

**SECURITIES AND EXCHANGE COMMISSION**

[File No. 500-1]

**In the Matter of Harbour Intermodal, Ltd.; Order of Suspension of Trading**

June 12, 2008.

It appears to the Securities and Exchange Commission that there is a lack of current and accurate information concerning the securities of Harbour Intermodal, Ltd. because it has not filed any periodic reports since the period ended September 30, 2002.

The Commission is of the opinion that the public interest and the protection of investors require a suspension of trading in the securities of the above-listed company.

Therefore, it is ordered, pursuant to Section 12(k) of the Securities Exchange Act of 1934, that trading in the above-listed company is suspended for the period from 9:30 a.m. EDT on June 12, 2008, through 11:59 p.m. EDT on June 25, 2008.

By the Commission.

**Jill M. Peterson,**  
Assistant Secretary.

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-57935; File No. SR-FINRA-2008-023]

**Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Order Granting Accelerated Approval of a Proposed Rule Change Relating to Violations Appropriate for Disposition Under FINRA's Minor Rule Violation Plan**

June 6, 2008.

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> notice is hereby given that on May 27, 2008, 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 and II below, which Items have been substantially prepared by FINRA. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons and to

approve the proposal on an accelerated basis.

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

FINRA proposes to amend NASD Interpretive Material ("IM") 9216<sup>3</sup> to expand FINRA's Minor Rule Violation Plan ("MRVP") to include violations of options position and exercise limits and contrary exercise advice procedures. The text of the proposed rule change is available at FINRA, the Commission's Public Reference Room, and <http://www.finra.org>.

**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 those statements may be examined at the places specified in Item III below. FINRA has prepared summaries, set forth in Sections A, B, and C below, of the most significant parts of such statements.

**A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change****1. Purpose**

The proposed rule change would amend NASD IM-9216 to include in FINRA's MRVP violations of (1) options position and exercise limits under NASD Rule 2860(b)(3) and (b)(4), and (2) contrary exercise advice procedures under NASD Rule 2860(b)(23). NASD Rule 9216 sets forth FINRA's MRVP, which allows FINRA to impose a fine of up to \$2,500 on any member or person associated with a member for a minor violation of the rules identified in IM-9216 (known as "Minor Rule Violations"). The purpose of the MRVP is to provide meaningful sanctions for minor or technical violations of rules when the initiation of a formal disciplinary proceeding would be more significant than warranted. Minor Rule Violation letters also represent a useful

<sup>3</sup> FINRA has filed with the Commission a proposed rule change (SR-FINRA-2008-021) in which FINRA proposes, among other things, to adopt NASD IM-9216 as FINRA Rule 9217, without material change. Assuming Commission approval of this proposed rule change prior to the approval of SR-FINRA-2008-021, FINRA will amend SR-FINRA-2008-021, as necessary, to reflect such approval.

tool for implementing the concept of progressive discipline.

Inclusion of a rule in the MRVP does not mean that all violations of that rule should be treated as Minor Rule Violations, and, in fact, significant violations would not be handled under the MRVP. Accordingly, under the MRVP, FINRA retains the discretion to bring full disciplinary proceedings for any violation of a rule included in the MRVP.

The NASD options rules contain provisions imposing limits on the size of an options position, and limits on the number of options contracts that can be exercised into shares of the underlying security during a fixed period. To address inadvertent violations of these rules, due to among other things, miscounting, technical problems, or a misinterpretation of the position limit calculation methodologies, that in the judgment of FINRA do not materially affect the market, FINRA proposes adding violations of options position and exercise limits as eligible for disposition under the MRVP. Violations of these rules deemed to have a manipulative effect or intent would not be treated as Minor Rule Violations.

Options issued by The Options Clearing Corporation (*i.e.*, exchange-traded options) have specific terms regarding whether options that can be settled only by delivery of the asset underlying the option (typically an equity security) will be automatically exercised at settlement. The NASD options rule has detailed "contrary exercise advice" ("CEA") procedures describing the manner in which an option holder can elect not to exercise an option that normally would be exercised, or exercise an option contract that normally would expire worthless. To prevent option holders from unfairly exploiting after-hours news or market information that affects the price of the underlying security, the CEA notices must be submitted to the broker-dealer and by the broker-dealer to the OCC by certain specified cut-off times. Occasionally, due to technical problems or other inadvertent errors, firms fail to submit CEA notices within the applicable time limits. For those instances, FINRA proposes to have the flexibility to treat the violation as a Minor Rule Violation. Violations of the CEA rules that exploit or are intended to exploit after-hours news would not be treated as Minor Rule Violations.

FINRA notes that position and exercise limits and CEA violations are part of the MRVP of the options

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

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