

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-58585; File No. SR-CTA/CQ-2008-02)

September 18, 2008

Consolidated Tape Association; Order Approving the Twelfth Substantive Amendment to the Second Restatement of the Consolidated Tape Association Plan and the Eighth Substantive Amendment to the Restated Consolidated Quotation Plan

I. Introduction

On June 19, 2008, the Consolidated Tape Association (“CTA”) Plan and Consolidated Quotation (“CQ”) Plan participants (“Participants”)¹ filed with the Securities and Exchange Commission (“Commission”) pursuant to Rule 608² under the Securities Exchange Act of 1934 (“Act”)³ a proposal to amend the CTA and CQ Plans (collectively, the “Plans”)⁴ to: (1) permit ministerial amendments to the Plans to be submitted to the Commission under the signature of the Chairman of CTA/CQ Operating Committee, rather than by means of each Participant’s execution of a Plan amendment; (2) accommodate recent changes to the names and addresses of certain

¹ Each Participant executed the proposed amendment. The Participants are the American Stock Exchange LLC; Boston Stock Exchange, Inc.; Chicago Board Options Exchange, Incorporated; Chicago Stock Exchange, Inc.; Financial Industry Regulatory Authority, Inc., International Securities Exchange, LLC; The NASDAQ Stock Market LLC (“NASDAQ”); National Stock Exchange, Inc.; New York Stock Exchange LLC; NYSE Arca, Inc.; and Philadelphia Stock Exchange, Inc.

² 17 CFR 240.608.

³ 15 U.S.C. 78k-1.

⁴ See Securities Exchange Act Release Nos. 10787 (May 10, 1974), 39 FR 17799 (order approving CTA Plan); 15009 (July 28, 1978), 43 FR 34851 (August 7, 1978) (order temporarily approving CQ Plan); and 16518 (January 22, 1980), 45 FR 6521 (order permanently approving CQ Plan). The most recent restatement of both Plans was in 1995. The CTA Plan, pursuant to which markets collect and disseminate last sale price information for non-NASDAQ listed securities, is a “transaction reporting plan” under Rule 601 under the Act, 17 CFR 242.601, and a “national market system plan” under Rule 608 under the Act, 17 CFR 242.608. The CQ Plan, pursuant to which markets collect and disseminate bid/ask quotation information for listed securities, is a “national market system plan” under Rule 608 under the Act, 17 CFR 242.608.

Participants; and (3) change the Plans' references to Commission rules to reflect the re-designation of rules by Regulation NMS⁵ ("Amendments"). The proposed Amendments were published for comment in the Federal Register on August 20, 2008.⁶ No comment letters were received in response to the Notice. This order approves the Amendments.

II. Description of the Proposal

Currently, both Plans require each Participant to execute most amendments⁷ to the Plans before the amendments can be filed with the Commission. The Participants propose to amend the Plans to permit the submission to the Commission of ministerial amendments to the Plans under the signature of the Chairman of the CTA/CQ Operating Committee, in lieu of requiring each Participant's signature indicating that it has executed the amendment as required by Section IV(b) of the CTA Plan and Section IV(c) of the CQ Plan.

The categories of ministerial Plan amendments that the Participants may submit under the signature of the Chairman include amendments to the Plans that pertain solely to one or more of the following:

- (1) admitting a new Participant into the Plans;
- (2) changing the name or address of a Participant;
- (3) incorporating a change that the Commission has implemented by rule and that requires no conforming language to the text of the Plans (e.g., the Commission rule establishing the Advisory Committee);

⁵ See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496 (June 29, 2005).

⁶ See Securities Exchange Act Release No. 58358 (August 13, 2008), 73 FR 49225 ("Notice").

⁷ Some Plan amendments do not require a unanimous vote; therefore not every Participant would have to execute the amendment.

- (4) incorporating a change (i) that the Commission has implemented by rule, (ii) that requires conforming language to the text of the Plans (e.g., the Commission rule amending the revenue allocation formula), and (iii) that a majority of all Participants has voted to approve;⁸
- (5) incorporating a purely technical change, such as correcting an error or an inaccurate reference to a statutory provision, or removing language that has become obsolete (e.g., language regarding the Intermarket Trading System Plan).

In addition, the Participants propose to amend the Plans to reflect changes in the corporate names of the Chicago Board Options Exchange, Incorporated (formerly, Chicago Board Options Exchange, Inc.) (“CBOE”), the Financial Industry Regulatory Authority, Inc. (formerly, the National Association of Securities Dealers, Inc.), and National Securities Exchange, Inc. (formerly, National Securities Exchange), as well as changes in the street address of CBOE.

The Participants further propose to change references in the Plans to Commission rules to reflect the re-designation of certain Commission rules as a result of Regulation NMS.⁹

III. Discussion

After careful review, the Commission finds that the Amendments to the Plans are consistent with the requirements of the Act and the rules and regulations thereunder,¹⁰ and, in particular, Section 11A(a)(1) of the Act¹¹ and Rule 608 thereunder¹² in that they are necessary or

⁸ The Commission notes that the vote of the Participants would concern the exact wording of conforming language, but not the change implemented by the Commission.

⁹ See supra note 5.

¹⁰ The Commission has considered the proposed amendments’ impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

¹¹ 15 U.S.C. 78k-1(a)(1).

¹² 17 CFR 240.608.

appropriate in the public interest, for the protection of investors and the maintenance of fair and orderly markets, to remove impediments to, and perfect the mechanisms of, a national market system. The Commission finds that permitting the Chairman of the CTA/CQ Operating Committee to submit ministerial amendments will increase the efficiency of the administration of the Plans and increase the timeliness of updating the Plans for accuracy. Additionally, the Commission finds that the proposed Amendments streamlining the process for admitting new Participants remove impediments to competition by facilitating the timely admission of a new Participant to the Plans.

IV. Conclusion

IT IS THEREFORE ORDERED, pursuant to Section 11A of the Act,¹³ and Rule 608 thereunder,¹⁴ that the proposed amendments to the CTA and CQ Plans (SR-CTA/CQ-2008-02) are approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁵

J. Lynn Taylor
Assistant Secretary

13 15 U.S.C. 78k-1.

14 17 CFR 240.608.

15 17 CFR 200.30-3(a)(27).