

the continuous quoting obligation of e-DPMs<sup>4</sup> and Lead Market-Makers in Hybrid option classes.<sup>5</sup> Specifically, CBOE proposes to reduce the continuous electronic quoting obligation of DPMs from 100% to at least 90% of the series of each multiply-listed option class allocated to it.

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange.<sup>6</sup> In particular, the Commission believes that the proposed rule change is consistent with section 6(b)(5) of the Act,<sup>7</sup> in that it is designed to promote just and equitable principles of trade, 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 Commission believes that the Exchange's proposal to reduce the continuous electronic quoting obligation of DPMs from 100% to at least 90% of the series of each multiply-listed option class allocated to it is appropriate given the reduction in benefits afforded to DPMs.

*It is therefore ordered*, pursuant to section 19(b)(2) of the Act,<sup>8</sup> that the proposed rule change (SR-CBOE-2007-134) be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>9</sup>

**Florence E. Harmon,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-57105; File No. SR-NASDAQ-2007-100]

### Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing of a Proposed Rule Change To Nasdaq's Rule 7033 to Modify the Fees Charged for the Mutual Fund Quotation Service and to Correct Certain Errors in the Rule Manual

January 4, 2008.

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> notice is hereby given that on December 19, 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. 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

Nasdaq proposes to modify the fees charged for the Mutual Fund Quotation Service ("MFQS") and to correct certain errors in the rule manual. The text of the proposed rule change is available at <http://www.nasdaq.complinet.com>, the principal offices of Nasdaq, 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 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 seeks retroactive approval for the implementation of MFQS fees previously approved when MFQS was operated as a facility of The National

Association of Securities Dealers ("NASD") but not transferred to the corresponding Nasdaq rule when Nasdaq commenced operations as a national securities exchange on August 1, 2006. Nasdaq is also seeking approval effective on January 1, 2008, for changes to eliminate the fee differential between News Media and Supplemental listings.

SR-NASD-2003-52

Subsection (e) of NASD Rule 7090 was approved by the Commission in connection with its approval of SR-NASD-2003-52 effective as of August 7, 2003.<sup>3</sup> That subsection, although approved, was inadvertently omitted from the NASD's online manual. On August 1, 2006, Nasdaq formally separated from NASD. As Nasdaq prepared to begin operating as an independent national securities exchange in 2006, it replicated sections of the NASD rule manual and proposed that they be included in the new Nasdaq rule manual in the same form.<sup>4</sup> Due to the inadvertent omission of subsection (e) of Rule 7090 from the NASD manual, Nasdaq failed to include that subsection in its manual (as Rule 7033). Nasdaq proposes to rectify that omission through the current rule proposal, retroactive to its separation date of August 1, 2006.

###### New Uniform Pricing

Nasdaq seeks to change the fees charged for the News Media and Supplemental Lists to reflect a conformity of effort by Nasdaq in providing both services. MFQS was created to collect and disseminate data pertaining to the value of open-end and closed-end mutual funds, money market funds, and unit investment trusts. MFQS has two "lists" in which a fund or trust may be included: (1) The News Media List and (2) the Supplemental List. The listing requirements for the News Media List are different than the listing requirements for the Supplemental List, so a fund will only qualify for one list or the other. If a fund or trust is listed on the News Media List, pricing information about the fund or trust is eligible for inclusion in the fund/trust tables of newspapers and is also eligible for dissemination over Nasdaq's Mutual Fund Dissemination Service ("MFDS") data feed, which is distributed to market data vendors. If the fund or trust is listed on the Supplemental List, the pricing information about the fund or trust

<sup>3</sup> Securities Exchange Act Release No. 48279 (August 1, 2003), 68 FR 47121 (August 7, 2003) (SR-NASD-2003-52).

<sup>4</sup> Securities Exchange Act Release No. 53128 (January 13, 2006), 71 FR 3550 (January 23, 2006).

<sup>4</sup> See CBOE Rule 8.93.

<sup>5</sup> See CBOE Rule 8.15A. The Commission notes that the Exchange is not proposing to change the continuous electronic quoting obligation of DPMs in classes listed solely on CBOE.

<sup>6</sup> In approving this rule, 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>7</sup> 15 U.S.C. 78f(b)(5).

<sup>8</sup> 15 U.S.C. 78s(b)(2).

<sup>9</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.

generally is not included in newspaper fund/trust tables, but is disseminated over Nasdaq's MFDS data feed.

Historically, Nasdaq spent more time and effort compiling and disseminating the News Media List, which justified its higher fee. Over time, Nasdaq has enhanced its processes and technology; as a result, the effort it takes to compile the two lists generally is the same. Nasdaq follows similar processes in the development of the Lists: both require the same processing to set up, both are disseminated to the public over the same data feed using the same message formats, and both require the same technical support. Given the uniformity of effort, Nasdaq believes that the pricing distinction between the two Lists is no longer valid and seeks with this filing to establish a uniform price for both. The new uniform price represents a decrease in fees for the News Media List and an increase for the Supplemental List, which reflects Nasdaq's enhanced system and extended reporting session.

With this filing, Nasdaq seeks to raise the Supplemental List fee by \$100 and lower the News Media List by \$25 as compared to the fees currently being charged, effective on January 1, 2008. The increase reflects additional services rendered in providing the Supplemental List, and the decrease is for sake of conformity. Fees were last raised over two years ago.

## 2. Statutory Basis

Nasdaq believes that the proposed rule change is consistent with section 6(b) of the Act<sup>5</sup> in general, and with section 6(b)(4) of the Act,<sup>6</sup> in particular, in that the proposal 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 Nasdaq operates or controls. The proposed rule change establishes new uniform MFQS fees based on increased services rendered and uniformity of effort, and also corrects certain errors in the rule manual on a retroactive basis.

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

Nasdaq does not believe that the proposed rule change will 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*

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 Nasdaq 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.

### **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-2007-100 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-NASDAQ-2007-100. 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 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 publicly available. All submissions should refer to File Number SR-NASDAQ-2007-100 and should be submitted on or before February 4, 2008.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>7</sup>

**Florence E. Harmon,**

*Deputy Secretary.*

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## **SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-57111; File No. SR-Phlx-2008-01]**

### **Self-Regulatory Organizations; Philadelphia Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Expand and Permanently Adopt the \$1 Strike Pilot Program**

January 8, 2008.

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> notice is hereby given that on January 3, 2008, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") 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. Phlx filed the proposal pursuant to section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b-4(f)(6) thereunder,<sup>4</sup> which renders the proposal effective upon filing with the Commission.<sup>5</sup> The

<sup>7</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.

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

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

<sup>5</sup> The Exchange previously filed a proposed rule change that was identical in all material respects to the instant proposal pursuant to section 19(b)(1) of the Act and Rule 19b-4 thereunder. See Securities Exchange Act Release No. 57086 (January 2, 2008)

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

<sup>6</sup> 15 U.S.C. 78f(b)(4).