

with section 15A(b)(6)²⁶ of the Act, which requires that the NASD's rules be designed, among other things, to remove impediments to and perfect the mechanism of a free and open market and a national market system and to promote just and equitable principles of trade.

The Commission finds that the continuation of the Short Sale Rule Pilot and the continued suspension of the PMM standards will maintain the status quo while the Commission is considering amending Rule 10a-1 of the Act.²⁷ This extension of the pilot and continued suspension of the PMM standards is subject to modification or revocation should the Commission amend Rule 10a-1 of the Act²⁸ in a manner as to deem the extension or suspension unnecessary or in conflict with any adopted amendments.²⁹

Accordingly, the Commission finds good cause for approving the extension of the Short Sale Rule Pilot and the suspension of existing PMM standards prior to the 30th day after the date of publication of notice of the filing in the **Federal Register**. It could disrupt the Nasdaq market and confuse market participants to reintroduce the previous PMM standards while new PMM standards are being developed, and while the Commission considers amending Rule 10a-1 of the Act.³⁰

It is therefore ordered, pursuant to section 19(b)(2) of the Act,³¹ that Amendment Nos. 14 and 15 to the proposed rule change, SR-NASD-98-26, which extends the NASD Short Sale Rule Pilot through December 15, 2003, and suspends the PMM standards through December 15, 2003, is approved on an accelerated basis.³²

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.³³

Margaret H. McFarland,

Deputy Secretary

[FR Doc. 03-15773 Filed 6-20-03; 8:45 am]

BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-48042; File No. SR-NASD-2003-91]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the National Association of Securities Dealers, Inc. Relating to a New Qualification Examination: General Securities Principal Sales Supervisor Module (Series 23)

June 17, 2003.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on June 5, 2003, the National Association of Securities Dealers, Inc. ("NASD"), filed with the Securities and Exchange Commission ("Commission" or "SEC") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by NASD. NASD filed the proposal pursuant to section 19(b)(3)(A) of the Act,³ and Rule 19b-4(f)(6) thereunder,⁴ which renders the proposal effective upon filing with the Commission.⁵ 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

NASD proposes to establish the General Securities Principal Sales Supervisor Module ("Series 23") examination program, and is filing with the Commission the selection specifications and study outline for the Series 23 examination.⁶ NASD is proposing the Series 23 examination program in connection with a change to the New York Stock Exchange, Inc. ("NYSE") qualification requirements whereby the NYSE recognized the NASD's General Securities Principal

("Series 24") examination program as an acceptable qualification alternative to the General Securities Sales Supervisor ("Series 9/10") examination program for supervisory persons whose duties do not include the supervision of options or municipal securities sales activity.⁷ Accordingly, NASD is proposing to accept the Series 9/10 examination as an acceptable qualification alternative to the Series 24 examination for associated persons who are required to register and qualify as Series 24 principals with NASD, provided that such persons also pass the proposed Series 23 examination, which covers material from the Series 24 examination not otherwise covered under the Series 9/10 examination. NASD is not proposing any textual changes to the By-Laws, Schedules to the By-Laws, or Rules of NASD.

A description of the Series 23 examination is included in the study outline that was attached to the proposed rule change. Additional information on the examination is included in the Series 23 selection specifications, which NASD omitted from this filing, but has submitted with a request for confidential treatment under separate cover to the Commission's Secretary pursuant to Rule 24b-2 under the Act.⁸

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

In its filing with the Commission, NASD 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 these statements may be examined at the places specified in Item IV below. NASD has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

On October 9, 2002, the SEC approved a proposed rule change to NYSE Rule 342 ("Offices—Approval, Supervision and Control") that recognized NASD's Series 24 examination as an acceptable qualification alternative to the Series

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(6).

⁵ NASD provided the Commission with written notice of its intent to file the proposed rule change on May 28, 2003. See Rule 19b-4(f)(6)(iii), 17 CFR 240.19b-4(f)(6)(iii).

⁶ Based upon instruction from Commission staff, NASD is submitting SR-NASD-2003-91 for immediate effectiveness pursuant to section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6) thereunder, and is not filing the question bank for Commission review. See letter to Alden S. Adkins, Senior Vice President and General Counsel, NASD Regulation, from Belinda Blaine, Associate Director, Division of Market Regulation, SEC, dated July 24, 2000. The question bank, which is a subset of the existing Series 24 question bank, is available for Commission review.

⁷ See Securities Exchange Act Release No. 46631 (October 9, 2002), 67 FR 64187 (October 17, 2002) (SR-NYSE-2002-24)(approval order).

⁸ 17 CFR 240.24b-2 (allowing the nondisclosure of information filed with the Commission and with any exchange).

²⁶ 15 U.S.C. 78o-3(b)(6).

²⁷ 17 CFR 240.10a-1.

²⁸ *Id.*

²⁹ Absent an exemption, Rule 10a-1 under the Act would apply to Nasdaq on Commission approval of its exchange registration.

³⁰ 17 CFR 240.10a-1.

³¹ 15 U.S.C. 78s(b)(2).

³² In approving Amendment Nos. 14 and 15, the Commission has considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

³³ 17 CFR 200.30-3(a)(12).