

Proposed Rule Change by National Association of Securities Dealers
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial <input checked="" type="checkbox"/>	Amendment <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) <input type="checkbox"/>	Section 19(b)(3)(A) <input checked="" type="checkbox"/>	Section 19(b)(3)(B) <input type="checkbox"/>
			Rule		
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action <input type="checkbox"/>	Date Expires <input type="text"/>	<input checked="" type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	<input type="checkbox"/> 19b-4(f)(5)
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(6)	<input type="checkbox"/> 19b-4(f)(3)

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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Description
Provide a brief description of the proposed rule change (limit 250 characters).

Proposed amendments to Rule 6530 to clarify the removal process for the securities of OTCBB issuers that fail to remain current with their reporting requirements.

Contact Information
Provide the name, telephone number and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the proposed rule change.

First Name	<input type="text" value="Andrea"/>	Last Name	<input type="text" value="Orr"/>
Title	<input type="text" value="Assistant General Counsel"/>		
E-mail	<input type="text" value="andrea.orr@nasd.com"/>		
Telephone	<input type="text" value="(202) 728-8156"/>	Fax	<input type="text" value="(202) 728-8264"/>

Signature
Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date

By Vice President and Associate General Counsel

(Name)

(Title)

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

STEPHANIE DUMONT,

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

Form 19b-4 Information

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Exchange Act”), the National Association of Securities Dealers, Inc. (“NASD”) is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposed rule change to amend NASD Rule 6530 to clarify the removal process for the securities of issuers quoted on the OTC Bulletin Board (“OTCBB”) that fail to remain current with reporting their financial information to the SEC or other appropriate regulator.

Below is the text of the proposed rule change. Proposed new language is underlined; proposed deletions are in brackets.

* * * * *

6530. OTCBB-Eligible Securities

A member shall be permitted to quote the following categories of securities in the Service:

(a) any domestic equity security that satisfies the requirements of subparagraph (1) and either subparagraph (2) or (3) or (4) below:

(1) through (4) No change.

(5) The grace periods set forth in paragraphs (a)(2), (a)(3) and (a)(4) above shall be calculated from the date notice is published on the OTCBB Daily List that the symbol of a delinquent issuer will be modified.

(b) through (e) No change.

* * * * *

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by the Board of Directors of NASD Regulation, Inc. pursuant to a delegation of authority granted by the Board at its meeting on January 19, 2006, to the General Counsel of NASD Regulatory Policy and Oversight (or his officer designee) to file, without further specific Board authorization, administrative, technical, conforming, and non-substantive changes to NASD rules (“Delegation of Authority”). The staff will advise the Board of any action taken pursuant to the Delegation of Authority. No other action by NASD is necessary for the filing of the proposed rule change. Section 1(a)(ii) of Article VII of the NASD By-Laws permits the Board of Governors of NASD to adopt amendments to NASD Rules without recourse to the membership for approval.

The proposed rule change is effective immediately upon filing.

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

(a) Purpose

In January 1999, the SEC approved amendments to Rules 6530 and 6540 that limit quotations on the OTCBB to securities of issuers that are current in their periodic filings with the Commission or other appropriate regulator.¹ In November 2005, the SEC

¹ See Securities Exchange Act Release No. 40878 (January 4, 1999), 64 FR 1255 (January 8, 1999) (SR-NASD-98-51).

approved amendments to Rule 6530 that limit the eligibility for quotation on the OTCBB of the securities of issuers that are repeatedly late or otherwise delinquent in filing periodic reports.² Specifically, Rule 6530(e) provides that OTCBB issuers that file late with the SEC or other respective regulator, even if within the grace period allowed by Rule 6530, three times in a 24-month period and those that have been removed from the OTCBB for failure to file two times in a 24-month period, are ineligible for quotation on the OTCBB by an NASD member.³ Following removal pursuant to Rule 6530(e), the securities of an issuer would only become eligible for quotation on the OTCBB again if the issuer has timely filed complete required periodic reports for a one-year period.

NASD is filing the proposed rule change to clarify the removal process and grace periods for securities of OTCBB issuers that fail to remain current in their reporting requirements. Specifically, when an issuer does not comply with the reporting requirements in Rule 6530, either because a filing was not made⁴ or because a filing was incomplete,⁵ a fifth character “E” is appended to the trading symbol of that issuer’s

² See Securities Exchange Act Release No. 52786 (November 16, 2005), 70 FR 70907 (November 23, 2005) (SR-NASD-2005-011).

³ Rule 6530(e) applies to filings for reporting periods ending on and after October 1, 2005.

⁴ When the staff does not receive notice that an issuer which files with a regulator other than the SEC has timely filed, the “E” modifier is also appended. If the issuer did in fact timely file with its respective regulator, that would not be considered a delinquency for purposes of Rule 6530(e).

⁵ In order for a filing to be complete, it must, for example, contain all required certifications, attestations, and financial statements, including an auditor’s review pursuant to SAS–100 (for quarterly reports) or an unqualified auditor’s opinion (for annual reports). See Rule 13a–14 under the Exchange Act, 17 CFR 240.13a–14, and Rules 10–01(d) and 2–02(c) of Regulation S–X, 17 CFR 210.10–01(d)

security.⁶ Notice of the pending symbol change to append the “E” modifier is publicly reported on the OTCBB Daily List.⁷ This identifier notifies investors and other market participants that the issuer is not current, or the staff does not have sufficient information to determine if the issuer is current, in its reporting obligations.⁸

Rule 6530 generally permits the continued quoting of securities of delinquent issuers for a specified grace period.⁹ Questions have been raised as to from what date the grace period, if applicable, commences. NASD is clarifying that the grace period, if

and 2–02(c). In addition, the auditor must be registered with the Public Company Accounting Oversight Board. See Section 102(a) of the Sarbanes-Oxley Act of 2002, 15 U.S.C. 7212(a).

⁶ A filing would not be considered delinquent if made within any applicable extension permitted by Rule 12b-25 under the Exchange Act. If the issuer does not file the required report by the expiration of the applicable Rule 12b-25 grace period, notice of a pending change to the issuer’s symbol will be publicly reported on the OTCBB Daily List and the “E” modifier will be appended to the trading symbol of that issuer’s securities. The applicable grace period will be calculated from the date of publication on the OTCBB Daily List.

⁷ Notice of a pending symbol change is publicly reported on the OTCBB Daily List within seven business days of the due date of the report. The “E” modifier is then appended to the issuer’s security symbol within two business days thereafter. The OTCBB Daily List is available at www.otcbb.com.

⁸ A list of delinquent issuers is available on www.otcbb.com.

⁹ The grace period set forth in Rule 6530 varies depending on the type of issuer. OTCBB issuers that file with the SEC are subject to a 30 calendar day grace period, whereas, OTCBB issuers that do not file with the SEC, but are required to file with other regulators (i.e., banks, savings associations and insurance companies) are afforded a 60 calendar day grace period. Pursuant to Rule 6530(e), however, the third time an OTCBB issuer is delinquent in the prior two-year period, that issuer’s securities will be removed from quotation on the OTCBB without the benefit of any grace period for the third delinquency, although seven calendar days will be provided to request a review of the staff determination by a hearing panel. See Securities Exchange Act Release No. 52786 (November 16, 2005), 70 FR 70907 (SR-NASD-2005-011).

applicable, is calculated from the date notification of the pending symbol change to append the “E” modifier is published on the OTCBB Daily List. If the issuer does not comply within any grace period provided by Rule 6530 and no request for review by a hearing panel has been received,¹⁰ then the securities of the issuer are removed from quotation on the OTCBB.¹¹ Alternatively, if the delinquent issuer becomes current in its filings with the SEC or its respective regulator, the “E” modifier will be removed from the trading symbol of that issuer’s security. In either case, this symbol change will appear on the OTCBB Daily List within two business days.

NASD is filing the proposed rule change for immediate effectiveness as a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule of NASD. The proposed rule change is effective immediately upon filing.

¹⁰ A party aggrieved by a determination relating to the OTCBB may request a review of such determination by a hearing panel pursuant to the Rule 9700 Series. The hearing panel determines whether the securities of an issuer are eligible for continued quotation because the issuer has, in fact, filed a complete periodic report. The hearing panel does not have the discretion to allow the securities of delinquent companies to continue to trade on the OTCBB. A request for review by a hearing panel will stay the security’s removal until the panel makes its determination. An issuer that is not removed because it files a late report after requesting a hearing but before a decision by the hearing panel has been issued in the matter would not be considered to have failed to file for purposes of Rule 6530(e)(2), however, that issuer would be considered to have filed late for purposes of Rule 6530(e)(1). In a separate filing with the SEC, NASD is proposing to clarify the availability of this review process and to adopt fees for such review. See SR-NASD-2005-067. See also Securities Exchange Act Release No. 52786 (November 16, 2005), 70 FR 70907 (November 23, 2005) (SR-NASD-2005-011).

¹¹ Notice of deletion of the issuer’s securities will be published on the OTCBB Daily List. Then, the issuer’s securities will be removed on the following business day.

(b) Statutory Basis

NASD believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act, which requires, among other things, that NASD 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. NASD believes that the proposed rule change will clarify and provide greater transparency to the process for removing the securities of issuers from quotation on the OTCBB that fail to comply with the reporting requirements in Rule 6530.

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

NASD 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, as amended.

5. 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.

6. Extension of Time Period for Commission Action

Not applicable.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

The proposed rule change is effective upon filing pursuant to Section 19(b)(3)(A)(i) of the Act¹² and Rule 19b-4(f)(1) thereunder,¹³ in that the proposed rule

¹² 15 U.S.C. 78s(b)(3)(A)(i).

¹³ 17 CFR 240.19b-4(f)(1).

change constitutes a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule of NASD.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

Not applicable.

9. Exhibits

Exhibit 1. Completed notice of the proposed rule change for publication in the Federal Register.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34- ; File No. SR-NASD-2006-029)

Self-Regulatory Organizations: National Association of Securities Dealers, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Amendments to Rule 6530 to Clarify the Removal Process for Securities of OTCBB Issuers that Fail to Remain Current with OTCBB Reporting Requirements

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 , 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. NASD has designated the proposed rule change 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 Act³ and Rule 19b-4(f)(1) thereunder,⁴ which renders the proposal effective upon receipt of this filing by 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

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).

NASD is proposing to amend NASD Rule 6530 to clarify the removal process for the securities of issuers quoted on the OTC Bulletin Board (“OTCBB”) that fail to remain current with reporting their financial information to the SEC or other appropriate regulator.

Below is the text of the proposed rule change. Proposed new language is in italics; proposed deletions are in brackets.

* * * * *

6530. OTCBB-Eligible Securities

A member shall be permitted to quote the following categories of securities in the Service:

(a) any domestic equity security that satisfies the requirements of subparagraph (1) and either subparagraph (2) or (3) or (4) below:

(1) through (4) No change.

(5) The grace periods set forth in paragraphs (a)(2), (a)(3) and (a)(4) above shall be calculated from the date notice is published on the OTCBB Daily List that the symbol of a delinquent issuer will be modified.

(b) through (e) No change.

* * * * *

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 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. 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

In January 1999, the SEC approved amendments to Rules 6530 and 6540 that limit quotations on the OTCBB to securities of issuers that are current in their periodic filings with the Commission or other appropriate regulator.⁵ In November 2005, the SEC approved amendments to Rule 6530 that limit the eligibility for quotation on the OTCBB of the securities of issuers that are repeatedly late or otherwise delinquent in filing periodic reports.⁶ Specifically, Rule 6530(e) provides that OTCBB issuers that file late with the SEC or other respective regulator, even if within the grace period allowed by Rule 6530, three times in a 24-month period and those that have been removed from the OTCBB for failure to file two times in a 24-month period, are ineligible for quotation on the OTCBB by an NASD member.⁷ Following removal pursuant to Rule 6530(e), the securities of an issuer would only become eligible for quotation on the OTCBB again if the issuer has timely filed complete required periodic reports for a one-year period.

⁵ See Securities Exchange Act Release No. 40878 (January 4, 1999), 64 FR 1255 (January 8, 1999) (SR-NASD-98-51).

⁶ See Securities Exchange Act Release No. 52786 (November 16, 2005), 70 FR 70907 (November 23, 2005) (SR-NASD-2005-011).

⁷ Rule 6530(e) applies to filings for reporting periods ending on and after October 1, 2005.

NASD is filing the proposed rule change to clarify the removal process and grace periods for securities of OTCBB issuers that fail to remain current in their reporting requirements. Specifically, when an issuer does not comply with the reporting requirements in Rule 6530, either because a filing was not made⁸ or because a filing was incomplete,⁹ a fifth character “E” is appended to the trading symbol of that issuer’s security.¹⁰ Notice of the pending symbol change to append the “E” modifier is publicly reported on the OTCBB Daily List.¹¹ This identifier notifies investors and other market

⁸ When the staff does not receive notice that an issuer which files with a regulator other than the SEC has timely filed, the “E” modifier is also appended. If the issuer did in fact timely file with its respective regulator, that would not be considered a delinquency for purposes of Rule 6530(e).

⁹ In order for a filing to be complete, it must, for example, contain all required certifications, attestations, and financial statements, including an auditor’s review pursuant to SAS–100 (for quarterly reports) or an unqualified auditor’s opinion (for annual reports). See Rule 13a–14 under the Exchange Act, 17 CFR 240.13a–14, and Rules 10–01(d) and 2–02(c) of Regulation S–X, 17 CFR 210.10–01(d) and 2–02(c). In addition, the auditor must be registered with the Public Company Accounting Oversight Board. See Section 102(a) of the Sarbanes-Oxley Act of 2002, 15 U.S.C. 7212(a).

¹⁰ A filing would not be considered delinquent if made within any applicable extension permitted by Rule 12b-25 under the Exchange Act. If the issuer does not file the required report by the expiration of the applicable Rule 12b-25 grace period, notice of a pending change to the issuer’s symbol will be publicly reported on the OTCBB Daily List and the “E” modifier will be appended to the trading symbol of that issuer’s securities. The applicable grace period will be calculated from the date of publication on the OTCBB Daily List.

¹¹ Notice of a pending symbol change is publicly reported on the OTCBB Daily List within seven business days of the due date of the report. The “E” modifier is then appended to the issuer’s security symbol within two business days thereafter. The OTCBB Daily List is available at www.otcbb.com.

participants that the issuer is not current, or the staff does not have sufficient information to determine if the issuer is current, in its reporting obligations.¹²

Rule 6530 generally permits the continued quoting of securities of delinquent issuers for a specified grace period.¹³ Questions have been raised as to from what date the grace period, if applicable, commences. NASD is clarifying that the grace period, if applicable, is calculated from the date notification of the pending symbol change to append the “E” modifier is published on the OTCBB Daily List. If the issuer does not comply within any grace period provided by Rule 6530 and no request for review by a hearing panel has been received,¹⁴ then the securities of the issuer are removed from

¹² A list of delinquent issuers is available on www.otcbb.com.

¹³ The grace period set forth in Rule 6530 varies depending on the type of issuer. OTCBB issuers that file with the SEC are subject to a 30 calendar day grace period, whereas, OTCBB issuers that do not file with the SEC, but are required to file with other regulators (i.e., banks, savings associations and insurance companies) are afforded a 60 calendar day grace period. Pursuant to Rule 6530(e), however, the third time an OTCBB issuer is delinquent in the prior two-year period, that issuer’s securities will be removed from quotation on the OTCBB without the benefit of any grace period for the third delinquency, although seven calendar days will be provided to request a review of the staff determination by a hearing panel. See Securities Exchange Act Release No. 52786 (November 16, 2005), 70 FR 70907 (SR-NASD-2005-011).

¹⁴ A party aggrieved by a determination relating to the OTCBB may request a review of such determination by a hearing panel pursuant to the Rule 9700 Series. The hearing panel determines whether the securities of an issuer are eligible for continued quotation because the issuer has, in fact, filed a complete periodic report. The hearing panel does not have the discretion to allow the securities of delinquent companies to continue to trade on the OTCBB. A request for review by a hearing panel will stay the security’s removal until the panel makes its determination. An issuer that is not removed because it files a late report after requesting a hearing but before a decision by the hearing panel has been issued in the matter would not be considered to have failed to file for purposes of Rule 6530(e)(2), however, that issuer would be considered to have filed late for purposes of Rule 6530(e)(1). In a separate filing with the SEC, NASD is

quotation on the OTCBB.¹⁵ Alternatively, if the delinquent issuer becomes current in its filings with the SEC or its respective regulator, the “E” modifier will be removed from the trading symbol of that issuer’s security. In either case, this symbol change will appear on the OTCBB Daily List within two business days.

NASD is filing the proposed rule change for immediate effectiveness as a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule of NASD. The proposed rule change is effective immediately upon filing.

2. Statutory Basis

NASD believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act, which requires, among other things, that NASD 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. NASD believes that the proposed rule change will clarify and provide greater transparency to the process for removing the securities of issuers from quotation on the OTCBB that fail to comply with the reporting requirements in Rule 6530.

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

NASD does not believe that the proposed rule change will result in any burden on

proposing to clarify the availability of this review process and to adopt fees for such review. See SR-NASD-2005-067. See also Securities Exchange Act Release No. 52786 (November 16, 2005), 70 FR 70907 (November 23, 2005) (SR-NASD-2005-011).

¹⁵ Notice of deletion of the issuer’s securities will be published on the OTCBB Daily List. Then, the issuer’s securities will be removed on the following business day.

competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.

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 proposed rule change has become effective pursuant to Section 19(b)(3)(A)(i) of the Act¹⁶ and Rule 19b-4(f)(1) thereunder,¹⁷ in that the proposed rule change constitutes a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule of NASD.

At any time within 60 days of the filing of the 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:

¹⁶ 15 U.S.C. 78s(b)(3)(A)(i).

¹⁷ 17 CFR 240.19b-4(f)(1).

- 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-2006-029 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-2006-029. 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. 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 the

File Number SR-NASD-2006-029 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁸

Nancy M. Morris

Secretary

¹⁸ 17 CFR 200.30-3(a)(12).