

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-64397; File No. SR-FINRA-2011-019)

May 4, 2011

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Rename the OTC Bulletin Board in the FINRA Rulebook

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Exchange Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on April 25, 2011, Financial Industry Regulatory Authority, Inc. (“FINRA”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by FINRA. FINRA has designated the proposed rule change as constituting a “non-controversial” rule change under paragraph (f)(6) of Rule 19b-4 under the Exchange Act,³ 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

FINRA is proposing to amend FINRA Rule 6500 Series and Rules 7700, 7720 and 7740 to replace references to “OTC Bulletin Board” and “OTCBB” with “Non-NMS Quotation Service” and “NNQS.”

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 17 CFR 240.19b-4(f)(6).

The text of the proposed rule change is available on FINRA's Web site at <http://www.finra.org>, at the principal office of FINRA, at the Commission's Public Reference Room, and on the Commission's website at www.sec.gov.

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 these statements may be examined at the places specified in Item IV below. FINRA 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

As initially announced by FINRA in September 2009, FINRA currently is seeking to divest itself of the OTCBB trademark, related domain name, and all informational content from the www.OTCBB.com website that is not otherwise required to be retained by FINRA for regulatory purposes ("OTCBB assets"). FINRA reached agreement with an entity for the sale of the OTCBB assets in the third quarter of 2010.⁴ In connection with this effort, and to remove certain current impediments to the completion of such a transaction, FINRA is filing the proposed rule change to rename the OTC Bulletin Board ("OTCBB") as the Non-NMS Quotation Service ("NNQS").

⁴ See Rodman & Renshaw Capital Group, Inc., Press Release September 14, 2010 ("Rodman and FINRA Reach Preliminary Agreement on Terms for Rodman Acquisition of OTCBB Assets").

The OTCBB assets do not include the technology comprising the interdealer quotation system operated by FINRA, which is currently known as “OTCBB.” Thus, the renaming of OTCBB as NNQS, as proposed here, enables FINRA to proceed with the sale of the OTCBB assets by removing references to OTCBB from the current FINRA Rulebook, while continuing to permit FINRA to operate its interdealer quotation system under the new name without change or interruption to the availability of this service by FINRA. The FINRA Rule 6500 Series will govern the operation of the NNQS as it currently does for OTCBB, and the functionality of the NNQS will be identical to that of the current OTCBB.

While FINRA has filed the proposed rule change for immediate effectiveness, the renaming, transitioning of the related domain name, and consummation of the sale transaction will be implemented at a later date to be announced by FINRA (the “implementation date”).⁵ However, the implementation date will be no sooner than 120 days following the date of filing of the proposed rule change. Until such implementation date, FINRA will continue to operate the www.OTCBB.com website and the OTCBB interdealer quotation system in the same manner as it currently does. Thus, the operation of the OTCBB facilities as an inter-dealer quotation system by FINRA and support of the www.OTCBB.com website will not change in any respect until the actual implementation date, which is anticipated to be before the end of 2011, but in no event will be sooner than 120 days following the date of this filing. Subsequent to the implementation date, FINRA will continue to operate the NNQS in the same manner it currently operates the

⁵ Upon implementation of the proposed rule change, FINRA’s interdealer quotation system will be known as NNQS, and FINRA no longer will own the www.OTCBB.com website.

OTCBB, consistent with FINRA's statutory obligations under Section 15A⁶ of the Exchange Act.⁷

Upon the implementation of the proposed rule change, FINRA will offer data on or through the FINRA website that is substantially equivalent to the type of quotation and last sale data for OTC equity securities currently available on www.OTCBB.com. In addition, FINRA will undertake a concerted communications campaign to ensure that the public (including retail investors) is well-informed with respect to the pending changes. This campaign will include outreach to OTCBB-quoted issuers regarding the status of their continued eligibility to quote on the NNQS upon the implementation date.

FINRA has filed the proposed rule change for immediate effectiveness. FINRA will announce the implementation date no later than 270 days following the date of filing of the proposed rule change, but in no event will be sooner than 120 days following the date of filing of the proposed rule change.

2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Exchange Act,⁸ which requires, among other things, that

⁶ 15 U.S.C. 78o-3(b)(11).

⁷ On August 7, 2009, FINRA filed with the Commission a proposed rule change to restructure quotation collection and dissemination for OTC Equity Securities that is currently pending with the Commission. See Securities Exchange Act Release No. 60999 (November 13, 2009), 74 FR 61183 (November 23, 2009) ("QCF Proposal"). The instant proposed rule change does not alter FINRA's current quotation transparency activities in the over-the-counter market through the operation of an interdealer quotation system unless the QCF Proposal is approved by the Commission and takes effect. Thus, unless and until the SEC approves the QCF and it takes effect, FINRA intends to operate the NNQS after the implementation date.

⁸ 15 U.S.C. 78o-3(b)(6).

FINRA 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. Section 15A(b)(11) of the Exchange Act⁹ requires that FINRA rules include provisions governing the form and content of quotations relating to securities sold otherwise than on a national securities exchange which may be distributed or published by any member or person associated with a member, and the persons to whom such quotations may be supplied. In addition, Section 15A(b)(11) of the Exchange Act¹⁰ requires that such rules be designed to produce fair and informative quotations, to prevent fictitious or misleading quotations, and to promote orderly procedures for collecting, distributing, and publishing quotations.

FINRA believes the proposed rule change is consistent with Section 15A(b)(6) and (11) of the Exchange Act in that it facilitates FINRA's continued ability to operate an interdealer quotation system for use by market makers in OTC equity securities that is functionally identical to the service provided under the current name, thereby supporting the availability of quotation information in the over-the-counter equity securities market.

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

FINRA 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 Exchange 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.

⁹ 15 U.S.C. 78o-3(b)(11).

¹⁰ Id.

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

Because the foregoing proposed rule change does not:

(i) significantly affect the protection of investors or the public interest;

(ii) impose any significant burden on competition; and

(iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, it has become effective pursuant to Section 19(b)(3)(A) of the Act¹¹ and Rule 19b-4(f)(6) thereunder.¹²

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend 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:

- Use the Commission's Internet comment form

(<http://www.sec.gov/rules/sro.shtml>); or

¹¹ 15 U.S.C. 78s(b)(3)(A).

¹² 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires the self-regulatory organization to submit to the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. FINRA has satisfied this requirement.

- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-FINRA-2011-019 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-FINRA-2011-019. 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 website (<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 website viewing and printing in the Commission's Public Reference Room on official business days between the hours of 10:00 a.m. and 3:00 p.m. 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-FINRA-2011-019 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹³

Elizabeth M. Murphy
Secretary

¹³ 17 CFR 200.30-3(a)(12).