

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-56202, File No. SR-MSRB-2007-01]

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Order Approving Proposed Rule Change to MSRB Rule G-14, Reports of Sales or Purchases Relating to Reporting of Transactions in Certain Special Trading Situations

August 3, 2007.

On June 13, 2007, the Municipal Securities Rulemaking Board ("MSRB"), filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² a proposed rule change consisting of an amendment to and interpretation of its Rule G-14, Reports of Sales or Purchases. The MSRB proposed an effective date for this proposed rule change of January 2, 2008. The proposed rule change was published for comment in the **Federal Register** on July 3, 2007.³ The Commission received no comment letters regarding the proposal. This order approves the proposed rule change.

The proposed rule change would: (i) Clarify transaction reporting requirements and require use of the existing M9c0 special condition indicator on trade reports of three types of transactions arising in certain special trading situations that do not represent typical arm's-length transactions negotiated in the secondary market; (ii) provide an end-of-day exception from real-time transaction reporting for trade reports containing the M2c0 or M9c0 special condition indicator; and (iii) create two new special condition indicators for purposes of reporting certain inter-dealer transactions "late." A full description of the proposal is contained in the Commission's Notice.

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to the MSRB⁴ and, in particular, the requirements of Section 15B(b)(2)(C) of the Act⁵ and the rules and regulations thereunder. Section

15B(b)(2)(C) of the Act requires, among other things, that the MSRB's rules be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in municipal securities, to remove impediments to and perfect the mechanism of a free and open market in municipal securities, and, in general, to protect investors and the public interest.⁶ In particular, the Commission finds that the proposed rule change is consistent with the Act because it will allow the municipal securities industry to produce more accurate trade reporting and transparency and will enhance surveillance data used by enforcement agencies. The proposal will be effective January 2, 2008, as requested by the MSRB.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁷ that the proposed rule change (SR-MSRB-2007-01) be, and it hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁸

Florence E. Harmon,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-56208; File No. SR-NYSE-2007-48]

Self-Regulatory Organizations; New York Stock Exchange LLC; Order Granting Accelerated Approval of Proposed Rule Change and Amendment No. 1 Thereto Relating to Proposed Amendments to Rule 600 To Provide Guidance Regarding New and Pending Arbitration Claims in Light of the Consolidation of NYSE Regulation Into NASD DR

August 6, 2007.

I. Introduction

On May 23, 2007, the New York Stock Exchange LLC ("NYSE" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule

19b-4 thereunder,² a proposed rule change amending NYSE Rule 600 and proposing new NYSE Rule 600A. On June 4, 2007, the Commission published for comment the proposed rule change in the **Federal Register**.³ The Commission received one comment on the proposal.⁴ On June 21, 2007, the NYSE filed Amendment No. 1 to revise the proposed rule change.⁵ On July 11, 2007, the Commission published for comment the proposed rule change, as amended, in the **Federal Register**.⁶ The Commission received no comments on the proposed rule change, as amended. This order approves the proposed rule change, as amended, on an accelerated basis.

II. Description of the Proposal

NYSE proposes to amend current Rule 600 and adopt a new Rule 600A. The purpose of the proposed rule change is to provide guidance regarding both new and pending arbitration claims in light of the consolidation of the member firm regulation function of NYSE Regulation, Inc. ("NYSE Regulation") with the National Association of Securities Dealers, Inc. ("NASD").⁷ On July 30, 2007,⁸ NYSE Regulation ceased to provide an arbitration program, and its arbitration department ("NYSE Arbitration") was consolidated with that of NASD Dispute Resolution, Inc. ("NASD DR").⁹ Because the consolidation has already occurred, the effective date of this rule change will be when the Commission approves this proposed rule change (SR-NYSE-2007-48) ("Effective Date"). As a result, on

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 55818 (May 25, 2007), 72 FR 30898 (June 4, 2007).

⁴ See letter from Jill Gross and Nathan Perrone, Pace Investor Rights Project, dated June 25, 2007 ("Pace").

⁵ Amendment No. 1 replaced and superseded the original filing in its entirety.

⁶ See Securities Exchange Act Release No. 56015 (July 5, 2007), 72 FR 37891 (July 11, 2007).

⁷ On July 26, 2007, the Commission approved a proposed rule change filed by NASD to amend NASD's Certificate of Incorporation to reflect its name change to Financial Industry Regulatory Authority Inc., or FINRA, in connection with the consolidation of the member firm regulatory functions of NASD and NYSE Regulation. See Securities Exchange Act Release No. 56146 (July 26, 2007), 72 FR 42190 (Aug. 1, 2007) (SR-NASD-2007-053).

⁸ The consolidation of the member firm regulatory functions did not occur until July 30, 2007, when definitive agreements were signed by the NYSE and NASD. *Id.*

⁹ NASD DR is now doing business as FINRA DR. NASD DR now administers NYSE Arbitration, which is governed by NYSE Regulation Rules 600 through 639. NASD DR also administers an arbitration program for NYSE Arca, Inc. ("NYSE Arca") and NYSE Arca Equities, Inc. ("NYSE Arca Equities"), respectively governed by NYSE Arca and NYSE Arca Equities Rule 12.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 55957 (June 26, 2007), 72 FR 36532 (July 3, 2007) ("Commission's Notice").

⁴ In approving this rule the Commission notes that it has considered the proposed rule's impact on efficiency, competition and capital formation. 15 U.S.C. 78c(f).

⁵ 15 U.S.C. 78o-4(b)(2)(C).

⁶ *Id.*

⁷ 15 U.S.C. 78s(b)(2).

⁸ 17 CFR 200.30-3(a)(12).

⁹ 15 U.S.C. 78s(b)(1).