## IV. Conclusion

*It is therefore ordered,* pursuant to Section 19(b)(2) of the Act,[16] that the proposed rule change (SR–FINRA–2008–001), be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[17]

**Florence E. Harmon,**

*Deputy Secretary.*

[FR Doc. E8–5355 Filed 3–17–08; 8:45 am]

**BILLING CODE 8011–01–P**

[16] 15 U.S.C. 78s(b)(2).

[17] 17 CFR 200.30–3(a)(12).

## SECURITIES AND EXCHANGE COMMISSION

**[Release No. 34–57480; File No. SR–FINRA–2008–008]**

## Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Rule 1013 (New Member Application and Interview) and the Manner in Which Membership Applicants Submit Their Applications to FINRA

March 12, 2008.

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 February 29, 2008, the Financial Industry Regulatory Authority, Inc., (''FINRA'') (f/k/a National Association of Securities Dealers, Inc. (''NASD'')) 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 FINRA. FINRA has designated this proposal as constituting a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule under Section 19(b)(3)(A)(i) of the Act[3] and Rule 19b–4(f)(1) 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 Substance of the Proposed Rule Change

FINRA proposes to amend NASD Rule 1013 (New Member Application and Interview) to change the manner in which membership applicants submit their applications to FINRA. FINRA also proposes changes to online Form NMA to make it a more interactive, user-friendly document that applicants can use to submit application information. The text of the proposed rule change is available at *http://www.finra.org,* FINRA, and the Commission's Public Reference Room.

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

In its filing with the Commission, FINRA 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. FINRA 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

In an effort to streamline the membership application process and make it more efficient, FINRA recently required membership applicants to complete and submit electronically via the Electronic Filing System (''EFS'') FINRA's standardized membership application form, the Form NMA. NASD Rule 1013 requires that the Form NMA and other required application materials be filed with the Department of Member Regulation (''Department'') at the district office in the district in which the applicant intends to have its principal place of business. Although the Form NMA can be forwarded electronically to the district offices, applicants must submit certain required application materials, such as the Form BD, fingerprint cards of associated persons, the new member assessment report, CRD entitlement forms, and the membership application fee via first class mail, overnight courier, or hand delivery.[5]

The instant proposed rule change would amend NASD Rule 1013 to require that an application be filed directly with the Department. Pursuant to the proposed rule change, FINRA will require applicants to send all hard copy application materials to a central location within the Department, and EFS automatically will route the Form NMA to the same location within the Department. The proposed rule change also would amend NASD Rule 1013 to eliminate the requirement that applicants submit the membership application fee by physical check. Instead, FINRA will require applicants to pay the fees electronically.

Further, FINRA proposes to change the Form NMA from a static electronic document to an interactive, user-friendly document that will provide a more tailored application experience. The revised Form NMA automatically will retrieve certain information (*e.g.*, identification information, proposed business lines, etc.) from the applicants' Forms U4 and the Form BD, which FINRA will require applicants to submit prior to completion of the Form NMA.[6] The revised form also will have applicants provide a greater level of detail regarding the required application information. FINRA anticipates that these changes to the Form NMA will result in a more complete and accurate application that, in turn, will allow FINRA staff to conduct a more timely evaluation and make fewer information requests during the course of the review.

The proposed rule change would alter the manner in which FINRA receives a membership application and revise the online Form NMA to make it more interactive; it would not change the information applicants must submit pursuant to NASD Rule 1013 during the application process or the standards set forth in NASD Rule 1014 for granting an applicant's membership application. Additionally, the proposed changes are consistent with the FINRA By-Laws, which allow FINRA to require that new member applications be made ''via electronic process or such other process as the Corporation may prescribe.''[7]

Finally, the proposed rule change would amend the NASD Rule Series 1010 (Membership Proceedings) to reflect FINRA's change in corporate name or to otherwise delete references to ''the Association.''

Prior to the proposed rule change becoming operative, FINRA will outline in a *Regulatory Notice* the details regarding the changes to the electronic

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

[2] 17 CFR 240.19b–4.

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

[4] 17 CFR 240.19b–4(f)(1).

[5] *See* NASD Rule 1012(a)(2) (requiring an applicant to file application documents and information by first class mail, overnight courier, or hand delivery where FINRA has not otherwise prescribed an electronic or alternative filing process).

[6] Although applicants submit their Form BD in hard copy, the revised Form NMA will be able to retrieve the information via an electronic database that FINRA staff currently populates with Form BD information. Applicants already submit Forms U4 in an electronic format accessible to the revised form.

[7] FINRA By-Laws, Art. IV, Sec. 1(a).

application process and how to complete the revised Form NMA.[8]

FINRA has filed the proposed rule change for immediate effectiveness. The effective date will be the date of filing, February 29, 2008. FINRA will announce the implementation date in a *Regulatory Notice* to be published no later than 30 days following the effective date.

2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,[9] which requires, among other things, that FINRA rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest. The proposed rule change amends NASD Rule 1013 to require that an applicant file a membership application directly with the Department instead of with a particular district office and revises the online Form NMA to make it more interactive. The proposed rule change does not propose any new or additional content requirements for member applications. The proposed rule change also eliminates the requirement to pay the membership application fee with a physical check. FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) as it will ensure a more streamlined and efficient membership application process.

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

FINRA 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**

The foregoing proposed rule change has become effective pursuant to Section 19(b)(3)(A)(i) of the Act[10] and Rule 19b–4(f)(1)[11] thereunder, because it constitutes a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule.

At any time within 60 days of the filing of such 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 No. SR–FINRA–2008–008 on the subject line.

*Paper Comments*

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, Station Place, 100 F Street, NE., Washington, DC 20549–1090.

All submissions should refer to File Number SR–FINRA–2008–008. 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 such filing also will be available for inspection and copying at the principal office of FINRA. 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–FINRA–2008–008 and should be submitted on or before April 8, 2008.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[12]

**Florence E. Harmon,**

*Deputy Secretary.*

[FR Doc. E8–5418 Filed 3–17–08; 8:45 am]

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[8] FINRA will also provide advance notice through the *Regulatory Notice* process (or similar guidance) of any systems changes to the electronic application process that would alter the manner in which applicants interact with the electronic filing system.

[9] 15 U.S.C. 78o–3(b)(6).

[10] 15 U.S.C. 78s(b)(3)(A)(i).

[11] 17 CFR 240.19b–4(f)(1).

[12] 17 CFR 200.30–3(a)(12).

## SECURITIES AND EXCHANGE COMMISSION

**[Release No. 34–57468; File No. SR–ISE–2008–09]**

## Self-Regulatory Organizations; International Securities Exchange, LLC; Order Approving Proposed Rule Change To Amend Exchange Rules Related to the Imposition of Fines for Minor Rule Violations

March 11, 2008.

On January 18, 2008, the International Securities Exchange, LLC (''ISE'' 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 to amend ISE Rule 1614, ''Imposition of Fines for Minor Rule Violations,'' to add summary fines for violations of ISE Rule 1100, ''Exercise of Options Contracts.'' The proposed rule change was published for comment in the **Federal Register** on February 5, 2008.[3] The Commission received no comments regarding the proposal. This order approves the proposed rule change.

The Exchange proposes to add a summary fine schedule pursuant to its Minor Rule Violation Plan (''MRVP'') that will apply to any member who fails to submit to the Exchange in a timely manner pursuant to ISE Rule 1100 (or a regulatory information circular issued pursuant to ISE Rule 1100) an ''Advice Cancel'' or exercise instruction relating to the exercise or nonexercise of a noncash-settled equity option. The Exchange believes that imposing the

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

[2] 17 CFR 240.19b–4.

[3] *See* Securities Exchange Act Release No. 57229 (January 29, 2008), 73 FR 6753.