SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-50325; File No. SR-NASD-2004-102)

September 7, 2004

Self-Regulatory Organizations; Order Approving Proposed Rule Change by the National Association of Securities Dealers, Inc. to Establish a Fee for Company Profile Reports of OTCBB Issuers

On July 1, 2004, the National Association of Securities Dealers, Inc. ("NASD") through its subsidiary, the Nasdaq Stock Market, Inc. ("Nasdaq"), submitted to the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act") and Rule 19b-4 thereunder, a proposed rule change to establish a fee of $26 for third-party research reports, Company Profile Reports, to the fee schedule for OTC Bulletin Board ("OTCBB") historical trading activity reports. The proposed reports, which are produced, maintained, and owned by a third-party vendor, would be made available through the OTCBB Web site ("OTCBB.com"). The Federal Register published the proposed rule change for comment on July 27, 2004. The Commission received no comments on the proposed rule change.

After careful consideration, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder that are

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3 Nasdaq represented that the current third-party vendor for the Company Profile Reports is Knobias, LLC ("Knobias"). Knobias receives much of its historical trading data from Tradeline, Inc. ("Tradeline"). Tradeline subscribes to a number of Nasdaq data feed services. Telephone conversation among Eric Lai, Office of General Counsel, Nasdaq; Tim Fox, Attorney, Division of Market Regulation ("Division"), Commission; and Ross Hurwitz, Summer Honors Intern, Division, Commission on July 14, 2004.
applicable to a national securities association.\textsuperscript{5} In particular, the Commission believes that the proposed rule change is consistent with Section 15A(b)(5) of the Act,\textsuperscript{6} which requires, among other things, that the rules of the NASD provide for the equitable allocation of reasonable dues, fees, and other charges among members and issuers and other persons using any facility or system which the association operates or controls. The Commission believes that the proposed rule change establishes a reasonable fee for OTCBB.com users that seek third-party research reports of OTCBB issuers.

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,\textsuperscript{7} that the proposed rule change (SR-NASD-2004-102) be, and it hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.\textsuperscript{8}

Margaret H. McFarland
Deputy Secretary

\textsuperscript{5} In approving this rule, the Commission notes that it has considered the proposed rule’s impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

\textsuperscript{6} 15 U.S.C. 78o-3(b)(5).


\textsuperscript{8} 17 CFR 200.30-3(a)(12).