on Nasdaq's Web site.[9] This notice will remain posted on the Web site until the delisting is effective. Nasdaq also proposes to clarify that it will follow these same procedures upon the withdrawal of a call for review by the Nasdaq Listing and Hearing Review Council or the Nasdaq Board, as is permitted by existing Nasdaq Rules 4807(b) and 4809(d).

In addition, Nasdaq proposes to relocate the existing requirements concerning a voluntary delisting and adopt a new requirement that an issuer must comply with the provisions of Commission Rule 12d2–2(c)[10] when it wishes to voluntarily delist and also notify Nasdaq at the same time that it files a Form 25 with the Commission to voluntarily delist. This requirement will facilitate Nasdaq's compliance with its obligation to provide notice on its Web site that the issuer has determined to withdraw its securities from listing and/or registration on Nasdaq.[11] Nasdaq also proposes to require an issuer that has received notice from Nasdaq that it fails to comply with one or more requirements for continued listing, or that otherwise is aware that it is below such continued listing requirements, to disclose this fact in certain notices required by Commission Rule 12d2–2(c).

Finally, Nasdaq proposes to remove Nasdaq Rule 4809(d) because it would be redundant.

2. Statutory Basis

Nasdaq believes that the proposed rule change is consistent with Section 6 of the Act,[12] in general and with Sections 6(b)(5) of the Act,[13] in particular, because it is designed to protect investors and the public interest by following Rule 12d2–2 under the Exchange Act and provide a fair procedure for the prohibition or limitation of listing by Nasdaq.

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

Nasdaq 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.

[9] *See* 17 CFR 240.12d2–2(b)(1). Nasdaq notes that Nasdaq Rule 4804 already requires notice to the issuer of the decision to delist the issuer's securities, and Nasdaq Rules 4805 and 4807 provide an opportunity for the issuer to appeal that decision.

[10] 17 CFR 240.12d2–2(c)

[11] 17 CFR 240.12d2–2(c)(3).

[12] 15 U.S.C. 78f(b).

[13] 15 U.S.C. 78f(b)(5).

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

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 the self-regulatory organization 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.* Please include File Number SR–NASDAQ–2006–005 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–NASDAQ–2006–005. 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. Copies of such 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–NASDAQ–2006–005 and should be submitted on or before July 6, 2006.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[14]

J. Lynn Taylor,

Assistant Secretary.

[FR Doc. E6–9349 Filed 6–14–06; 8:45 am]

BILLING CODE 8010–01–P

[14] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–53955; File No. SR–NASD–2006–065]

Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change and Amendment No. 1 Thereto Relating to the Establishment of an Annual Branch Office System Processing Fee and the Waiver of the Annual Branch Office System Processing Fee and the Annual Branch Office Registration Fee for One Branch Officer per Member per Year

June 7, 2006.

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 May 23, 2006, the National Association of Securities Dealers, Inc. (''NASD'') filed with the Securities and Exchange Commission (''SEC'' or ''Commission'') the proposed rule change as described in Items, I, II and III below, which Items have been prepared by NASD. On May 31, 2006, NASD filed Amendment No. 1 to the proposed rule change.[3] NASD has designated this proposal as establishing or changing a due, fee, or other charge imposed by NASD pursuant to Section 19(b)(3)(A)(ii) of the

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

[2] 17 CFR 240.19b–4.

[3] In Amendment No. 1, NASD made technical changes to the rule filing, including correcting certain underlining in the rule text.

Act,[4] and Rule 19b–4(f)(2) thereunder,[5] which renders the proposal effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

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

NASD proposes to amend Section 4 of Schedule A to the NASD By-Laws to: (1) Establish an annual branch office system processing fee and (2) waive the annual branch office system processing fee for one branch office per member per year and, as specified in the proposed rule change, as amended, the annual branch office registration fee for one branch office per member per year. NASD intends to implement the proposed rule change, as amended, on July 3, 2006. The text of the proposed rule change, as amended, is available on NASD's Web site (*http://www.nasd.com*), at NASD's Office of the Secretary, and at 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, NASD included statement concerning the purpose of and basis for the proposed rule change, as amended, and discussed any comments it received on the proposed rule change, as amended. The text of these statements may be examined at the places specified in Item IV below. NASD 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

On September 30, 2005, the SEC approved NASD's proposed Uniform Branch Office Registration Form (''Form BR''), which became effective on October 31, 2005. The Form BR replaces Schedule E of the Form BD, the New York Stock Exchange LLC (''NYSE'') Branch Office Application Form, and certain state branch office forms. The Form BR enables firms to register branch offices electronically with NASD, NYSE, and states that require branch registration or reporting via a single filing through the Central Registration Depository (''CRD®'' or ''CRD system''). Branch office registration through the CRD system creates efficiencies for firms by, among other things, making it easier for firms to register or report branch offices and to manage their ongoing registration and/or reporting responsibilities with regard to those branch offices. In addition to being able to submit a single filing to fulfill the branch office registration requirements of NASD, NYSE, and states, firms benefit from the centralized fee collection, online work queues, electronic notifications and other features available through the CRD system. Firms are also able to link their registered persons to the physical location from which they work via the Form BR, which not only aids regulators' examination efforts, but helps firms in meeting certain recordkeeping requirements.

The purpose of the branch office system processing fee is to recover the cost to NASD of developing and implementing the Form BR, as well as ongoing branch office system maintenance and enhancements. NASD staff will monitor this fee to determine whether adjustments are appropriate and will file rule changes to modify this fee, as appropriate. The fee is $20 upon the registration of a branch office and $20 annually thereafter per registered branch.

NASD proposes to begin assessing the branch office system processing fee during the third quarter of 2006 for all branch offices in existence as of July 3, 2006. NASD proposes to bill firms for all branch offices in existence as of July 3, 2006 via invoices, rather than through the CRD system. For any branch office that is registered on or after July 3, 2006, NASD proposes to assess and collect the branch office system processing fee through the CRD system at such time as the firm registers that new branch office.[6] Starting in December 2006, all firms will assessed $20 annually for each existing branch office as part of the CRD renewal program.[7]

In addition, NASD proposes to waive the annual branch office registration fee (for those NASD members who have been assessed such fee pursuant to Section 4(a)(1)(i) of Schedule A to the NASD By-Laws) and the annual branch office system processing fee (for all NASD members) for one branch office per NASD member per year. The fee waiver is prospective only, and will take effect for the year 2006 on July 3, 2006, the implementation date for this proposed rule change, as amended.[8]

NASD has filed the proposed rule change, as amended, for immediate effectiveness. The implementation date shall be July 3, 2006.

2. Statutory Basis

NASD believes that the proposed rule change, as amended, is consistent with the provisions of Section 15A(b)(5) of the Act,[9] which requires, among other things, that NASD rules provide for the equitable allocation of reasonable dues, fees, and other charges among members and issuers and other persons using any facility or system that NASD operates or controls. NASD believes that the proposed rule change, as amended, is designed to accomplish these ends by equitably assessing the costs of establishing and maintaining the CRD branch office registration system.

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

NASD does not believe that the proposed rule change, as amended, 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 on the proposed rule change, as amended.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The proposed rule change, as amended, has become effective pursuant to Section 19(b)(3)(A)(ii) [10] of the Act and paragraph (f)(2) of Rule 19b–4 thereunder,[11] in that it establishes or changes a due, fee, or other charge applicable to NASD members. NASD

[4] 15 U.S.C. 78s(b)(3)(A)(ii).

[5] 17 CFR 240.19b–4(f)(2).

[6] The CRD system will be available on July 3, 2006, for purposes of registering branch offices, but will not be available on July 4, 2006. Firms will again be able to register branch offices through the CRD system on July 5, 2006.

[7] This proposed rule change, as amended, addresses the assessment and collection of branch office system processing fees and the waiver of both the annual branch office registration fee and the annual branch office system processing fee for one branch office per member per year only with respect to NASD member firms. The manner of assessment and collection of branch office system processing fees from firms that are solely members of other self-regulatory organizations (''SROs'') that require their members to register branch offices via the Form BR (currently, only NYSE) will be addressed by such SROs.

[8] Firms that have already paid their annual $75.00 branch office fees for the year 2006 will receive a $75.00 credit for one branch office.

[9] 15 U.S.C. 78*o*–3(b)(5).

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

[11] 17 CFR 240.19b–4(f)(2).

intends to implement the proposed rule change, as amended, on July 3, 2006.

At any time within 60 days of the filing of the proposed rule change, as amended, 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.[12]

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change, as amended, 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 Number SR–NASD–2006–065 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–NASD–2006–065. 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. Copies of such filing also will be available for inspection and copying at the principal office of NASD. 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–NASD–2006–065 and should be submitted on or before July 6, 2006.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[13]

J. Lynn Taylor,

Assistant Secretary.

[FR Doc. 06–5419 Filed 6–14–06; 8:45 am]

BILLING CODE 8010–01–M

[12] The effective date of the original proposed rule change is May 23, 2006, and the effective date of Amendment No. 1 is May 31, 2006. For purposes of calculating the 60-day period within which the Commission may summarily abrogate the proposed rule change, as amended, under Section 19(b)(3)(C) of the Act, the Commission considers the period to commence on May 31, 2006, the date on which NASD submitted Amendment No. 1. *See* 15 U.S.C. 78s(b)(3)(C).

[13] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–53963, File No. SR–NSX–2006–03]

Self-Regulatory Organizations; National Stock Exchange℠; Order Approving Proposed Rule Change and Amendment Nos. 1 and 2 Thereto Relating to the Demutualization of the National Stock Exchange

June 8, 2006.

I. Introduction

On April 5, 2006, the National Stock Exchange℠ (''NSX'' 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 effect a series of proposed changes to the Exchange's corporate structure that would allow for the demutualization of the Exchange. On April 19, 2006, the NSX submitted Amendment No. 1 to the proposed rule change.[3] On April 25, 2006, the NSX submitted Amendment No. 2 to the proposed rule change, as amended.[4] The proposed rule change, as amended, was published for comment in the **Federal Register** on May 3, 2006.[5] The Commission has received one comment on the proposal.[6] The NSX submitted a response to the comment on June 5, 2006.[7] This order approves the proposed rule change, as amended.

II. Description of Proposed Rule Change

a. Description of Demutualization Transaction

Currently, NSX is a non-stock nonprofit Ohio corporation. NSX proposes to demutualize by reorganizing as a Delaware for-profit stock corporation that would be a direct and wholly-owned subsidiary of a new Delaware for-profit stock holding company (''Holdings''). To accomplish the demutualization, NSX has established (i) two new Delaware stock for-profit corporations: Holdings, a direct and wholly-owned subsidiary of NSX, and NSX Delaware Merger Sub, Inc. (''NSX Delaware Merger Sub''), a direct and wholly-owned subsidiary of Holdings, and (ii) one transitory Ohio stock for-profit corporation, NSX Ohio Merger Sub, Inc. (''NSX Ohio Merger Sub''), also a direct and wholly-owned subsidiary of Holdings.[8]

Pursuant to an agreement and plan of merger, NSX would merge (''Merger #1'') with and into NSX Ohio Merger Sub, with NSX Ohio Merger Sub surviving the merger as an Ohio for-profit stock corporation that is a direct and wholly-owned subsidiary of Holdings. As a result of Merger #1, NSX Ohio Merger Sub will be the initial successor-in-interest to NSX. Immediately following Merger #1, pursuant to a second agreement and plan of merger, NSX Ohio Merger Sub would merge (''Merger #2'') with and into NSX Delaware Merger Sub, with NSX Delaware Merger Sub renamed National Stock Exchange, Inc. surviving the merger as a Delaware for-profit stock

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

[2] 17 CFR 240.19b–4.

[3] Amendment No. 1 (''Amendment No. 1'') made revisions to the proposed: Holdings Certificate of Incorporation, Sections (b)(iii)(B) and (C); Holdings By-Laws, Article III, Sections 3.1 and 3.4; NSX By-Laws, Article III, Section 3.2(b); and NSX Rule 2.10. In addition, Amendment No. 1 added new proposed Section 3.6 to Article III of the Holdings By-Laws, requiring Holdings to take reasonable steps necessary to cause its officers, directors, and employees to consent to the applicability to them of Article III of the Holdings By-Laws. Finally, Amendment No. 1 made corresponding changes to Item 3 of Form 19b–4 and Exhibit 1 to describe the effect of the foregoing Exhibit 5 revisions and also add a description of proposed NSX Rule 2.10.

[4] Amendment No. 2 (''Amendment No. 2'') made changes to Item 3 of Form 19b–4 and Exhibit 1, which changes were incorporated into the notice; *see infra,* note 5.

[5] *See* Securities Exchange Act Release No. 53721 (April 25, 2006), 71 FR 26155 (May 3, 2006) (''Demutualization Notice'').

[6] *See* Letter from Ann Yerger, Executive Director, Council of Institutional Investors to Nancy M. Morris, Secretary, Commission, dated May 11, 2006 (''CII Letter'').

[7] *See* Letter from James C. Yong, Chief Regulatory Officer, Exchange to Nancy M. Morris, Secretary, Commission, dated June 5, 2006 (''NSX Response'').

[8] The Exchange stated that the establishment of NSX Ohio Merger Sub and the process of demutualization through two mergers (as described more fully in this document) are necessitated because under Ohio law, NSX, as an Ohio nonprofit corporation, may not merge directly with and into a foreign for-profit corporation, such as NSX Delaware Merger Sub.