February 19, 2008

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Order Approving Proposed Rule Change to Nasdaq Rule 7033 to Modify the Fees Charged for the Mutual Fund Quotation Service and to Correct Certain Errors in the Rule Manual

On December 19, 2007, The NASDAQ Stock Market LLC (“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 modify the fees charged for the Mutual Fund Quotation Service and to correct certain errors in the rule manual. The proposed rule change was published for comment in the Federal Register on January 14, 2008. \(^3\) The Commission received no comments regarding the proposal.

The Commission has carefully reviewed the proposed rule change and 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 exchange \(^4\) and, in particular, Section 6(b)(4) of the Act, \(^5\) which requires that Nasdaq’s rules provide for the equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons using its facilities.

Nasdaq proposes to amend Rule 7033 to include subsection (e), which provides for the assessment of a monthly fee on distributors of the Mutual Fund Quotation Service. When Nasdaq began operating as a national securities exchange in 2006, it adopted as its own rules numerous rules of the

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\(^4\) 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).

National Association of Securities Dealers, Inc. ("NASD"). Due to the omission of this subsection from the NASD manual, however, Nasdaq failed to include this subsection in its manual. The Commission believes that it is appropriate for Nasdaq to amend Rule 7033 to include subsection (e), as this corrects an omission in Nasdaq’s rules. Nasdaq requested that the change be approved retroactive to August 1, 2006, the date Nasdaq began operating as an exchange. Nasdaq also proposes to modify the fees for the News Media and Supplemental Lists to reflect the similarity of effort in providing these services, effective retroactively to January 1, 2008. The Commission believes that it is reasonable to modify the prices charged for the News Media and Supplemental Lists to reflect the increased services provided by Nasdaq in connection with the Supplemental List, and a uniformity of effort in providing both services.

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (SR-NASDAQ-2007-100) be, and it hereby is, approved.

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

Florence E. Harmon  
Deputy Secretary 

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