

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-53687; File No. SR-NASD-2006-015)

April 20, 2006

Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Order Approving Proposed Rule Change to Establish the Nasdaq Halt Cross

On January 31, 2006, 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”) a proposed rule change pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² to establish the Nasdaq Halt Cross. On February 16, 2006, Nasdaq filed Amendment No. 1 to the proposed rule change. On March 6, 2006, Nasdaq filed Amendment No. 2 to the proposed rule change. The proposed rule change, as amended by Amendment Nos. 1 and 2, was published for comment in the Federal Register on March 21, 2006.³ The Commission received no comments on the proposal. On April 17, 2006, Nasdaq filed Amendment No. 3 to the proposed rule change to make NASD Rule 4703(b)(2)(B) parallel to NASD Rule 4703(a)(2)(B).⁴ This order approves the proposed rule change, as amended.

The Commission finds that the proposed rule change 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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 53488 (March 15, 2006), 71 FR 14272.

⁴ Amendment No. 3 was a technical amendment and therefore not subject to notice and comment.

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

⁶ 15 U.S.C. 78o-3.

the Act,⁷ in particular, which requires, among other things, that the rules of a national securities association be designed to facilitate transactions in securities and to remove impediments to and perfect the mechanism of a free and open market. The Commission believes that the proposed rule change, as amended, should provide useful information to market participants and increase transparency and order interaction at the opening after a trading halt. In addition, the Commission believes that the proposed rule change, as amended, should result in the public dissemination of information that more accurately reflects the trading in a particular security at the open after a trading halt. The Commission notes that the Halt Cross is based on the Nasdaq opening cross, which the Commission approved in a prior filing.⁸

⁷ 15 U.S.C. 78o-3(b)(6).

⁸ See Securities Exchange Act Release No. 50405 (September 16, 2004), 69 FR 57118 (September 23, 2004).

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,⁹ that the proposed rule change (SR-NASD-2006-015), as amended, be, and it hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁰

Nancy M. Morris
Secretary

⁹ 15 U.S.C. 78s(b)(2).

¹⁰ 17 CFR 200.30-3(a)(12).