

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55061A; File No. SR-
NASDAQ-2006-061]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the NASDAQ Stock Market LLC To Codify Sponsored Access Rule

January 31, 2007.

Correction

In FR Document No. E7-543, beginning on page 2052 for Wednesday, January 17, 2007, the first paragraph is revised to read as follows:

“Pursuant to the provisions of Section 19(b)(1) under the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on December 20, 2006, 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 by Nasdaq. Nasdaq filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act,³ and Rule 19b-4(f)(6) 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.”

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

Florence E. Harmon,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55210; File No. SR-NYSE-
2007-08]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Adopt New Rule 15B(T) Relating to Intermarket Sweep Orders

January 31, 2007.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (the “Act”)² and Rule 19b-4 thereunder,³ notice is hereby given that on January 26, 2007, the New York Stock Exchange LLC (“NYSE” or the “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II, which Items have been substantially prepared by the Exchange. NYSE has designated the proposed rule change as constituting a “non-controversial” rule change under Section 19(b)(3)(A) of the Act⁴ and Rule 19b-4(f)(6) thereunder,⁵ 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 Exchange is proposing to adopt NYSE Rule 15B(T), a temporary rule which describes the obligations of Exchange member organizations when sending Intermarket Sweep Orders (“ISOs”) to the Exchange prior to the Trading Phase Date of Regulation NMS (“Reg. NMS”). The text of the proposed rule change is available at NYSE, the Commission’s Public Reference Room, and <http://www.nyse.com>.

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. 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

As part of its rollout of the Hybrid Market,SM the Exchange is set to begin implementation of Phase IV, which includes changes necessary for NYSE’s compliance with Reg. NMS. Specifically, the Phase IV software will include the acceptance of ISOs and non-routing immediate-or-cancel orders (“Reg. NMS IOCs”), auto-routing to 100-share quotations, and implementation of new locking and crossing rules approved by the Commission. The Phase IV rollout will occur in a controlled manner through the Trading Phase Date, March 5, 2007.⁶ Following an initial successful period of trading, the Exchange will deploy the Phase IV software on an accelerated basis, providing notice to members and member organizations of the timing for each group of securities migrating to Phase IV.

The Exchange seeks to amend its rules to require member organizations that send ISOs to the Exchange prior to the Trading Phase Date of Reg. NMS to simultaneously send an ISO (or comparable order) for the full displayed size of the top of the book of every other ITS participant displaying a better-priced quotation. This temporary rule is intended to mirror the requirement, which will be operative after the Trading Phase Date, that all incoming ISOs meet the requirements as described in Rule 600(b)(30) of Reg. NMS,⁷ and is designed to ensure that member organizations honor better-priced quotes of other ITS participants when submitting ISOs to the Exchange prior to the Trading Phase Date.⁸ The NYSE expects that this temporary rule will be in effect only until the Trading Phase Date, at which time it will be deleted from its rulebook.

⁶ See Securities Exchange Act Release No. 55160 (January 24, 2007), available at <http://www.sec.gov/rules/final/2007/34-55160.pdf> (extending the Trading Phase Date until March 5, 2007).

⁷ 17 CFR 242.600(b)(30).

⁸ See Telephone call between Craig Hammond, Managing Director, NYSE, and Richard Holley III, Special Counsel, Division of Market Regulation, Commission, dated January 29, 2007.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(6).

⁵ 17 CFR 200.30(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

⁴ 15 U.S.C. 78s(b)(3)(A).

⁵ 17 CFR 240.19b-4(f)(6).