

## I. New Pilot Termination Date

We established the Pilot as part of our review of short sale regulation in conjunction with the adoption of Regulation SHO.<sup>9</sup> The Pilot is designed to assist us in assessing whether changes to short sale regulation are necessary in light of current market practices and the purposes underlying short sale regulation.<sup>10</sup> The Pilot is currently set to terminate on April 28, 2006.

To determine whether additional rulemaking is necessary, our staff will evaluate the results of the Pilot. Although we do not plan to extend the period being studied beyond April 28, 2006, our staff's analysis will help them determine whether to recommend changes to the current short sale regulatory scheme. If we determine that any new or amended rules are necessary, we will commence the rulemaking process. This customarily involves issuing a proposing release soliciting comments on the proposed changes, analyzing such comments and, finally, adopting any final rules. The process of reviewing the data and completing any rulemaking will necessarily continue beyond the study period.

We believe that it is in the interest of the markets and investors to maintain the price test scheme established by the Pilot until any rulemaking resulting from our analysis of the data is complete. Market participants made significant changes in their systems and practices to comply with the Pilot. Absent an extension of the Pilot's end date of April 28, 2006, the pre-Pilot short sale price tests would be restored, and market participants would be required to make changes to their systems and practices to ensure that they comply with these rules. If the Commission thereafter adopts rules that remove or change the nature of price tests for some or all securities, market participants would be required to change their systems and procedures again, which could result in substantial additional costs. Extending the Pilot ending date would keep the costs of changes to a minimum and help avoid market disruption.

Prior to commencement of the Pilot, some market participants expressed concern about the duration of the Pilot.<sup>11</sup> We do not believe that this concern has borne out. The Second Pilot Order delayed the start of the Pilot

period because market participants were not ready to begin the Pilot during the period specified in the First Pilot Order. The Pilot will be in place for slightly more than two years, with this extension. Based on our experience with the Pilot for nearly a year, the concerns regarding a prolonged time span have proven unfounded. Indeed, it would be more disruptive to end the Pilot prior to any Commission action rather than to continue it. Market participants have already undertaken the costs and burdens of systems changes, and have informed us that they would not face any additional burdens or costs from continuing the Pilot. The staff has found no evidence of market disruption during the Pilot thus far, and we do not anticipate that continuing the Pilot will trigger any problems in the future.

In the Regulation SHO adopting release, the Commission stated that it "expects to make information obtained during the pilot publicly available."<sup>12</sup> Correspondingly, the Commission's staff arranged for the appropriate self-regulatory organizations to make transactional short selling data public on a monthly basis on their internet Web sites.<sup>13</sup> To promote the best quality studies and to encourage transparency, the Commission expects the SROs to continue releasing this transactional data until the end of the Pilot on August 6, 2007.

Based on the forgoing, we believe that it is necessary and appropriate in the public interest and consistent with the protection of investors to extend the termination date of the Pilot to August 6, 2007. Accordingly, the Pilot will now terminate on August 6, 2007, unless otherwise ordered by the Commission.

## II. Conclusion

We find that extending the termination date of the Pilot to August 6, 2007, for the reasons stated above, is necessary and appropriate in the public interest and consistent with the protection of investors.

Accordingly,

*It is hereby ordered* that the suspension of the provisions of Rule 10a-1(a) and any short sale price test of any exchange or national securities association for certain securities and time periods, as set forth in the First and Second Pilot Orders, shall terminate on August 6, 2007, instead of April 28, 2006. The Commission from time to time may issue further orders affecting the operation of the Pilot.

All other provisions of the First Pilot Order and Second Pilot Order shall remain in effect.

By the Commission.

**Nancy M. Morris,**

*Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[File No. 500-1]

### In the Matter of Image Globe Solutions, Inc.; Order of Suspension of Trading

April 24, 2006.

It appears to the Securities and Exchange Commission that there is a lack of current and accurate information concerning the securities of Image Globe Solutions, Inc. ("Image Globe"), a Nevada corporation headquartered in Toronto, Ontario. Questions have arisen regarding the accuracy of assertions by Image Globe, and by others, in press releases and internet postings to investors concerning, among other things: (1) The company's assets, (2) the stated financing of the company's operations, (3) the company's private placement of 10 million shares of its common stock in January 2006, and (4) the company's stated investments in other start-up businesses.

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 above listed company is suspended for the period from 9:30 a.m. e.d.t., April 24, 2006, through 11:59 p.m. e.d.t., on May 5, 2006.

By the Commission.

**Nancy M. Morris,**

*Secretary.*

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<sup>9</sup> 69 FR at 48032; See Adopting Release at 48013.

<sup>10</sup> 69 FR at 48032.

<sup>11</sup> See Adopting Release, 69 FR at 48012 (discussing comment letters regarding the Pilot's duration from the Nasdaq, the NYSE, and the STA).

<sup>12</sup> Id. at n. 9.

<sup>13</sup> A list of the internet Web sites making the monthly trading data public is available at <http://www.sec.gov/spotlight/shopilot.htm>.