

shares on the basis of a prospectus containing the disclosure contemplated by condition 2 below, by the sole initial shareholder before offering that Fund's shares to the public.

2. The prospectus for each Fund will disclose the existence, substance, and effect of any order granted pursuant to the application. Each Fund will hold itself out to the public as employing the management structure described in the application. The prospectus will prominently disclose that the Adviser has ultimate responsibility (subject to oversight by the Board) to oversee the Subadvisers and recommend their hiring, termination, and replacement.

3. Within 90 days of the hiring of a new Subadviser, the affected Fund shareholders will be furnished all information about the new Subadviser that would be included in a proxy statement, except as modified to permit Aggregate Fee Disclosure. This information will include Aggregate Fee Disclosure and any change in such disclosure caused by the addition of the new Subadviser. To meet this obligation, the Fund will provide shareholders within 90 days of the hiring of a new Subadviser with an information statement meeting the requirements of Regulation 14C, Schedule 14C, and Item 22 of Schedule 14A under the 1934 Act, except as modified by the order to permit Aggregate Fee Disclosure.

4. The Adviser will not enter into a Subadvisory Agreement with any Affiliated Subadviser without that agreement, including the compensation to be paid thereunder, being approved by the shareholders of the applicable Fund.

5. At all times, at least a majority of the Board will be Independent Trustees, and the nomination of new or additional Independent Trustees will be placed within the discretion of the then-existing Independent Trustees.

6. Independent legal counsel, as defined in rule 0-1(a)(6) under the Act, will be engaged to represent the Independent Trustees. The selection of such counsel will be within the discretion of the then-existing Independent Trustees.

7. Whenever a Subadviser change is proposed for a Fund with an Affiliated Subadviser, the Board, including a majority of the Independent Trustees, will make a separate finding, reflected in the applicable Board minutes, that such change is in the best interests of the Fund and its shareholders, and does not involve a conflict of interest from which the Adviser or the Affiliated Subadviser derives an inappropriate advantage.

8. Whenever a Subadviser is hired or terminated, the Adviser will provide the Board with information showing the expected impact on the profitability of the Adviser.

9. The Adviser will provide general management services to each Fund, including overall supervisory responsibility for the general management and investment of the Fund's assets, and, subject to review and approval of the Board, will: (a) Set each Fund's overall investment strategies; (b) evaluate, select and recommend Subadvisers to manage all or a part of a Fund's assets; (c) allocate and, when appropriate, reallocate a Fund's assets among one or more Subadvisers; (d) monitor and evaluate the performance of Subadvisers; and (e) implement procedures reasonably designed to ensure that the Subadvisers comply with the relevant Fund's investment objective, policies and restrictions.

10. The Adviser will provide the Board, no less frequently than quarterly, with information about the profitability of the Adviser on a per-Fund basis. The information will reflect the impact on profitability of the hiring or termination of any Subadviser during the applicable quarter.

11. No trustee or officer of the Trust or a Fund, or director or officer of the Adviser, will own, directly or indirectly (other than through a pooled investment vehicle that is not controlled by such person), any interest in a Subadviser, except for: (a) Ownership of interests in the Adviser or any entity that controls, is controlled by, or is under common control with the Adviser, or (b) ownership of less than 1% of the outstanding securities of any class of equity or debt of any publicly traded company that is either a Subadviser or an entity that controls, is controlled by, or is under common control with a Subadviser.

12. Each Fund will disclose in its registration statement the Aggregate Fee Disclosure.

13. The requested order will expire on the effective date of rule 15a-5 under the Act, if adopted.

For the Commission, by the Division of Investment Management, under delegated authority.

**Florence E. Harmon,**  
*Acting Secretary.*

[FR Doc. E8-20017 Filed 8-28-08; 8:45 am]

**BILLING CODE 8010-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[File No. 500-1]

### In the Matter of Markland Technologies, Inc.; Order of Suspension of Trading

August 27, 2008.

It appears to the Securities and Exchange Commission that there is a lack of current and accurate information concerning the securities of Markland Technologies, Inc. ("Markland") because it has not filed any periodic reports since the period ended September 30, 2005. Markland is quoted on the Pink Sheets OTC Markets, Inc. under the ticker symbol MRKL.

The Commission is of the opinion that the public interest and the protection of investors require a suspension of trading in the securities of the above-listed company.

Therefore, it is ordered, pursuant to Section 12(k) of the Securities Exchange Act of 1934, that trading in the securities of the above-listed company is suspended for the period from 9:30 a.m. EDT on August 27, 2008, through 11:59 p.m. EDT on September 10, 2008.

By the Commission.

**Jill M. Peterson,**

*Assistant Secretary.*

[FR Doc. E8-20220 Filed 8-27-08; 11:15 am]

**BILLING CODE 8010-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-58422; File No. SR-CBOE-2008-89]

### Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Its Rules Related to the Hybrid 3.0 Platform and Lead Market-Makers

August 25, 2008.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on August 22, 2008, the Chicago Board Options Exchange, Incorporated ("Exchange" or "CBOE") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I and II, which Items have been prepared by the Exchange. The Exchange filed the proposal as a "non-controversial"

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>3</sup> and Rule 19b-4(f)(6) thereunder.<sup>4</sup> The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

### **I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change**

The Exchange proposes to amend its rules relating to the Hybrid 3.0 Platform ("Hybrid 3.0") and Lead Market-Makers ("LMMs"). The text of the proposed rule change is available on the Exchange's Web site (<http://www.cboe.org/Legal>), at the Exchange's Office of the Secretary and at the Commission's Public Reference Room.

### **II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

#### **A. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change**

##### **1. Purpose**

The Exchange is proposing various changes related to Hybrid 3.0 and LMMs. First, Hybrid 3.0 is an electronic trading platform on CBOE's Hybrid Trading System ("Hybrid") that allows a single quoter to submit an electronic quote that represents the aggregate Market-Maker quoting interest in a series for the trading crowd. CBOE is proposing to amend its rules to permit one or more quoters to submit electronic quotes in Hybrid 3.0 classes. The quotes would continue to represent the aggregate Market-Maker quoting interest in a series for the trading crowd. In particular, for example, if there are two LMMs appointed to submit electronic quotes at the same time in a particular series of a Hybrid 3.0 class, the following would apply:

- The best bid and best offer quote would be determined by considering all quotes available. For example, if LMM1 submits a quote of \$1–\$1.20 for 100

contracts and LMM2 submits a quote of \$0.95–\$1.10 for 50 contracts, the best bid and offer quote would be \$1–\$1.10, 100 X 50, which represents a firm disseminated market quote that the trading crowd is responsible for on an aggregate basis.

- The size of multiple quotes at the same price would be aggregated. For example, if LMM1 submits a quote of \$1–\$1.10 for 100 contracts and LMM2 submits a quote of \$0.95–\$1.10 for 50 contracts, the best bid and best offer quote would be \$1–\$1.10, 100 × 150, which represents a firm disseminated market quote that the trading crowd is responsible for on an aggregate basis.

The Exchange believes having the flexibility to have more than one quoter submit electronic quotes would help the Exchange to maintain a fair and orderly market, including in those instances where a quoter may be experiencing system problems and back-up quotes are needed. The Exchange also believes the proposal is consistent with other provisions in our rules that permit the Exchange to appoint more than one market-maker in good standing to determine a formula for generating automatically updated market quotations for a given class using the Exchange's AutoQuote system or a proprietary automated quotation updating system.<sup>5</sup>

Second, consistent with the existing Hybrid 3.0 Platform, automatic execution against Market-Maker quotes would not be allowed. Thus, for example, quotes would not automatically execute against other quotes. In this regard, the Exchange is proposing to amend Rule 6.45B(d) to resolve an inconsistency in its rules and make clear what would happen in the scenario where two quotes lock the market in a Hybrid 3.0 class. In particular, though the Exchange's rules elsewhere indicate that there will not be automatic execution against quotes,<sup>6</sup>

<sup>5</sup> See Rules 8.7.07, *Additional Obligations for Classes in Which CBOE Hybrid System is NOT Implemented*, and 8.15, *Lead Market-Makers and Supplemental Market-Makers in Non-Hybrid and Hybrid 3.0 Classes*. The Exchange is also proposing to amend the title of Rule 8.15 to delete an outdated reference to "Non-Hybrid" since there are not any of these classes. See Securities Exchange Act Release No. 58153 (July 14, 2008), 73 FR 41386 (July 18, 2008) (SR-CBOE-2008-67) (immediately effective rule change that, among other things, deleted references to "Non-Hybrid" classes in the CBOE Rules).

<sup>6</sup> See paragraph (b)(i)(A)(2) of Rule 6.13, *CBOE Hybrid System's Automatic Execution Feature* (which indicates only that eligible orders will receive automatic execution against public customer orders in the electronic book); see also Securities Exchange Act Release No. 55874 (June 7, 2007), 72 FR 32688 (June 13, 2007) (SR-CBOE-2006-101) (order approving the Hybrid 3.0 Platform which indicates, among other things, that automatic

Rule 6.45B(d) currently indicates that there will be up to a ten second counting period before locked quotes automatically execute against each other. To resolve this inconsistency, the Exchange is proposing to amend Rule 6.45B(d) to provide that, in the event a Market-Maker's disseminated quote(s) in a Hybrid 3.0 class would interact with the disseminated quote(s) of another Market-Maker resulting in a "locked" quote (e.g., \$1.00 bid–\$1.00 offer), then (i) The Exchange will disseminate the locked market and both quotes will be deemed "firm" disseminated market quotes; (ii) the Market-Maker(s) whose quotes are locked will receive a quote update notification advising that their quotes are locked; and (iii) the locked quotes will not automatically execute against each other—instead they will remain locked until a quote is cancelled or changed.

Third, CBOE has an Off-Floor LMM program that provides LMMs with the flexibility to operate remotely away from CBOE's trading floor. CBOE is proposing to expand the program, which is currently limited to Hybrid classes,<sup>7</sup> to include Hybrid 3.0 classes. Specifically, CBOE proposes to amend Rule 8.15 to provide that an LMM will generally operate on CBOE's trading floor (referred to as an "On-Floor LMM"), but can request that the Exchange authorize the LMM to function remotely away from CBOE's trading floor (referred to as an "Off-Floor LMM") on a class-by-class basis for Hybrid 3.0 classes. The procedures for Off-Floor LMMs in Hybrid 3.0 classes will be substantially the same as the procedures that are applicable to Off-Floor LMMs in Hybrid classes.<sup>8</sup> The procedures will provide the following:

- An LMM can request that the Exchange authorize it to operate as an Off-Floor LMM in one or more classes. The Exchange will consider the factors specified in Rule 8.15(a)(1),<sup>9</sup> as well as

execution against quotes (whether electronic or manual) will not be allowed).

<sup>7</sup> See Securities Exchange Act Release No. 57747 (April 30, 2007 [sic]), 73 FR 25811 (May 7, 2008) (SR-CBOE-2008-49) (immediately effective rule change adopting the Off-Floor LMM program for Hybrid classes).

<sup>8</sup> See Interpretation and Policy .01 to Rule 8.15A, *Lead Market-Makers in Hybrid Classes*.

<sup>9</sup> Rule 8.15(a)(1) provides that the factors to be considered in selecting LMMs in Hybrid 3.0 classes include: adequacy of capital, experience in trading index options or options on ETFs, presence in the trading crowd, adherence to Exchange rules and ability to meet the obligations specified below. An individual may be appointed as an LMM in only one zone for an expiration month but may also be appointed as a Supplemental Market-Maker ("SMM") in other zones. When individual members are associated with one or more other members,

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>4</sup> 17 CFR 240.19b-4(f)(6).

the factors applicable to Off-Floor DPMs specified in paragraph (g) of Rule 8.83, *Approval to Act as a DPM*,<sup>10</sup> in determining whether to permit an LMM to operate as an Off-Floor LMM. If an LMM is approved to operate as an Off-Floor LMM in one or more classes, the Off-Floor LMM can have an LMM designee trade in open outcry in the option classes allocated to the Off-Floor LMM, but the Off-Floor LMM shall not receive a participation entitlement under Rule 8.15B, Participation Entitlement of LMMs, with respect to orders represented in open outcry.

- An LMM that is approved to operate as an Off-Floor LMM in one or more classes can request that the Exchange authorize it to operate as an On-Floor LMM in those option classes. In making such a determination, the Exchange should evaluate whether the change is in the best interests of the Exchange, and may consider any information that it believes will be of assistance to it. Factors to be considered may include, but are not limited to, performance, operational capacity of the Exchange or LMM, efficiency, number and experience of personnel of the LMM who will be performing functions related to the trading of the applicable securities, number of securities involved, number of Market-Makers affected, and trading volume of the securities.<sup>11</sup>

only one member may receive an LMM appointment.

<sup>10</sup> In addition to CBOE's Off-Floor LMM program, CBOE also has an Off-Floor DPM program. Rule 8.83(g) provides that the factors to be considered in determining whether to permit a Designated Primary Market-Maker ("DPM") to operate as an Off-Floor DPM include, but are not limited to, any one or more of the following: (i) Adequacy of capital; (ii) operational capacity; (iii) trading experience of and observance of generally accepted standards of conduct by the applicant, its associated persons, and the DPM Designees who will represent the applicant in its capacity as a DPM; (iv) number and experience of support personnel of the applicant who will be performing functions related to the applicant's DPM business; (v) regulatory history of and history of adherence to CBOE Rules by the applicant, its associated persons, and the DPM Designees who will represent the applicant in its capacity as a DPM; (vi) willingness and ability of the applicant to promote the Exchange as a marketplace; (vii) performance evaluations conducted pursuant to Rule 8.60, *Evaluation of Trading Crowd Performance*; and (viii) in the event that one or more shareholders, directors, officers, partners, managers, members, DPM Designees, or other principals of an applicant is or has previously been a shareholder, director, officer, partner, manager, member, DPM Designee, or other principal in another DPM, adherence by such DPM to the requirements set forth in Section C of Chapter VIII of the CBOE Rules respecting DPM responsibilities and obligations during the time period in which such person(s) held such position(s) with the DPM.

<sup>11</sup> These On-/Off-Floor LMM provisions are substantially similar to the corresponding provisions for On-/Off-Floor Hybrid LMMs in

- In addition, CBOE is proposing to include a requirement that, as part of a pilot program until March 14, 2009, an Off-Floor LMM not allow more than one Market-Maker affiliated with the Off-Floor LMM to trade on CBOE's trading floor in any specific option class allocated to the Off-Floor LMM and provided such Market-Maker is trading on a separate membership (absent the pilot program, an Off-Floor LMM may not allow any Market-Makers affiliated with the Off-Floor LMM to trade on CBOE's trading floor in any class allocated to the Off-Floor LMM) and provided the Off-Floor LMM does not have an LMM designee trading in open outcry in the option classes allocated to the Off-Floor LMM.<sup>12</sup>

By permitting an LMM appointed to a Hybrid 3.0 class to function as an Off-Floor LMM, CBOE believes that the rule change provides more flexibility to a member organization that may wish to function remotely, and provides more flexibility to CBOE when allocating option classes to the best applicant. It also removes a potential operational dilemma for a Market-Maker that functions as a DPM or LMM in other Hybrid classes and would like to function remotely away from the trading floor as a DPM/LMM in all of its option classes. Accordingly, CBOE believes that the proposed rule change is designed to promote just and equitable principles of trade.

Fourth, CBOE is proposing to update the LMM obligations listed in Rule 8.15 to include a requirement that, subject to paragraph (d) of Rule 54.7, *General Prohibitions* (under the CBOE Stock Exchange Rules), LMMs in Hybrid 3.0 classes (whether On-Floor or Off-Floor) maintain information barriers that are reasonably designed to prevent the misuse of material, non-public information with any affiliates that may conduct a brokerage business in option classes allocated to the LMM or act as specialist or Market-Maker in any security underlying options allocated to the LMM, and otherwise comply with the requirements of Rule 4.18, *Prevention of the Misuse of Material, Non-Public Information*.<sup>13</sup>

paragraph .01(b) to Rule 8.15A and for On-/Off-Floor DPMs in paragraphs (g) and .01 to Rule 8.83.

<sup>12</sup> This provision is substantially similar to existing provisions in CBOE's rules respecting Off-Floor Hybrid LMMs and Off-Floor DPM obligations. See paragraph .01(c) of CBOE Rule 8.15A and paragraph (a)(v) of CBOE Rule 8.85, *DPM Obligations*. CBOE is proposing a related cross-reference update to paragraph (c)(vii)(1) of CBOE Rule 8.3.

<sup>13</sup> This language is substantially similar to existing language in CBOE's rules respecting Hybrid LMM obligations and e-DPM obligations. See

Finally, CBOE is proposing to amend Rule 8.15B. Currently under the rule, if an LMM entitlement has been established for a class, the entitlement applies for both electronic and open outcry trades (except that, as discussed above, an Off-Floor LMM is not eligible to have an open outcry participation entitlement). The Exchange is proposing to amend the rule to provide that an LMM participation entitlement may be established for electronic and/or open outcry trading on a class-by-class basis (except that an Off-Floor LMM would still not be eligible to have an open outcry participation entitlement). This change would apply for Hybrid and Hybrid 3.0 classes. The change will provide the Exchange with flexibility to determine, for example, to have a participation entitlement for electronic trades executed by an LMM(s) in Hybrid options class XYZ but have no participation entitlement for trades executed in open outcry by an LMM(s) in the same class.

## 2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations under the Act applicable to a national securities exchange and, in particular, the requirements of Section 6(b) of the Act.<sup>14</sup> Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5) Act<sup>15</sup> requirements that the rules of an exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts and, in general, to protect investors and the public interest. The Exchange believes that the proposed changes to allow for more than one quoter to submit electronic quotes in Hybrid 3.0 classes, to clarify the manner in which the Hybrid 3.0 Platform operates in a locked market scenario, to allow for Off-Floor Hybrid 3.0 LMMs and update our information barrier procedures for LMMs generally, and to allow for the application of an LMM participation entitlement for electronic and/or open outcry trades should help the Exchange to maintain a fair and orderly market and create incentives for LMMs to provide liquidity, and investors will benefit as a result.

## B. Self-Regulatory Organization's Statement on Burden on Competition

CBOE does not believe that the proposed rule change will impose any

paragraph (b)(vii) of Rule 8.15A and paragraph (x) of Rule 8.93, *e-DPM Obligations*.

<sup>14</sup> 15 U.S.C. 78f(b).

<sup>15</sup> 15 U.S.C. 78f(b)(5).

burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

*C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others*

The Exchange neither solicited nor received comments on the proposal.

**III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action**

Because the foregoing rule does not (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest, provided that the self-regulatory organization has given the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change or such shorter time as designated by the Commission, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>16</sup> and Rule 19b-4(f)(6) thereunder.<sup>17</sup> At any time within 60 days of the filing of such proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

**IV. Solicitation of Comments**

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change 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 Number SR-CBOE-2008-89 on the subject line.

*Paper Comments*

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

All submissions should refer to File Number SR-CBOE-2008-89. 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 rule change that are filed with the Commission, and all written communications relating to the proposed rule change 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, 100 F Street, NE., Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of the CBOE. 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 Number SR-CBOE-2008-89 and should be submitted on or before September 19, 2008.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>18</sup>

**Florence E. Harmon,**

*Acting Secretary.*

[FR Doc. E8-20064 Filed 8-28-08; 8:45 am]

**BILLING CODE 8010-01-P**

**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-58421; File No. SR-FINRA-2008-025]

**Self Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Order Approving Proposed Rule Change Relating to the Adoption of NASD Rule 2790 as FINRA Rule 5130 (Restrictions on the Purchase and Sale of Initial Public Offerings) in the Consolidated FINRA Rulebook**

August 25, 2008.

**I. Introduction**

On June 12, 2008, the Financial Industry Regulatory Authority, Inc. ("FINRA") (f/k/a National Association of Securities Dealers, Inc. ("NASD")) filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposal to adopt NASD Rule 2790 (Restrictions on the Purchase and Sale of Initial Equity Public Offerings) ("Rule") as FINRA Rule 5130 in the consolidated FINRA rulebook, with only minor changes. This proposal was published for comment in the **Federal Register** on July 16, 2008.<sup>3</sup> The Commission received one comment on the proposal.<sup>4</sup> This order approves this proposed rule change.

**II. Description of the Proposed Rule Change**

As part of the process of developing the new consolidated rulebook (the "Consolidated FINRA Rulebook"),<sup>5</sup> FINRA proposed to adopt the Rule as FINRA Rule 5130 in the Consolidated FINRA Rulebook with only minor changes. The Rule is designed to protect the integrity of the initial public offering ("IPO") process by ensuring that FINRA member firms make bona fide public offerings of securities at the offering price, such firms do not withhold

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> Securities Exchange Act Release No. 58134 (Jul. 10, 2008), 73 FR 40892 (Jul. 16, 2008) (SR-FINRA-2008-025).

<sup>4</sup> See submission via SEC WebForm from Dan Mayfield, President, Sanderlin Securities, dated July 24, 2008.

<sup>5</sup> The current FINRA rulebook consists of two sets of rules: (1) NASD rules and (2) rules incorporated from NYSE ("Incorporated NYSE Rules") (together referred to as the "Transitional Rulebook"). The Incorporated NYSE Rules apply only to those members of FINRA that are also members of the NYSE ("Dual Members"). Dual Members also must comply with NASD rules. For more information regarding the rulebook consolidation process, see *FINRA Information Notice* March 12, 2008 (Rulebook Consolidation Process).

<sup>16</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>17</sup> 17 CFR 240.19b-4(f)(6).

<sup>18</sup> 17 CFR 200.30-3(a)(12).