

Option Pilot Program and requests that the Commission extend the IWM Option Pilot Program for an additional six-month time period, through January 18, 2008.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,¹⁰ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹¹ in particular, because it is designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts and practices, and, in general, to protect investors and the public interest.

B. Self-Regulatory Organization's Statement on Burden on Competition

CBOE does not believe that the proposed rule change would impose any burden on competition 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 written comments with respect to the proposed rule change.

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

Because the 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 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), the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act¹² and subparagraph (f)(6) of Rule 19b-4 thereunder.¹³

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 the 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-2007-61 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-2007-61. 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 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-2007-61 and should be submitted on or before July 18, 2007.

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

Florence E. Harmon,

Deputy Secretary.

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¹⁴ 17 CFR 200.30-3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55936; File No. SR-ISE-2007-32]

Self-Regulatory Organizations; International Securities Exchange, LLC; Notice of Filing of Proposed Rule Change and Amendment No. 1 Thereto Relating To Removing Certain Rules From Its Rulebook

June 21, 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 May 9, 2007, the International Securities Exchange, LLC (the "Exchange" or the "ISE") 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 substantially prepared by the Exchange. On June 8, 2007, ISE filed Amendment No. 1 to the proposed rule change.³ 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

The Exchange proposes to remove certain inconsequential ISE rules for which there is no corresponding National Association of Securities Dealers ("NASD") rule. The text of the proposed rule change is below. Proposed new language is *in italics*; proposed deletions are enclosed in brackets.

* * * * *

Rule 403. *Reserved.*[Nominal Employment

No Member may employ any person in a nominal position on account of business obtained by such person.]

Rule 605. *Reserved.*[Other Affiliations of Registered Persons

Except with the express written permission of the Exchange, every registered person shall devote his entire time during business hours to the business of the Member employing him, or to the business of its affiliates that are engaged in the transaction of business as a broker or dealer in securities or commodities or in such other businesses as have been approved by the Member's designated examining authority.]

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Amendment No. 1 is incorporated in this notice.

¹⁰ 15 U.S.C. 78f(b).

¹¹ 15 U.S.C. 78f(b)(5).

¹² 15 U.S.C. 78s(b)(3)(A).

¹³ 17 CFR 240.19b-4(f)(6).

Rule 615. *Reserved.*[Addressing of Communications to Customers

No Member shall address any communications to a customer in care of any other person unless either (i) the customer, within the preceding twelve (12) months, has instructed the Member in writing to send communications in care of such other persons, or (ii) duplicate copies are sent to the customer at some other address designated in writing by him.]

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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 rescind certain inconsequential ISE rules. The Exchange has recently entered into an amended and restated 17d-2 Agreement with the National Association of Securities Dealers ("NASD"), whereby the NASD has assumed regulatory and enforcement responsibilities for dual members with respect to common rules delineated in the Agreement.⁴ During the course of amending this Agreement, the Exchange came across some common rules that the ISE needed to amend in order to conform the language to the corresponding NASD rule⁵ and a few rules which are not common to the NASD rules and are not specific to or necessary for the Exchange's marketplace or membership. Accordingly, the Exchange proposes to remove the following rules from its rulebook: Rule 403 (Nominal Employment), Rule 605 (Other

⁴ See Securities Exchange Act Release No. 55367 (February 27, 2007), 72 FR 9983 (March 6, 2007) (Order approving and declaring effective a plan for the allocation of regulatory responsibilities between ISE and NASD).

⁵ See Securities Exchange Act Release No. 55751 (May 11, 2007), 72 FR 27884 (May 17, 2007) (Proposal to amend ISE rules to conform such rules to their corresponding NASD rules).

Affiliations of Registered Persons), and 615 (Addressing of Communications to Customers).

The Exchange seeks to rescind Rule 403 (Nominal Employment) because the rule is narrowly drafted to prohibit members from obtaining business by employing a person in a nominal position. The Exchange believes that Rule 406 (Gratuities) better addresses this issue by prohibiting a member from giving any compensation or gratuities in any one year in excess of \$100 to any employee of any other member or of any non-member broker, dealer, bank or institution, without the prior consent of the employer and of the Exchange.

Additionally, the Exchange seeks to rescind Rule 605 (Other Affiliations of Registered Persons) because the Exchange believes it is an antiquated rule and due to significant changes in market structure, the Exchange no longer believes it necessary to limit registered persons activities during business hours. Further, the NASD has no comparable rule and, as discussed above, the Exchange has entered into a 17d-2 Agreement with the NASD to monitor and enforce common rules, including, but not limited to, rules governing Registered Persons.

Lastly, the Exchange seeks to rescind Rule 615 (Addressing of Communications to Customers) because the Exchange believes that broker-dealers that do a public business are better equipped to set their own policies and procedures governing communications with customers that are applicable to their business. Pursuant to ISE Rule 2114 (Doing Business with the Public) ISE members that do business with the public are required to also be a member of the NASD. The NASD requires broker-dealers to have written supervisory procedures covering areas such as, communications with the public and customer account statements. Additionally, those members must also comply with NASD rules, which the Exchange believes sufficiently address this topic.

2. Statutory Basis

The basis under the Exchange Act for this proposed rule change is found in Section 6(b)(5).⁶ Specifically, the Exchange believes the proposed rule change is consistent with Section 6(b)(5) requirements that the rules of an exchange be designed to promote just and equitable principles of trade, serve to remove impediments to and perfect the mechanism for a free and open market and a national market system,

⁶ 15 U.S.C. § 78f(b).

and, in general, to protect investors and the public interest.

B. Self-Regulatory Organization's Statement on Burden on Competition

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

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 Exchange consents, the Commission will:

- (A) By order approve such proposed rule change, as amended, or
- (B) Institute proceedings to determine whether the proposed rule change, as amended, should be disapproved.

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-ISE-2007-32 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-ISE-2007-32. This file number should be included in 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 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 the File Number SR-ISE-2007-32 and should be submitted on or before July 18, 2007.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁷

Florence E. Harmon,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55924; File No. SR-NASDAQ-2007-050]

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change and Amendment No. 1 To Modify the Minimum Shareholder Requirement for Initial Listing on the Nasdaq Global Select Market

June 19, 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 May 10, 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 substantially prepared by Nasdaq. On June 19, 2007, Nasdaq filed Amendment No. 1 to the proposed rule change.³ Nasdaq has filed this proposal pursuant to Section 19(b)(3)(A) of the Act⁴ and Rule 19b-4(f)(6) thereunder,⁵ which renders it effective upon filing with the Commission. The Commission is publishing this notice, as amended, 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 proposes to modify the minimum shareholder requirement for initial listing on the Nasdaq Global Select Market.

The text of the proposed rule change is below. Proposed new language is in italics; proposed deletions are in brackets.⁶

* * * * *

4426. Nasdaq Global Select Market Listing Requirements

- (a) No change.
- (b) Liquidity Requirements
 - (1) The security must demonstrate either:
 - (A)-(B) No change.
 - (C) A minimum of 450 beneficial *round lot* shareholders[, in the case of:
 - (i) An issuer listing in connection with a court-approved reorganization under the federal bankruptcy laws or comparable foreign laws; or
 - (ii) An issuer that is affiliated with another company listed on the Global Select Market].
 - (2)-(3) No change.
 - (c)-(f) 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.

³ Partial Amendment No. 1 replaced a footnote in the original filing. See *infra* note 8.

⁴ 15 U.S.C. 78s(b)(3)(A).

⁵ 17 CFR 240.19b-4(f)(6).

⁶ Changes are marked to the rule text that appears in the electronic manual of Nasdaq found at <http://www.complinet.com/nasdaq>.

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

1. Purpose

Rule 4426(b) sets forth the liquidity requirements for the Nasdaq Global Select Market. Among the requirements set out in that rule is the requirement that for initial listing on the Global Select Market, a security must have either (i) 2,200 beneficial shareholders or (ii) 550 beneficial shareholders and a minimum trading volume of at least 1.1 million shares per month over the prior year. In addition, companies listing in connection with a court-approved reorganization and companies affiliated with other Global Select Market companies can list on the Global Select Market if their security has a minimum of 450 beneficial shareholders.

These requirements for the Global Select Market were adopted to be similar to, but higher than, the requirements for initial listing on the New York Stock Exchange ("NYSE"). In August 2006, the NYSE revised its listing standards to reduce the required number of round lot holders for initial listing from 2,000 to 400.⁷ The NYSE stated that it made this change based on changes in the composition of the investor population in the time since it adopted the 2,000 holder requirement, such that fewer shareholders are necessary to provide liquidity in a security.

Given the change to the NYSE requirements, Nasdaq now proposes to modify the liquidity requirement for the Global Select Market to permit a security to list if the security has a minimum of 450 beneficial round lot shareholders and satisfies the other requirements for initial listing.⁸ Nasdaq notes that this requirement remains higher than the revised NYSE requirement and the requirement for listing on the Nasdaq Global Market. Given Nasdaq's experience with the 400 round lot holder requirement for initial and continued listing on the Nasdaq

⁷ See Securities Exchange Act Release No. 54350 (August 22, 2006), 71 FR 51259 (August 29, 2006) (SR-NYSE-2006-64).

⁸ In addition to the proposed criteria described above, Nasdaq would maintain the existing alternative criteria to permit listing a security that has either: (i) 2,200 beneficial shareholders; or (ii) 550 beneficial shareholders and a minimum trading volume of at least 1.1 million shares per month over the prior year. Nasdaq proposes to eliminate the alternative requirement for companies emerging from bankruptcy or affiliated with another listed company. Thus, as proposed, all companies, including companies emerging from bankruptcy and companies affiliated with another listed company, would be required to meet one of the three alternative standards.

⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.