

\$50 to \$10 a month. The Commission notes that the NQDS feature provides a mechanism to allow access to market data that is relevant to investors when they make financial decisions and that it does not unfairly discriminate between customers, issuers, brokers or dealers.

Accordingly, the Commission finds good cause for approving this proposed rule change before the 30th day after the date of publication of notice of filing thereof in the **Federal Register** pursuant to Section 19(b)(2) of the Act.<sup>10</sup>

## V. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>11</sup> that the proposed rule change (SR-NASDAQ-2007-030), be, and it hereby is, approved on an accelerated basis, as a pilot, scheduled to expire on December 31, 2007.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>12</sup>

**Florence E. Harmon,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55672; File No. SR-NASDAQ-2007-029]

### Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing of Proposed Rule Change and Amendment No. 1 Thereto To Require That Companies Submit Material News to Nasdaq Using Nasdaq's Electronic Disclosure System, Except in Emergency Situations

April 26, 2007.

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 March 27, 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. Nasdaq filed Amendment No. 1 to the proposed rule change on April 25, 2007. 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

Nasdaq proposes to amend Nasdaq Rule 4120, "Trading Halts," and IM-4120-1, "Disclosure of Material Information," to require Nasdaq-listed companies to submit material news to Nasdaq using Nasdaq's electronic disclosure submission system, except in emergency situations. To allow Nasdaq sufficient time to communicate with listed companies about the new requirement, Nasdaq will not implement the proposed rule change until approximately 90 days after the proposal is approved. Nasdaq's communication with companies regarding this proposed change will provide notice of the implementation date. The text of the proposed rule change is available at Nasdaq, in the Commission's Public Reference Room, and at <http://www.nasdaq.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, 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

Pursuant to Nasdaq Rules 4310(c)(16) and 4320(e)(14), a Nasdaq-listed company is required, except in unusual circumstances, to make prompt disclosure to the public through any Regulation FD compliant method (or combination of methods) of disclosure of any material information that would reasonably be expected to affect the value of its securities or influence investors' decisions. These rules also require that the company provide prior notice of certain disclosures to Nasdaq's MarketWatch Department ("MarketWatch").

Current methods to provide prior notification to MarketWatch include electronic submission using Nasdaq's Electronic Disclosure submission

service, fax, and phone. While the Electronic Disclosure submission service was introduced to companies in 2004, the majority of companies still rely primarily on fax submission to MarketWatch.<sup>3</sup> The material information from fax-delivered documents and telephonic notifications must be manually retyped into MarketWatch's database systems. Nasdaq notes that this uses staff time with no added regulatory benefit, introduces error risk, and results in a less robust audit trail. To reduce this administrative burden, Nasdaq has recently taken steps to make the Electronic Disclosure submission system more accessible to listed companies<sup>4</sup> and is now proposing to require that companies submit material news to Nasdaq using the Electronic Disclosure submission system, except in emergency situations.

Using the Electronic Disclosure submission system, company employees and representatives can transmit disclosures to Nasdaq using a secure, encrypted connection. Upon receipt, Nasdaq reviews these disclosures to determine if a trading halt is appropriate. If Nasdaq believes that a halt may be appropriate, Nasdaq will confirm all disclosures with a company source before taking any action. Nasdaq does not disseminate any information received over the Electronic Disclosure submission system.

Companies would still be required to notify Nasdaq before disseminating material news, even if an emergency situation prevented them from accessing the Electronic Disclosure submission system. Nasdaq would accept notification by phone or fax in these situations. Examples of the types of situations where Nasdaq believes this could occur include: Lack of computer or internet access; a technical problem on either the issuer or Nasdaq system, or an incompatibility between those systems; and a material development such that no draft disclosure document exists, but immediate notification to MarketWatch is important based on the event.

Nasdaq believes that companies should be familiar with electronic submission of documents, given that most reports to the Commission must be

<sup>3</sup> Nasdaq notes, for example, that of approximately 4,200 material news notifications submitted to MarketWatch in January 2007, over 70% were submitted by fax.

<sup>4</sup> According to Nasdaq, although the system was previously on a portion of the Nasdaq Online issuer Web site that offered limited access, it now resides on an area of Nasdaq Online that can be more easily and directly accessed by companies and their representatives.

<sup>10</sup> 15 U.S.C. 78s(b)(2).

<sup>11</sup> See *id.*

<sup>12</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.

submitted electronically over the Commission's EDGAR system. Furthermore, the Electronic Disclosure submission system has been designed to be simple to operate. As such, Nasdaq does not believe that the required use of the Electronic Disclosure submission system will be a burden on companies.

If a company repeatedly fails to either notify Nasdaq prior to the distribution of material news, or to use the electronic disclosure submission system when Nasdaq finds no emergency situation existed, Nasdaq may issue a Staff Determination, pursuant to the Nasdaq Rule 4800 Series,<sup>5</sup> that is a public reprimand letter or, in extreme situations, a Staff Determination to delist the company's securities. In determining whether to issue a public reprimand letter, Nasdaq will consider whether the issuer has demonstrated a pattern of failures, whether the issuer has been contacted concerning previous violations, and whether the issuer has taken steps to assure that future violations will not occur.

## 2. Statutory Basis

Nasdaq 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. Nasdaq believes that the proposed rule change would enhance its ability to timely review issuer disclosures, thereby facilitating the operation of a free and open market and protecting investors and the public interest.

### *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, 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](mailto:rule-comments@sec.gov). Please include File No. SR-NASDAQ-2007-029 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 No. SR-NASDAQ-2007-029. 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 at <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 the 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 available publicly. All submissions should refer to File No. SR-NASDAQ-2007-029 and should be submitted on or before May 23, 2007.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>8</sup>

**Florence E. Harmon,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55670; File No. SR-NYSE-2007-41]

### Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Eliminate the Securities Manager Examination ("Series 12")

April 25, 2007.

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 April 19, 2007, the New York Stock Exchange LLC ("NYSE" 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 Exchange. The Exchange has designated the proposed rule change as constituting a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule pursuant to Section 19(b)(3)(A)(i) of the Act<sup>3</sup> and Rule 19b-4(f)(1) thereunder,<sup>4</sup> 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 filing this proposal to eliminate the Securities Manager qualification examination ("Series 12").

#### 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

<sup>8</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)(i).

<sup>4</sup> 17 CFR 240.19b-4(f)(1).

<sup>5</sup> See Amendment No. 1.

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

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