

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 MSRB. 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-MSRB-2007-06 and should be submitted on or before April 23, 2008.

VII. Conclusion

On the basis of the foregoing, the Commission finds that the proposed rule change is consistent with the requirements of the Act and in particular Section 15B(b)(2)(C) of the Act and the rules and regulations thereunder.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,²³ that the proposed rule change (SR-MSRB-2007-06), as modified by Amendment Nos. 1 and 2, be, and it hereby is, approved on an accelerated basis from March 31, 2008 to March 31, 2009, subject to earlier termination upon Commission consideration and approval, pursuant to Section 19(b) of the Act, of a permanent system.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁴

Florence E. Harmon,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-57574; File No. SR-NSX-2008-08]

Self-Regulatory Organizations; National Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Extend the Effective Period for Rule 2.12, Regarding Third-Party Routing Services in Respect of Orders Entered into NSX BLADE

March 27, 2008.

Pursuant to Section 19(b)(3)(A) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on March 24, 2008, the National Stock Exchange, Inc. ("NSX" 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 prepared by the Exchange. The Exchange filed the proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act³ and Rule 19b-4(f)(6) thereunder.⁴ The Commission is publishing this notice to solicit comment 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 the effective period for Rule 2.12, which describes the terms under which the Exchange provides routing services procured from a third party with respect to orders entered into its trading system, NSX BLADE. The Exchange is also proposing to extend the delay in effectiveness of Rule 2.11, which relates to the outbound routing function of the Exchange's affiliate, NSX Securities, LLC ("NSX Securities").

The text of the proposed rule change is available on the Exchange's Web site at <http://www.nsx.com>, at the principal office of the Exchange, 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 parts 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 amend Exchange Rules 2.11 and 2.12 to extend the effective period for Rule 2.12 (relating to the Exchange's use of a third party to provide outbound routing of orders from the Exchange to other trading centers ("Routing Services")) through September 30, 2008, and to delay the effectiveness of Rule 2.11 (relating to the outbound routing function of the Exchange's affiliate, NSX Securities) until October 1, 2008.

Rule 2.11 provides for certain terms and conditions under which NSX Securities, an affiliate of the Exchange, will provide Routing Services. Rule 2.11 was approved by the Commission in connection with the approval of the Exchange's new trading rules relating to NSX BLADE on August 31, 2006.⁵ The Exchange filed and received approval for the addition of Rule 2.12, which provides for terms and conditions of the Exchange's use of a third party to provide Routing Services.⁶ The Exchange subsequently filed to extend the effective period for Rule 2.12.⁷

Rule 2.12 currently is effective through March 31, 2008, with Rule 2.11 becoming effective on April 1, 2008. In connection with the rule filing adding Rule 2.12,⁸ the Exchange requested this finite period of effectiveness so that the Exchange could offer routing services through NSX BLADE while NSX Securities completed its registration process as a broker-dealer with the National Association of Securities Dealers, Inc. (and thus became available to provide routing services),⁹ and while

⁵ See Securities Exchange Act Release No. 54391, 71 FR 52836 (September 7, 2006) (SR-NSX-2006-08).

⁶ See Securities Exchange Act Release No. 54808 (November 21, 2006), 71 FR 69163 (November 29, 2006) (SR-NSX-2006-15).

⁷ See Securities Exchange Act Release Nos. 55624 (April 12, 2007), 72 FR 19732 (April 19, 2007) (SR NSX 2007-04); 56067 (July 13, 2007), 72 FR 39650 (July 19, 2007) (SR-NSX-2007-08); and 56587 (October 1, 2007), 72 FR 57087 (October 5, 2007) (SR-NSX-2007-10).

⁸ See Securities Exchange Act Release No. 54808 (November 21, 2006), 71 FR 69163 (November 29, 2006) (SR-NSX-2006-15).

⁹ In January 2007, NSX Securities' application for registration as a broker-dealer was approved by the

²³ 15 U.S.C. 78s(b)(2).

²⁴ 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).

the Exchange evaluated its options for providing routing services to ETP Holders.

In the instant rule filing, the Exchange is proposing to extend the effectiveness of Rule 2.12 through September 30, 2008,¹⁰ and to delay the effectiveness of Rule 2.11 until October 1, 2008, in order to allow the Exchange more time to evaluate its options for providing routing services to ETP Holders and make any system changes, if necessary. The ability to route orders entered into NSX BLADE to away markets for execution at the best available prices is a key feature of NSX's new system.

The Exchange intends to provide routing services in accordance with Rule 2.12 until September 30, 2008, unless the Exchange, with the Commission's approval, amends Rule 2.12 before such date. During such time period, the Exchange intends to evaluate its options for providing routing services and make any necessary system changes. At the conclusion of such time period, the Exchange may decide to (i) Continue the approach provided for in Rule 2.12 on a permanent basis, and not use NSX Securities as the outbound router (by filing a proposed rule change to delete Rule 2.11 and renumbering Rule 2.12); (ii) use the Exchange's original approach of NSX Securities as an outbound router and discontinue the approach provided for in Rule 2.12 (by filing a proposed rule change to delete Rule 2.12); or (iii) file a proposed rule change to allow ETP Holders to use either NSX Securities or the approach provided for in proposed Rule 2.12 for outbound routing.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6(b) of the Act,¹¹ in general, and Section 6(b)(5) of the Act,¹² in particular, which requires, among other things, that the rules of an exchange be 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.

¹⁰ National Association of Securities Dealers, Inc. To date, the Exchange has not used NSX Securities for routing services.

¹¹ The Exchange is requesting an additional six month extension as an outer time limit so as to limit the need for any further extensions.

¹² 15 U.S.C. 78f(b).

¹³ 15 U.S.C. 78f(b)(5).

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

The Exchange does not believe that the proposed rule change will impose any inappropriate burden on competition.

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

The Exchange has neither solicited nor received written comments on the proposed rule change.

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

Because the foregoing rule 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, provided that the self-regulatory organization has given the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change or such shorter time as designated by the Commission,¹³ the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act¹⁴ and Rule 19b-4(f)(6) thereunder.¹⁵ 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.

Under Rule 19b-4(f)(6) of the Act,¹⁶ the proposal does not become operative for 30 days after the date of its filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest. The Exchange has requested that the Commission waive the 30-day operative delay, so that the proposal may take effect upon filing, which will allow Rule 2.12 to remain in effect, and the effectiveness of Rule 2.11 to continue to be delayed, without interruption. The Commission believes that the proposal raises no new issues and that waiver of the 30-day operative delay is consistent with the protection

of investors and the public interest. Accordingly, the Commission hereby waives the 30-day operative delay so that the proposal may take effect upon filing.¹⁷

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-NSX-2008-08 on the subject line.

Paper Comments

- Send paper comments in triplicate to Nancy Morris, Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-NSX-2008-08. 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, 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 NSX. 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

¹⁷ For purposes only of waiving the 30-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).

¹³ NSX fulfilled this requirement.

¹⁴ 15 U.S.C. 78s(b)(3)(A).

¹⁵ 17 CFR 240.19b-4(f)(6).

¹⁶ *Id.*

should refer to File Number SR–NSX–2008–08 and should be submitted on or before April 23, 2008.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁸

Florence E. Harmon,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–57567; File No. SR–Phlx–2008–25]

Self-Regulatory Organizations; Philadelphia Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to the Implementation of Phase II of the Penny Pilot Program

March 26, 2008.

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 March 20, 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, II, and III below, which Items have been substantially prepared by the Phlx. The Exchange has designated this proposal as one constituting a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule under Section 19(b)(3)(A)(i) of the Act³ and Rule 19b–4(f)(1) thereunder,⁴ which renders the proposal 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 Phlx proposes to implement Phase II of a pilot program (the “pilot”) that permits certain options series to be quoted and traded in increments of \$0.01. Phase II will include all options included in the current pilot, together with additional options, as described more fully below. Phase II of the pilot (“Phase II”) will extend through March 27, 2009.

The text of the proposed rule change is available on the Exchange’s Web site (<http://www.Phlx.com/exchange/phlx-rule-fil.htm>), at the Phlx, 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 Phlx 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 Phlx 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 purpose of the proposed rule change is to implement Phase II of the pilot. The Exchange believes that including additional options to the pilot should provide greater breadth and depth of experience in quoting and trading options series in increments of \$0.01, and should therefore enable the Exchange and the Commission to better analyze the impact of the pilot on the options marketplace.

All series in options included in the pilot trading at a price of less than \$3.00 are currently quoted and traded in minimum increments of \$0.01, and pilot options with a price of \$3.00 or higher are currently quoted and traded in minimum increments of \$0.05, except that options overlying the PowerShares QQQ Trust (“QQQQ”) are quoted and traded in minimum increments of \$0.01 for all series regardless of the price.

The pilot began on January 26, 2007,⁵ was thereafter extended through September 27, 2007,⁶ and was then extended and expanded to include additional options.⁷ Phase I of the expansion, which began on September 28, 2007, added 22 options that are among the most actively traded,

⁵ See Securities Exchange Act Release No. 55153 (January 23, 2007), 72 FR 4553 (January 31, 2007) (SR–Phlx–2006–74). In that filing, the Exchange also made conforming amendments to various Exchange rules in order to be consistent with the pilot.

⁶ See Securities Exchange Act Release No. 56141 (July 24, 2007), 72 FR 42216 (August 1, 2007) (SR–Phlx–2007–53).

⁷ See Securities Exchange Act Release No. 56563 (September 27, 2007), 72 FR 56429 (October 3, 2007) (SR–Phlx–2007–62).

multiply-listed options based on average daily volume, and together with the original 13 options in the initial pilot, represented approximately 35% of the total industry volume. A list of all pilot options was communicated to membership via Exchange circular for the initial pilot and for Phase I.

The Exchange now proposes to implement Phase II of the expansion. Phase II will begin March 28, 2008, and will extend for one year, through March 27, 2009. Phase II will add 28 options to the pilot, bringing the total number of options included in the pilot to 63. An Exchange Circular, attached as Exhibit 2 to the proposed rule change, identifies these additional underlying securities.⁸

Again, all penny options in Phase II will trade in \$0.01 increments in series trading below \$3.00, and in \$0.05 increments in series trading at \$3.00 and above. Options on QQQQ will continue to trade in increments of \$0.01 for all series.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act⁹ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹⁰ in particular, 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, by expanding the pilot to include more options series.

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

The Exchange 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

No written comments were either solicited or received.

⁸ The Exchange Circular attached as Exhibit 2 to the proposal contained an inaccurate date. The Exchange has represented that it will correct this inaccuracy before the Exchange Circular is circulated. Telephone conversation between Richard Rudolph, Vice President and Counsel, Phlx, and Jennifer Colihan, Special Counsel, Division of Trading and Markets, Commission, on March 26, 2008.

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

¹⁸ 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)(i).

⁴ 17 CFR 240.19b–4(f)(1).