

Shares pursuant to the existing generic listing standards applicable to IFSs that do not have a multiple or inverse component would promote and facilitate transactions in these securities, while at the same time protecting investors and the public interest. In addition, the Exchange submits that the proposal further seeks to facilitate transactions in securities by easing unnecessary administrative and regulatory burdens that do not exist for ETFs based on the same underlying indexes or portfolios.

#### *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 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*

The Exchange neither solicited nor received comments on the proposal.

### **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 Amex 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-Amex-2007-131 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 Number SR-Amex-2007-131. 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 the filing also will be available for inspection and copying at the principal office of the Exchange. 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-Amex-2007-131 and should be submitted on or before April 3, 2008.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>20</sup>

**Florence E. Harmon,**

*Deputy Secretary.*

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### **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-57447; File No. SR-NASDAQ-2007-096]

#### **Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Order Approving Proposed Rule Change To Modify the Allocation of the Maximum Time an Adjudicatory Body May Grant a Company To Regain Compliance with the Listing Requirements without Modifying the Maximum Time Available Under Nasdaq Rule 4802**

March 6, 2008.

### **I. Introduction**

On December 4, 2007, The NASDAQ Stock Market LLC ("Nasdaq" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), 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> a proposed rule change to modify the allocation of the maximum time an adjudicatory body may grant an issuer to regain compliance with the listing requirements. The proposed rule change was published for comment in the **Federal Register** on February 1, 2008.<sup>3</sup> The Commission received no comments on the proposal. This order approves the proposed rule change.

### **II. Description of the Proposal**

Nasdaq Rule 4800 Series sets forth the procedures for review of a Nasdaq listing determination. Rule 4802(b) provides that an issuer may file a written request for an exception to any of the standards set forth in the Rule 4000 Series at any time during the pendency of a proceeding under the Rule 4800 Series and sets forth the time periods that an adjudicatory body may grant an issuer to regain compliance with the listing requirements ("Exception Period") before they are delisted. Under the current rules, the Listing Qualifications Panel ("Panel") can grant a maximum Exception Period that is the lesser of 180 days from the date that Nasdaq staff sends a delisting letter ("Staff Determination") or 90 days from the date of the Panel's decision in the matter. Similarly, the Nasdaq Listing and Hearing Review Council ("Listing Council"), when reviewing a Panel decision, can grant a maximum Exception Period that is the lesser of 180 days from the date of the Panel decision on review or 60 days from the

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Securities Exchange Act Release No. 57214 (January 28, 2008), 73 FR 6228.

<sup>20</sup> 17 CFR 200.30-3(a)(12).

date of the Listing Council's decision in the matter. As a result, while the maximum cumulative exception these bodies can grant under these provisions is 360 days from the date of the Staff Determination, Nasdaq notes in its filing that the actual amount of time can vary from issuer to issuer based on how quickly the issuer is scheduled for a hearing and the speed with which the Panel and Listing Council decisions are prepared. The Exchange believes that this variability may create uncertainty for Nasdaq-listed companies and their investors regarding the maximum amount of time available under an exception.

Nasdaq therefore proposes to modify the computation of the maximum Exception Period permitted under Rule 4802(b). The proposed rule change would not, however, increase the maximum time available under the process. The Exchange proposes that the maximum Exception Period that a Panel could provide would be 180 days from the date of the Staff Determination, and the maximum Exception Period that the Listing Council could provide would be 360 days from the date of the Staff Determination. As under the current rules, these adjudicatory bodies would continue to be able to grant an issuer a shorter Exception Period, or no Exception Period at all, based on their analysis of the applicable facts and circumstances.

### III. Discussion

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange and, in particular, with Section 6(b)(5) of the Act,<sup>4</sup> which requires, among other things, that the rules of a national securities exchange be designed to prevent fraudulent and manipulative acts and practices, 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.<sup>5</sup> The Commission also finds that the proposal is consistent with Section 6(b)(7) of the Act,<sup>6</sup> in that it provides a fair procedure for the prohibition or limitation by the Exchange of any person with respect to

access to services offered by the Exchange.

The Commission believes that it is essential for a national securities exchange to have an efficient and fair delisting process for issuers that are not in compliance with Exchange rules and/or the Act. The Commission believes that the proposed rule change has the effect of providing for a maximum Exception Period that is consistent for all issuers and not dependent on the timing of the adjudicatory decision, while at the same time does not extend the overall maximum time allotted for a non-compliant issuer to go through the Nasdaq's current delisting process. Specifically, under the proposal, rather than being dependent on variable events, such as how quickly an issuer is scheduled for a hearing and how promptly the Panel and Listing Counsel issue their decisions, the maximum allowable Exception Period will, in all cases, be based on the date of the Staff Determination.

The Commission recognizes that certain individual issuers that have already gone through the Exchange delisting process might have been granted a longer Exception Period had they gone through the process under the proposed new rules. Nevertheless, the Commission emphasizes that the proposed rules do not in any way increase the maximum time that could potentially be available to issuers under Nasdaq's existing delisting process. Further, the Commission believes the proposed rule change should help to ensure fair application of the rule to all issuers, consistent with Section 6(b)(7) of the Act,<sup>7</sup> and should eliminate some uncertainty for issuers regarding the maximum time that may be available under an Exception Period.

Finally, the Commission notes that the new rules provide that the Panel and Listing Counsel can allow an Exception Period not to exceed 180 days or 360 days from the Staff Determination, respectively. Thus, there may still be variation in the Exception Periods that are granted to issuers, because the Panel and Listing Counsel retain the authority to grant an issuer a shorter Exception Period than the maximum allowable period or no Exception Period at all. In this regard, the Commission expects the Panel and Listing Counsel to only grant an Exception Period to those issuers who are likely to regain compliance within the time frame allotted and notes that there is no particular right under Nasdaq rules for issuers to be allotted any particular Exception Period. The Commission expects Nasdaq to continue

to delist issuers, who are not meeting Nasdaq continued listing standards, or complying with Nasdaq rules and/or the Act, in a prompt, efficient and fair manner in furtherance of Sections 6(b)(5) and 6(b)(7) of the Act.<sup>8</sup>

### IV. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>9</sup> that the proposed rule change (SR-NASDAQ-2007-096) be, and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>10</sup>

**Florence E. Harmon,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-57452; File No. SR-NASDAQ-2008-004]

### Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Order Granting Approval of Proposed Rule Change Related to Supplemental Market Participant Identifiers

March 7, 2008.

#### I. Introduction

On January 9, 2008, The NASDAQ Stock Market LLC ("Nasdaq" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), 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> a proposed rule change to make permanent the pilot program that allows market makers and Electronic Communication Networks ("ECNs") to obtain supplemental market participant identifiers ("MPIDs"). In addition, Nasdaq proposes to remove any restrictions on the number of MPIDs a market participant may request for displaying attributable quotes or orders. The proposed rule change was published for comment in the **Federal Register** on February 1, 2008.<sup>3</sup> The Commission received no comments on the proposed rule change. This order approves the proposed rule change.

#### II. Description of Proposal

Nasdaq proposes to make permanent the pilot program incorporated in

<sup>8</sup> 15 U.S.C. 78f(b)(5), 78f(b)(7).

<sup>9</sup> 15 U.S.C. 78s(b)(2).

<sup>10</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> See Securities Exchange Act Release No. 57212 (January 28, 2008), 73 FR 6229 ("Notice").

<sup>4</sup> 15 U.S.C. 78f(b)(5).

<sup>5</sup> In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>6</sup> 15 U.S.C. 78f(b)(7).

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