

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-52603; File No. SR-NASD-2005-082)

October 13, 2005

Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Order Approving Proposed Rule Change and Amendment No. 1 Thereto to Clarify the Listing Standards Applicable to Companies in Bankruptcy Proceedings

On June 22, 2005, the National Association of Securities Dealers, Inc. (“NASD”), through its subsidiary, The Nasdaq Stock Market, Inc. (“Nasdaq”), 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 clarify the listing standards applicable to companies in bankruptcy proceedings. On August 23, 2005, Nasdaq filed Amendment No. 1 to the proposed rule change.³ The proposed rule change was published for comment in the Federal Register on September 13, 2005.⁴ The Commission received no comments on the proposal. This order approves the proposed rule change.

The Commission finds that the proposed rule change, as amended, is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities association,⁵ the requirements of Section 15A of the Act,⁶ in general, and Section 15A(b)(6) of the Act,⁷ in particular, which requires, among other things, that NASD’s rules be designed to prevent fraudulent and manipulative acts and practices, promote just and equitable

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ In Amendment No. 1, Nasdaq made typographical corrections to the rule text and a correction to the stated purpose of the proposed rule change.

⁴ See Securities Exchange Act Release No. 52385 (September 7, 2005), 70 FR 54096.

⁵ In approving this proposed rule change, the Commission has considered the proposed rule’s impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁶ 15 U.S.C. 78o-3.

⁷ 15 U.S.C. 78o-3(b)(6).

principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. The Commission believes the proposed rule change may remove ambiguity surrounding the standards applicable to companies involved in bankruptcy proceedings and may require such companies to meet heightened initial inclusion standards upon emerging from bankruptcy, thereby protecting investors and the public interest.

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,⁸ that the proposed rule change (SR-NASD-2005-082), as amended, is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁹

Jonathan G. Katz
Secretary

⁸ 15 U.S.C. 78s(b)(2).

⁹ 17 CFR 200.30-3(a)(12).