

OMB APPROVAL

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Page 1 of 6

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No. SR - 2007 - 004
Amendment No. 1

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

Initial ☐	Amendment ☒	Withdrawal ☐	Section 19(b)(2) ☒	Section 19(b)(3)(A) ☐	Section 19(b)(3)(B) ☐
			Rule		
Pilot ☐	Extension of Time Period for Commission Action ☐	Date Expires 	☐ 19b-4(f)(1) ☐ 19b-4(f)(2) ☐ 19b-4(f)(3)	☐ 19b-4(f)(4) ☐ 19b-4(f)(5) ☐ 19b-4(f)(6)	

Exhibit 2 Sent As Paper Document
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Exhibit 3 Sent As Paper Document
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Description

Provide a brief description of the proposed rule change (limit 250 characters).

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 James Last Name Eastman
Title Assistant General Counsel
E-mail james.eastman@nasd.com
Telephone (202) 728-6961 Fax (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 officer.

Date 03/02/2007

By Marc Menchel
(Name)

Executive Vice President and General Counsel

(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.

MARC MENCHEL,

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF 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

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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

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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.

On January 16, 2007, the National Association of Securities Dealers, Inc. (“NASD”) filed with the Securities and Exchange Commission (“Commission”) SR-NASD-2007-004, which proposed amendments to paragraph (k) of Rule 7010.¹ On March 1, 2007, NASD filed for immediate effectiveness SR-NASD-2007-018, which, among other things, renumbers paragraph (k) of Rule 7010 as Rule 7030.

This partial amendment No. 1 reflects the new numbering format adopted in SR-NASD-2007-018, but makes no changes to the text of Rule 7030 (former Rule 7010(k)) other than those proposed in SR-NASD-2007-004 and published for comment by the Commission. Below is the text of the rule change proposed in SR-NASD-2007-004 shown in the current numbering format of new Rule 7030. New paragraph numbering and language added by SR-NASD-2007-018 are double underlined and deletions made by SR-NASD-2007-018 are in double brackets while new language proposed in SR-NASD-2007-004 is single underlined and deletions proposed in SR-NASD-2007-004 are in single brackets.

* * * * *

7010. [[System Services]]OTC Reporting Facility No change.

7020. [[(a) through (j)]]OTC Bulletin Board Service No change.

7030[[k]]. Trade Reporting and Compliance Engine (TRACE)

The following charges shall be paid by participants for the use of the Trade Reporting and Compliance Engine (“TRACE”):

¹ The rule changes proposed in SR-NASD-2007-004 were published for public comment by the Commission in Securities Exchange Act Release No. 55180 (January 26, 2007), 72 FR 5095 (February 2, 2007). The public comment period expired on February 23, 2007.

System Fees	Transaction Reporting Fees	Market Data Fees
Level I Trade Report Only Web Browser Access - \$20/month per user ID Level II Full Service Web Browser Access - \$80/month per user ID, except that the charge for the first such user ID shall be \$50/month	Trades up to and including \$200,000 par value - \$0.475/trade; Trades between \$201,000 and \$999,999 par value - \$0.002375 times the number of bonds traded/trade; Trades of \$1,000,000 par value or more - \$2.375/trade	BTDS Professional Real-Time Data Display - \$60/month per terminal, or a flat fee of \$7,500/month entitling Professionals to make unlimited internal use of Real-Time TRACE transaction data on any number of interrogation or display devices
CTCI/Third Party - \$25/month/per firm	Cancel/Correct - \$1.50/trade	Vendor Real-Time Data Feed - \$1,500/month for <u>receipt of continuous</u> Real-Time TRACE transaction data except for qualifying Tax-Exempt Organizations, <u>or \$250/month for daily receipt of Snapshot Real-Time TRACE transaction data</u>
	“As of” Trade Late - \$3/trade	Vendor Real-Time Data Feed - \$400/month for Real-Time TRACE transaction data for qualifying Tax-Exempt Organizations
		BTDS TRACE Non-Professional Real-Time Data Display – No charge

(a)[(1)] through (b)[(2)] No change.

(c)[(3)] Market Data Fees

Professionals and Non-Professionals may subscribe to receive Real-Time TRACE transaction data disseminated by NASD in one or more of the following ways for the charges specified, as applicable. Members, vendors and other redistributors shall be required to execute appropriate agreements with NASD.

(1) [(A)] Professional Fees

Professionals may subscribe for the following:

(A) [(i)] Bond Trade Dissemination Service (“BTDS”)

Professional Real-Time Data Display Fee of \$60 per month, per terminal charge for each interrogation or display device receiving Real-Time TRACE transaction data, or a flat fee of \$7,500 per month entitling Professionals to make unlimited internal use of Real-Time TRACE transaction data on any number of interrogation or display devices.

(B) [(ii)] Vendor Real-Time Data Feed Fee of \$1,500

per month for receipt of continuous Real-Time TRACE transaction data for any person or organization (other than a Tax-Exempt Organization) that receives a Real-Time TRACE transaction data feed, or \$250 per month for daily receipt of Snapshot Real-Time TRACE transaction data which shall consist of one TRACE price per security per day. These fees entitles use in one or more of the following ways: internal operational and processing systems, internal monitoring and surveillance systems, internal price validation, internal portfolio valuation services, internal analytical programs leading to purchase/sale or other trading decisions, and other related activities, and the repackaging of market data for delivery and dissemination outside the organization, such as indices or other derivative products. (Th[is]ese fees do[es] not

include per terminal charges for each interrogation or display device receiving Real-Time TRACE transaction data.)

(C)-(D)[(iii)-(iv)] No change.

(2) through (4)[(B) through (D)] No change.