements Concerning Direct Registration Programs Is Treated

April 20, 2007.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on March 6, 2007, The NASDAQ Stock Market, LLC ("Nasdaq") filed with the Securities and Exchange Commission ("Commission") the proposed rule change described in Items I, II, and III below, which items have been prepared primarily by Nasdaq. Nasdaq filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>2</sup> and

<sup>8</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>9</sup> 17 CFR 240.19b-4(f)(6). The Commission notes that the Exchange satisfied the pre-filing five-day notice requirement.

<sup>10</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>6</sup> 15 U.S.C. 78f(b).

<sup>7</sup> 15 U.S.C. 78f(b)(5).

Rule 19b-4(f)(6)<sup>3</sup> thereunder so that the proposal was effective upon filing with the Commission.<sup>4</sup> The Commission is publishing this notice to solicit comments on the rule change from interested parties.

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

The purpose of the rule change is to describe how a failure to comply with Nasdaq's requirements concerning direct registration programs is to be treated.

### **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 these statements.<sup>5</sup>

#### *(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change*

##### **1. Purpose**

Nasdaq recently adopted a requirement that listed securities be eligible to participate in a direct registration program.<sup>6</sup> In that filing, Nasdaq inadvertently failed to modify its procedural rules to govern how a failure to comply with the new requirement would be treated. This filing addresses that oversight by including the direct registration requirement in the list of deficiencies where Nasdaq staff will accept a plan to regain compliance for the company. As such, if a company is not eligible for a direct registration program, Nasdaq staff would review the company's plan to

regain compliance and could allow to company up to 105 days from the date that Nasdaq notifies the company of the deficiency to regain compliance.<sup>7</sup> If staff does not accept the company's plan or the company does not comply in the time allowed by the staff, Nasdaq would issue a delisting letter that could be appealed under Nasdaq Rule 4805(a).

##### **2. Statutory Basis**

Nasdaq believes that the proposed rule change is consistent with the provisions of Section 6 of the Act<sup>8</sup> and with Section 6(b)(5) of the Act<sup>9</sup> in particular because the proposed rule 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. The proposed rule change clarifies how Nasdaq will treat non-compliance with its 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, 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**

The foregoing proposed rule change has become effective upon filing pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>10</sup> and Rule 19b-4(f)(6)<sup>11</sup> thereunder because it: (i) Does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of filing or such shorter time as the Commission may designate if

consistent with the protection of investors and the public interest.

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.

Nasdaq requested that the Commission waive the thirty-day operative delay contained in Rule 19b-4(f)(6)(iii) under the Act.<sup>12</sup> Because this proposed rule rectifies an oversight to update Nasdaq procedural rules to govern how a failure to comply with a new substantive requirement would be treated, the Commission believes waiver of the thirty-day operative delay is consistent with the protection of investors and the public interest. Accordingly, the Commission designated the proposal to be effective and operative upon filing with the Commission.<sup>13</sup>

### **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](mailto:rule-comments@sec.gov). Please include File Number SR-NASDAQ-2007-021 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-2007-021. 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

<sup>3</sup> 17 CFR 240.19b-4(f)(6).

<sup>4</sup> Nasdaq gave the Commission written notice of its intention to file the proposed rule change on March 2, 2007. The Commission reviewed the proposed rule change and gave Nasdaq permission to file the proposed rule change on March 6, 2007. Nasdaq has asked the Commission to waive the 30-day pre-operative waiting period. See Rule 19b-4(f)(6). 17 CFR 240.19b-4(f)(6).

<sup>5</sup> The Commission has modified the text of the summaries prepared by Nasdaq.

<sup>6</sup> Securities Exchange Act Release No. 54288 (August 8, 2006), 71 FR 47276 (August 16, 2006) (SR-NASDAQ-2006-008). These rules became effective for new listings beginning on January 1, 2007, and will become effective for all companies on January 1, 2008.

<sup>7</sup> Nasdaq Rule 4803(b).

<sup>8</sup> 15 U.S.C. 78f.

<sup>9</sup> 15 U.S.C. 78f(b)(5).

<sup>10</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>11</sup> 17 CFR 240.19b-4(f)(6).

<sup>12</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>13</sup> For purposes only of waiving the thirty-day operative delay of this proposal, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

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. Copies of such filings also will be available for inspection and copying at the principal office of Nasdaq and on Nasdaq's Web site at [http://www.complinet.com/file\\_store/pdf/rulebooks/NASDAQ\\_SR-NASDAQ-2007-021.pdf](http://www.complinet.com/file_store/pdf/rulebooks/NASDAQ_SR-NASDAQ-2007-021.pdf). 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-2007-021 and should be submitted on or before May 18, 2007.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>14</sup>

**Florence E. Harmon,**  
Deputy Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55656; File No. SR-NYSE-2007-15]

### Self-Regulatory Organizations; New York Stock Exchange LLC; Order Approving Proposed Rule Change Regarding the Amendment of NYSE Rule 300 Relating to Trading Licenses

April 23, 2007.

On February 13, 2007, the New York Stock Exchange LLC ("NYSE" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to amend NYSE Rule 300 relating to trading licenses to charge a premium of \$5,000, for a total annualized rate of \$55,000, for those trading licenses purchased after the annual application period. The proposed rule change was published for comment in the **Federal**

**Register** on March 5, 2007.<sup>3</sup> The Commission received no comments regarding the proposal.

The Exchange previously required the payment of a 10% premium to encourage participation in its "Dutch" auction method of allocating trading licenses, but recently eliminated this premium when it adopted a fixed \$50,000 annual fee for each trading license.<sup>4</sup> The Exchange believes that the 10% premium for licenses purchased after the annual application period will provide the Exchange with greater predictability regarding the number of trading licenses issued. The Exchange represents that this predictability not only facilitates business planning and administration by member organizations and the NYSE, but also reduces both business and regulatory systems changes to reflect fluctuations in trading licenses issued. The Exchange confirms that, during the December 2006 trading license application period, it notified its members of its intent to submit a rule filing to apply the proposed premium for trading licenses purchased after the application period.<sup>5</sup> The Exchange also confirms that the premium will only be effective for trading licenses purchased after the approval of this proposed rule change.<sup>6</sup>

The Commission finds that the proposed rule change is consistent with the Act, and particularly with Section 6(b)(4)<sup>7</sup> of the Act, which requires that an exchange have rules that provide for the equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons using its facilities.<sup>8</sup> The Commission believes that the Exchange's proposed 10% premium for trading licenses purchased after the annual application period is reasonable and should help facilitate the Exchange's administration of trading licenses and member organizations' business planning with respect to the issuance of trading licenses.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>9</sup> that the

<sup>3</sup> See Securities Exchange Act Release No. 55345 (February 26, 2007), 72 FR 9816.

<sup>4</sup> See Securities Exchange Act Release No. 54998 (December 21, 2006), 71 FR 78496 (December 29, 2006) (SR-NYSE-2006-98).

<sup>5</sup> E-mail communication between Leah Mesfin, Special Counsel, Division of Market Regulation, Commission, and Janet Kissane, Vice President and Associate General Counsel, NYSE, on April 13, 2007.

<sup>6</sup> *Id.*

<sup>7</sup> 15 U.S.C. 78f(b)(4).

<sup>8</sup> 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).

<sup>9</sup> 15 U.S.C. 78s(b)(2).

proposed rule change (SR-NYSE-2007-15) be, and hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>10</sup>

**Florence E. Harmon,**  
Deputy Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55653; File No. SR-OCC-2006-09]

### Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing of a Proposed Rule Change Relating to Choice of Law and Forum Selection

April 20, 2007.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on May 22, 2006, The Options Clearing Corporation ("OCC") filed with the Securities and Exchange Commission ("Commission") and on December 12, 2006, amended the proposed rule change as described in Items I, II, and III below, which items have been prepared primarily by OCC. 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 proposed rule change would provide for the addition of new general choice of law and forum selection provisions to OCC's By-Laws.

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

In its filing with the Commission, OCC 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. OCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.<sup>2</sup>

<sup>10</sup> 17 CFR 200.30-3(a)(12); 17 CFR 200.30-3(a)(44).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> The Commission has modified parts of these statements.

<sup>14</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.