

For the Nuclear Regulatory Commission.

David Terao,

Chief, Plant Licensing Branch G, Division of Operating Reactor Licensing, Office of Nuclear Reactor Regulation.

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SECURITIES AND EXCHANGE COMMISSION

[File No. 1-06439]

Issuer Delisting; Notice of Application of Sony Corporation To Withdraw Its American Depositary Shares, Each Presenting One Share of Common Stock, No Par Value, From Listing and Registration on the Pacific Exchange, Inc.

December 7, 2005.

On December 1, 2005, Sony Corporation, a company incorporated in Japan ("Issuer"), filed an application with the Securities and Exchange Commission ("Commission"), pursuant to Section 12(d) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 12d2-2(d) thereunder,² to withdraw its American Depositary Shares, each representing one share of common stock, no par value ("Security"), from listing and registration on the Pacific Exchange, Inc. ("PCX").

The Board of Directors ("Board") of the Issuer approved a resolution on October 26, 2005 to withdraw the Security from PCX. The Issuer stated that the primary factor considered by the Board was that most of the trading volume in the Security occurs on the New York Stock Exchange ("NYSE"), with very little trading volume occurring on PCX. The Security will continue to trade on NYSE. The Issuer believes that delisting the Security from PCX will cause no substantial inconvenience to the Issuer's shareholders and investors.

The Issuer stated in its application that it has complied with the rules of PCX by complying with all applicable laws in effect in Japan, the jurisdiction in which the Issuer is incorporated and by providing PCX with the required documents governing the withdrawal of securities from listing and registration on PCX.

The Issuer's application relates solely to the withdrawal of the Security from listing on PCX and shall not affect its continued listing on NYSE or its obligation to be registered under Section 12(b) of the Act.³

Any interested person may, on or before January 3, 2006, comment on the facts bearing upon whether the application has been made in accordance with the rules of PCX, and what terms, if any, should be imposed by the Commission for the protection of investors. All comment letters may be submitted by either of the following methods:

Electronic Comments

- Send an e-mail to rule-comments@sec.gov. Please include the File Number 1-06439 or;

Paper Comments

- Send paper comments in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549-9303.

All submissions should refer to File Number 1-06439. This file number should be included on the subject line if e-mail is used. To help us 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/delist.shtml>). Comments are also available for public inspection and copying in the Commission's Public Reference Room. All comments received will be posted without change; we do not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.

The Commission, based on the information submitted to it, will issue an order granting the application after the date mentioned above, unless the Commission determines to order a hearing on the matter.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁴

Jonathan G. Katz,

Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-52909]

Extension of Order Regarding Broker-Dealer Financial Statement Requirements Under Section 17 of the Exchange Act

December 7, 2005.

The Securities and Exchange Commission ("Commission") is

extending its Order, originally issued on August 4, 2003,¹ and extended on July 14, 2004 (the "2004 Order"),² under section 17(e) of the Securities Exchange Act of 1934 ("Exchange Act"), regarding audits of financial statements of broker-dealers that are not issuers ("non-public broker-dealers"). The 2004 Order provided that non-public broker-dealers may file with the Commission and may send to their customers documents and information required by section 17(e) certified by an independent public accountant, instead of by a registered public accounting firm, for fiscal years ending before January 1, 2006.

Section 17(e)(1)(A) of the Exchange Act requires that every registered broker-dealer annually file with the Commission a certified balance sheet and income statement, and section 17(e)(1)(B) requires that the broker-dealer annually send to its customers its "certified balance sheet."³ The Sarbanes-Oxley Act of 2002 ("Act")⁴ established the Public Company Accounting Oversight Board ("Board")⁵ and amended Section 17(e) to replace the words "an independent public accountant" with "a registered public accounting firm."⁶

The Act establishes a deadline for registration with the Board of auditors of financial statements of "issuers," as that term is defined in the Act.⁷ The Act does not provide a deadline for registration of auditors of non-public broker-dealers.

The 2004 Order expires January 1, 2006. Application of registration requirements and procedures to auditors of non-public broker-dealers is still being considered. The Commission is also considering whether to issue a concept release on the subject. The Commission has therefore determined that extending the Order is consistent with the public interest and the protection of investors.

Accordingly,

It Is Ordered, pursuant to section 17(e) of the Exchange Act, that non-

¹ Exchange Act Release No. 48281, 68 FR 47375 (August 8, 2003).

² Exchange Act Release No. 50020, 69 FR 43482 (July 20, 2004).

³ Exchange Act Rule 17a-5 requires registered broker-dealers to provide to the Commission and to customers of the broker-dealer other specified financial information.

⁴ Public Law 107-204.

⁵ Section 101 of the Act.

⁶ Section 205(c)(2) of the Act.

⁷ Section 2 of the Act defines "issuer." Section 102 of the Act establishes a specific deadline by which auditors of issuers must register with the Board. Based on the statutory deadline of 180 days after the Commission determined the Board was ready to carry out the requirements of the Act, that date was October 22, 2003. See Exchange Act Release No. 48180 (July 16, 2003).

¹ 15 U.S.C. 78(d).

² 17 CFR 240.12d2-2(d).

³ 15 U.S.C. 781(b).

⁴ 17 CFR 200.30-3(a)(1).

public broker-dealers may file with the Commission a balance sheet and income statement and may send to their customers a balance sheet certified by an independent public accountant, instead of by a registered public accounting firm, for fiscal years ending before January 1, 2007.

By the Commission.

Jonathan G. Katz,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-52902; File No. SR-NASD-2005-128]

Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Order Approving a Proposed Rule Change To Establish Rules Governing the Operation of the INET System

December 7, 2005.

I. Introduction

On November 1, 2004, the National Association of Securities Dealers, Inc. ("NASD"), through its subsidiary, The Nasdaq Stock Market, Inc. ("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 establish rules governing the operation of the INET ECN ("INET System" or "System") and fees for System services.

The proposed rule change was published for comment in the **Federal Register** on November 7, 2005.³ The Commission received no comments on the proposal. This order approves the proposed rule change.

II. Description

On April 22, 2005, Nasdaq entered into definitive agreements to purchase INET ATS, Inc. ("INET"), a registered broker-dealer and member of NASD,⁴

and operator of the INET System. Once acquired by Nasdaq, the INET System would immediately become a "facility" of a national securities association subject to the standards set forth in Sections 15A⁵ and 19(b)(1)⁶ of the Act and would be required to operate pursuant to formal system rules approved by the Commission.⁷ Accordingly, in order to ensure that such rules are in place at the time of closing, Nasdaq proposes to establish rules governing the operation of its INET System. Proposed NASD Rule 4950 Series addresses, among other things, the INET System's order display and matching function, access standards, order types, time-in-force designations, out-bound order routing, order execution algorithm, clearly erroneous trade procedures, and other system features and standards.⁸ Proposed NASD Rule 701(w) sets forth the fees applicable to participants, which currently include both NASD members and non-NASD members, in the INET System for order execution services. According to Nasdaq, such fees reflect those currently charged by INET to its participants. This fee schedule would apply for a temporary period of time, not to exceed 60 days after INET becomes a facility of Nasdaq.

Under the proposal, Nasdaq would initially operate INET on a platform separate from its Nasdaq Market Center and Brut platforms. For a temporary period of time ending no later than September 30, 2006, the INET System would continue to post its top-of-file quotes through the facilities of the National Stock Exchange ("NSX"), as it does today, and would remain subject to applicable rules and regulations of the NSX.⁹ In the INET Notice, Nasdaq also stated that it anticipates that, soon after the formal close of the Nasdaq/INET transaction, it would merge the INET broker-dealer into Nasdaq's Brut broker-dealer and that Brut, as a single broker-dealer, would operate both trading platforms as separate systems with separate order processing and execution. As such, the New York Stock Exchange, Inc. ("NYSE") would continue to serve as the designated examining authority for financial responsibility purposes for Nasdaq's broker-dealer, which would operate both the Brut and INET trading

platforms.¹⁰ Ultimately, Nasdaq intends to integrate all of its systems into a single technology platform and also combine all three of its system books into a single integrated book. In the INET Notice, Nasdaq stated that it expects to accomplish this process before the end of the third quarter of 2006.

Nasdaq proposes that these rules would be implemented immediately upon formal closing of the Nasdaq/INET transaction, and in no event more than two weeks after Commission approval. In the INET Notice, Nasdaq stated that it will provide to the Commission formal written notice of the closing date of the transaction. Such closing date, which must take place within two weeks of Commission approval, shall be the start date for the calculation of any temporary time period referred to in this filing. Nasdaq also stated that it would thereafter submit rule filings to include such closing date in its rules.

III. Discussion

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a self-regulatory organization¹¹ and, in particular, the requirements of Section 15A of the Act¹² and the rules and regulations thereunder. Specifically, the Commission finds that the proposed rule change is consistent with 15A(b)(6) of the Act,¹³ in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, remove impediments to a free and open market and a national market system, and, in general, to protect investors and the public interest.

The Commission notes that the INET System would become a facility of a national securities association subject to the standards set forth in Sections 15A¹⁴ and 19(b)(1)¹⁵ of the Act when Nasdaq completes its purchase of INET. As such, NASD and, pursuant to NASD's plan of allocation and delegation of function to its subsidiaries, Nasdaq are obligated to file rules governing the operation of the INET System with the Commission. In addition, the Commission notes that, as

¹⁰ See INET Notice at 67522.

¹¹ 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).

¹² 15 U.S.C. 78o-3.

¹³ 15 U.S.C. 78o-3(b)(6).

¹⁴ 15 U.S.C. 78o-3.

¹⁵ 15 U.S.C. 78s(b)(1).

market centers for its subscribers. See INET Notice at 67518.

⁵ 15 U.S.C. 78o-3.

⁶ 15 U.S.C. 78s(b)(91).

⁷ See INET Notice at 67518.

⁸ See INET Notice.

⁹ See INET Notice at 67518.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 52723 (November 2, 2005), 70 FR 67513 ("INET Notice").

⁴ In the INET Notice, Nasdaq stated that, as a member of NASD, INET is, and remains, subject to all NASD Rules applicable to its activities as a broker-dealer. In addition, INET would continue to participate in market surveillance and audit trail programs conducted by Nasdaq, NASD, and other self-regulatory organizations. INET would continue to act as a counter-party to all trades taking place in its system, for anonymity as well as a clearance and settlement purposes. INET would also continue to provide outbound order routing services to other