SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–52981; File No. SR–NASD–2005–133]

Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to an Increase in Fees for Certain Qualification Examinations

December 19, 2005.

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 November 15, 2005, the National Association of Securities Dealers, Inc. (''NASD'') filed with the Securities and Exchange Commission (''SEC'' or ''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by NASD. NASD has designated the proposed rule change as one establishing or changing a due, fee, or other charge under Section 19(b)(3)(A)(ii) of the Act[3] and Rule 19b–4(f)(2) 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 the Substance of the Proposed Rule Change

NASD is proposing to amend Section 4 of Schedule A to the NASD By-Laws (''Schedule A'') to increase examination fees that shall be assessed persons taking certain qualifications examinations as of January 1, 2006. Below is the text of the proposed rule change. Proposed new language is in *italics;* proposed deletions are in [brackets].

* * * * *

B. SCHEDULE A TO NASD BY-LAWS

* * * * *

C. Section 4—Fees

(a) and (b) No change.

(c) The following fees shall be assessed to each individual who registers to take an examination as described below as of January 1, 200[5]*6*. These fees are in addition to the registration fee described in paragraph (b).

Series 4	Registered Options Principal	$80
Series 6	Investment Company Products/Variable Contracts Representative	[$70] *$75*
Series 7	General Securities Representative	[$225] *$250*
Series 9	General Securities Sales Supervisor—Options Module	$60
Series 10	General Securities Sales Supervisor—General Module	[$95] *$100*
Series 11	Assistant Representative—Order Processing	$60
Series 17	Limited Registered Representative	$65
Series 22	Direct Participation Programs Representative	[$70] *$75*
Series 23	General Securities Principal Sales Supervisor Module	$75
Series 24	General Securities Principal	[$85] *$95*
Series 26	Investment Company Products/Variable Contracts Principal	$75
Series 27	Financial and Operations Principal	[$85] *$95*
Series 28	Introducing Broker/Dealer Financial and Operations Principal	$75
Series 37	Canada Module of S7 (Options Required)	$150
Series 38	Canada Module of S7 (No Options Required)	$150
Series 39	Direct Participation Programs Principal	$75
Series 42	Registered Options Representative	$60
Series 55	Limited Representative—Equity Trader	[$80] *$85*
Series 62	Corporate Securities Limited Representative	[$70] *$75*
Series 72	Government Securities Representative	[$80] *$85*
Series 82	Limited Representative—Private Securities Offering	$75
Series 86	Research Analyst—Analysis	$150
Series 87	Research Analyst—Regulatory	$105

(1) through (3) No change.

(d) through (h) 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, NASD 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. NASD 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

This proposed rule change amends Schedule A to increase examination fees that shall be assessed persons taking certain qualification examinations as of January 1, 2006. Any person associated with a member firm who is engaged in the securities business of the firm must register with the NASD. As part of the registration process, securities professionals must pass a qualification examination to demonstrate competence in each area in which they intend to work.

Some of these examinations are sponsored (*i.e.*, developed) by NASD, and others are sponsored by the New York Stock Exchange, Inc. (''NYSE''), the Municipal Securities Rulemaking Board (''MSRB''), or other self-regulatory organizations (''SROs'').[5] NASD administers qualification examinations via computer through the PROCTOR® system[6] at test centers operated by vendors under contract with NASD. NASD charges an examination fee to candidates for NASD-sponsored examinations. For

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] 15 U.S.C. 78s(b)(3)(A)(ii).

[4] 17 CFR 240.19b–4(f)(2).

[5] For example, NASD administers and delivers the Series 6, 24, and 27 examinations, which are sponsored by NASD. NASD also administers and delivers client examinations, such as the Series 7, which is sponsored by the NYSE, and the Series 10, which is sponsored jointly by several SROs (the American Stock Exchange LLC (''Amex''), the Chicago Board Options Exchange, Inc. (''CBOE''), MSRB, NASD, NYSE, the Pacific Exchange, Inc. (''PCX''), and the Philadelphia Stock Exchange, Inc. (''Phlx'')).

[6] PROCTOR® is a technology system that supports computer-based testing and training.

those examinations sponsored by a NASD client and administered/delivered by NASD, NASD charges a delivery fee that comprises either a part or all of the examination fee for these examinations.[7]

Each year, NASD conducts a comprehensive review of the licensing examination fee structure, which includes an analysis of the costs of developing, administering, and delivering examinations. NASD's review in 2005 showed that certain operational costs are rising. In particular, these costs consist of (1) the cost of providing the extensive network of test delivery centers; and (2) technology costs required to maintain the current PROCTOR® system and to redesign the PROCTOR® system. The proposed rule change will increase examination fees for certain NASD-sponsored examinations. In addition, NASD has advised its client examination sponsors of the impact of the higher costs on delivery fees for client-sponsored examinations. Accordingly, NASD is proposing to amend Schedule A to reflect the following increases in examination fees (which includes NASD-sponsored and client-sponsored examinations, as well as joint SRO examinations):

Series 6	Investment Company Products/Variable Contracts Representative (NASD-sponsored)	From $70 to $75.
Series 7	General Securities Representative (NYSE-sponsored)	From $225 to $250.
Series 10	General Securities Sales Supervisor—General Module (Sponsored jointly by AMEX, CBOE, NASD, NYSE, PCX, and PHLX).	From $95 to $100.
Series 22	Direct Participation Programs Representative (NASD-sponsored)	From $70 to $75.
Series 24	General Securities Principal (NASD-sponsored)	From $85 to $95.
Series 27	Financial and Operations Principal (NASD-sponsored)	From $85 to $95.
Series 55	Limited Representative—Equity Trader (NASD-sponsored)	From $80 to $85.
Series 62	Corporate Securities Limited Representative (NASD-sponsored)	From $70 to $75.
Series 72	Government Securities Representative (NASD-sponsored)	From $80 to $85.

The proposed rule change is effective upon filing pursuant to Section 19(b)(3)(A) of the Act[8] and paragraph (f)(2) of Rule 19b–4 thereunder,[9] in that the proposed rule change establishes or changes a due, fee, or other charge imposed by NASD. The new fees will be become effective for ''120-day examination windows'' opened in the Central Registration Depository (CRD®) on or after January 1, 2006.[10] NASD will continue to conduct an annual review of its costs and adjust examination and delivery fees, if necessary, as of January 1 each year after making the appropriate rule filings.

2. Statutory Basis

NASD believes that the proposed rule change is consistent with the provisions of Section 15A(b)(5) of the Act,[11] which requires, among other things, that NASD rules provide for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system that NASD operates or controls. NASD believes that the rule change is consistent with Section 15A(b)(5) of the Act in that the fee changes reflect NASD's increased costs in delivering the examinations and in maintaining and upgrading the examination delivery system.[12]

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

NASD does not believe that the proposed rule change will result in 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

Because the foregoing rule change establishes or changes a due, fee, or other charge imposed by NASD, it has become effective pursuant to Section 19(b)(3)(A) of the Act[13] and Rule 19b–4(f)(2) thereunder.[14] 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 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–NASD–2005–133 on the subject line.

Paper Comments

- Send paper comments in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549–9303.

All submissions should refer to File Number SR–NASD–2005–133. 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

[7] For additional discussion of the examination and delivery fee structure, *see* Securities Exchange Act Release No. 50575 (October 20, 2004), 69 FR 62732 (October 27, 2004) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change and Amendment No. 1 Thereto Relating to Amendments to Section 4 of Schedule A to the NASD By-Laws (Fees for Qualification Examinations)) (SR–NASD–2004–145).

[8] 15 U.S.C. 78s(b)(3)(A).

[9] 17 CFR 240.19b–4(f)(2).

[10] The published fee represents the fee that will be charged at the time the individual registers for the examination. The individual then has 120 days to take the examination.

[11] 15 U.S.C. 78o–3(b)(5).

[12] *Id.*

[13] 15 U.S.C. 78s(b)(3)(A).

[14] 17 CFR 240.19b–4(f)(2).

Room. Copies of such filing also will be available for inspection and copying at the principal office of the NASD. 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–NASD–2005–133 and should be submitted on or before January 17, 2006.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[15]

Jonathan G. Katz,

Secretary.

[FR Doc. E5–7840 Filed 12–23–05; 8:45 am]

BILLING CODE 8010–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–52978; File No. SR–NASD–2005–141]

Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change and Amendment No. 1 Thereto To Modify the Execution Fees for Quotes and Orders Executed in the Nasdaq Opening Cross

December 19, 2005.

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 December 5, 2005, the National Association of Securities Dealers, Inc. (''NASD''), through its subsidiary, The Nasdaq Stock Market, Inc. (''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. On December 9, 2005, Nasdaq filed Amendment No. 1 to the proposed rule change.[3] Nasdaq has designated this proposal as establishing or changing a due, fee, or other charge imposed by a self-regulatory organization pursuant to Section 19(b)(3)(A) of the Act,[4] and Rule 19b–4(f)(2) 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, as amended, from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Nasdaq proposes to modify the execution fees for quotes and orders in the Nasdaq Opening Cross. Nasdaq will implement the proposed rule change on January 3, 2006. Additions are *italicized,* and deletions are in brackets.

* * * * *

7010. System Services

(a)–(h) No change

(i) Nasdaq Market Center and Brut Facility Order Execution

(1)–(3) No change.

(4) Opening Cross

[For a period of three months commencing on the date Nasdaq implements its Opening Cross (as described in Rule 4704(d)), members shall not be charged Nasdaq Market Center execution fees, or receive Nasdaq Market Center liquidity provider credits, for those quotes and orders executed in the Nasdaq Opening Cross.]

Commencing on January 1, 2006, members shall be assessed the following Nasdaq Market Center execution fees for quotes and orders executed in the Nasdaq Opening Cross:

Market-on-Open, Limit-on-Open and Day orders executed in the Nasdaq Opening Cross—$0.0005 per share executed for the net number of buy and sell shares up to a maximum of $10,000 per firm per month

All other quotes and orders executed in the Nasdaq Opening Cross—No charge for execution

(5) and (6) No change.

(j)–(w) 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.

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

1. Purpose

Nasdaq has determined to establish the following pricing for the Nasdaq Opening Cross beginning January 3, 2006. Nasdaq will assess a fee of $0.0005 per share executed during the Nasdaq Opening Cross for all Market-on-Open, Limit-on-Open, and Day orders that are executed in the Opening Cross. That fee will be assessed on the difference between the total number of shares of buy (sell) interest minus the total number of shares of sell (buy) interest executed by that firm for all stocks.

The fee will be capped at $10,000 per firm per month for all stocks combined. At this time, Nasdaq will assess no fees and offer no rebates for quotations and other orders executed during the Nasdaq Opening Cross. Nasdaq will monitor the effectiveness of the proposed pricing schedule in preserving and enhancing the success of the Nasdaq Opening Cross to date.

2. Statutory Basis

Nasdaq believes that the proposed rule change is consistent with Section 15A of the Act,[6] in general, and Section 15A(b)(5)[7] of the Act, in particular, in that it 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 the NASD operates or controls.

The proposed fees for Market-on-Open, Limit-on-Open, and Day orders are consistent with the statute in that they are designed to result in an execution charge approximating the execution charge for quotes and orders entered and executed in the Nasdaq Market Center throughout the trading day. Assessing no fee and offering no rebate for quotations and other orders executed during the Nasdaq Opening Cross is consistent with the statute because it is designed to encourage the entry of Imbalance Only orders to minimize imbalances resulting from the Opening Cross algorithm, and to preserve the Opening Cross liquidity provided by quotations and orders from the continuous market.

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

Nasdaq does not believe that the proposed rule change will impose any

---

[15] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] In Amendment No. 1, Nasdaq made non-substantive changes to the text of the proposed rule change.

[4] 15 U.S.C. 78s(b)(3)(A).

[5] 17 CFR 240.19b–4(f)(2).

[6] 15 U.S.C. 78*o*–3.

[7] 15 U.S.C. 78*o*–3(b)(5).