

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-55426; File No. SR-ISE-2007-01)

March 8, 2007

Self-Regulatory Organizations; International Securities Exchange, LLC; Order
Approving a Proposed Rule Change Relating to Rule 2113 (Long and Short Sales)

On January 5, 2007, pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),¹ and Rule 19b-4 thereunder,² the International Securities Exchange, LLC (the "Exchange" or the "ISE") filed with the Securities and Exchange Commission ("Commission") the proposed rule change relating to NASD Rule 2113 (Long and Short Sales). The proposed rule change was published for comment in the Federal Register on February 5, 2007.³ The Commission received no comments regarding this proposal. This order approves the rule change.

Discussion and Commission Findings

The Exchange proposes to amend ISE Rule 2113 (Long and Short Sales) to conform its language to Rule 10a-1(a)(1)(i) promulgated under the Act. Specifically, Rule 2113 (Long and Short Sales) currently provides that the Exchange will not execute a short sale order below the price at which the last sale was effected on the Exchange. The Exchange proposes to amend ISE Rule 2113 to conform its language to Rule 10a-1(a)(1)(i) promulgated under the Act, whereby the Exchange will not execute a short sale

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 55191 (January 29, 2007), 72 FR 5305 (February 5, 2007).

order below the price at which the last sale was reported pursuant to an effective transaction reporting plan, as defined in Rule 242.600 under the Act.

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 Section 6(b)(5) of the Act⁴ which requires that the rules of an exchange be designed to promote just and equitable principles of trade, serve to remove impediments to and perfect the mechanism for a free and open market and a national market system, and, in general, to protect investors and the public interest.⁵

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (SR-ISE-2007-01) be, and it hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁶

Florence E. Harmon
Deputy Secretary

⁴ 15 U.S.C. 78f(b)(5).

⁵ In approving this proposed rule change, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁶ 17 CFR 200.30-3(a)(12).