

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-52112; File No. SR-NASD-2005-060)

July 22, 2005

Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Order Approving Proposed Rule Change to Create the ModelView Entitlement, an Historical Data Product Designed to Provide the Aggregate Amount of Both Displayed and Reserve Size Liquidity in the Nasdaq Market Center at Each Price Level

On May 10, 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 create the ModelView entitlement, an historical data product designed to provide the aggregate amount of both displayed and reserve size liquidity in the Nasdaq Market Center at each price level. The proposed rule change was published for comment in the Federal Register on June 21, 2005.³ The Commission received no comments on the proposal. This order approves the proposed rule change.

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,⁴ the requirements of Section 15A of the Act,⁵ in general, and Section 15A(b)(5) of the Act,⁶ in particular, which requires, among other things, that NASD’s rules provide for the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 51851 (June 14, 2005), 70 FR 35752.

⁴ In approving this proposed rule change, the Commission has considered the proposed rule’s impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

⁵ 15 U.S.C. 78o-3.

⁶ 15 U.S.C. 78o-3(b)(5).

equitable allocation of reasonable dues, fees, and other charges among persons using any facility or system which NASD operates or controls. The Commission believes the proposed rule change may encourage the broader redistribution on the Nasdaq Market Center depth of book order information, thus improving transparency and thereby benefiting the investing public.

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,⁷ that the proposed rule change (File No. SR-NASD-2005-060) be, and hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁸

Margaret H. McFarland
Deputy Secretary

⁷ 15 U.S.C. 78s(b)(2).

⁸ 17 CFR 200.30-3(a)(12).