

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-55397; File No. 4-208)

March 5, 2007

Intermarket Trading System; Notice of Filing and Immediate Effectiveness of the Twenty Fourth Amendment to the ITS Plan Relating to the Elimination of the ITS Plan

Pursuant to Section 11A of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 608 thereunder,<sup>2</sup> notice is hereby given that on February 27, 2007, the ITS Participants, through the ITS Operating Committee, submitted to the Securities and Exchange Commission (“Commission”) a proposed amendment (“Twenty Fourth Amendment”) to the restated ITS Plan.<sup>3</sup> The purpose of the Twenty Fourth Amendment is to eliminate the ITS Plan concurrent with the Trading Phase Date.<sup>4</sup> Pursuant to Rule 608(b)(3)(ii) under the Act,<sup>5</sup> the ITS Participants designated the amendment as concerned solely with the administration of the Plan. As a result,

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<sup>1</sup> 15 U.S.C. 78k-1.

<sup>2</sup> 17 CFR 242.608.

<sup>3</sup> The ITS Plan is a National Market System (“NMS”) plan, which was designed to facilitate intermarket trading in exchange-listed equity securities based on current quotation information emanating from the linked markets. See Securities Exchange Act Release No. 19456 (January 27, 1983), 48 FR 4938 (February 3, 1983).

The ITS Participants currently include the American Stock Exchange LLC (“Amex”), the Boston Stock Exchange, Inc. (“BSE”), the Chicago Board Options Exchange, Inc. (“CBOE”), the Chicago Stock Exchange, Inc. (“CHX”), the Nasdaq Stock Market LLC (“Nasdaq”), the National Association of Securities Dealers, Inc. (“NASD”), the National Stock Exchange, Inc. (“NSX”), the New York Stock Exchange LLC (“NYSE”), NYSE Arca, Inc. (“NYSE Arca”), and the Philadelphia Stock Exchange, Inc. (“Phlx”) (“Participants”).

<sup>4</sup> Trading Phase Date is the required date for full operation of Regulation NMS-compliant trading systems of all automated trading centers that intend to qualify their quotations for trade-through protection under Rule 611. See Securities Exchange Act Release No. 53829 (May 18, 2006), 71 FR 30038 (May 24, 2006). See also Securities Exchange Act Release No. 55160 (January 24, 2007), 72 FR 4202 (January 30, 2007) (extending the Trading Phase Date until March 5, 2007).

<sup>5</sup> 17 CFR 242.608(b)(3)(ii).

the Twenty Fourth Amendment has become effective upon filing with the Commission. At any time within 60 days of the filing of the amendment, the Commission may summarily abrogate the amendment and require that such amendment be refiled in accordance with paragraph (a)(1) of Rule 608 and reviewed in accordance with paragraph (b)(2) of Rule 608, if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or the maintenance of fair and orderly markets, to remove impediments to, and perfect the mechanisms of, a national market system or otherwise in furtherance of the purposes of the Act. The Commission is publishing this notice to solicit comments from interested persons.

I. Description and Purpose of the Proposed Amendment

The purpose of the proposed amendment is to eliminate the ITS Plan concurrent with the Trading Phase Date. The “Plan for the Purpose of Creating and Operating an Intermarket Communications Linkage Pursuant to Section 11A(a)(3)(B) of the Securities Exchange Act of 1934” (“NMS Linkage Plan”)<sup>6</sup> remains in effect until June 30, 2007.<sup>7</sup>

A. Governing or Constituent Documents

Not applicable.

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<sup>6</sup> The NMS Linkage Plan participants include Amex, BSE, CBOE, CHX, Nasdaq, NSX, NYSE, NYSE Arca, and PHLX. The NASD is not participating in the NMS Linkage Plan. The current ITS technology is being used to effectuate the NMS Linkage Plan. See Securities Exchange Act Release No. 54551 (September 29, 2006), 71 FR 59148 (October 6, 2006) (approving the NMS Linkage Plan).

<sup>7</sup> NMS Linkage Plan participants that wish to extend the term could agree to do so, subject to Commission approval. See Section 11 of the NMS Linkage Plan.

B. Implementation of Amendment

The ITS Participants have manifested their approval of the proposed amendment by means of their execution of the Twenty Fourth Amendment. The Twenty Fourth Amendment has become effective upon filing.

C. Development and Implementation Phases

Not applicable.

D. Analysis of Impact on Competition

The Participants believe that the proposed amendment does not impose any burden on competition.

E. Written Understanding or Agreements relating to Interpretation of, or Participation in, Plan

Not applicable.

F. Approval by Sponsors in Accordance with Plan

Under section 4(c) of the restated ITS Plan, the requisite approval of the amendment is achieved by execution of the amendment on behalf of each ITS Participant. The amendment is so executed.

G. Description of Operation of Facility Contemplated by the Proposed Amendment

Not applicable.

H. Terms and Conditions of Access

Not applicable.

I. Method of Determination and Imposition, and Amount of, Fees and Charges

Not applicable.

J. Method of Frequency of Processor Evaluation

Not applicable.

K. Dispute Resolution

Not applicable.

II. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed Plan amendment 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
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File No. 4-208 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, Station Place, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File No. 4-208. 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 Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed Plan amendment that are filed with the Commission, and all written communications relating to the proposed Plan amendment 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 inspection and copying in the Commission's Public Reference Room. Copies of the Plan Amendment also will be available for inspection and copying at the principal office of the ITS.

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 No. 4-208 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>8</sup>

Florence E. Harmon  
Deputy Secretary

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<sup>8</sup> 17 CFR 200.30-3(a)(27).