

The Boston Globe

Nasdaq chief: Toughen NYSE rules

Goal is to increase pressure on firms in option probes

By Ross Kerber, Globe Staff
September 13, 2006

Nasdaq stock market chief executive Robert Greifeld said yesterday he has asked regulators to press the rival New York Stock Exchange to move to delist companies more quickly if they are late with securities filings, which could ratchet up pressure on firms that face stock options reviews.

Nasdaq may soften its own rules if it doesn't get Securities and Exchange Commission support, he added.

Greifeld's remarks, in an address to the Boston College Chief Executives' Club at the Boston Harbor Hotel, were the latest salvo in the competition between the two giant stock exchanges. Both are trying to list more shares of public companies even as foreign exchanges tout they have less red tape.

Greifeld said he's aware of the appeal of exchanges such as London's alternative investment market, or AIM, but said the answer is to maintain high standards to avoid blunt new regulations. He also predicted a steady consolidation of worldwide stock exchanges, but said the process would take years because of national interests.

Later, in answer to a question from an audience that organizers put at about 300 people, Greifeld said the Nasdaq's corporate-governance standards tend to be tighter than other exchanges in some areas. As an example, he said, a Nasdaq rule requires it to start a delisting process if a company is late with its securities filing, a step the rival New York exchange does not take immediately.

"We've been to the SEC and said either have the NYSE come to our standards or we'll have to roll ours to theirs, which many believe is the wrong thing because certainly the cornerstone of making investment in a public company is their financial reporting," Greifeld said.

After the talk, a Nasdaq spokeswoman said the exchange made the proposal to mid level SEC personnel during a regular meeting recently, but declined to say what the agency might have said in response.

SEC spokesman John Heine said the agency wouldn't comment on Greifeld's remarks or make officials available to be interviewed.

Brendan Intindola, a spokesman for the New York Stock Exchange's regulatory arm, said the exchange flags in its data those companies that are late filing documents or are guilty of other rule breaches.

Any changes to delisting rules could have a big impact on companies that are already subject to delisting threats, particularly Nasdaq stocks like [Apple Computer Inc.](#) that have delayed filings because of scrutiny from regulators over the way they accounted for stock options. Since many of these firms are technology stocks listed on the Nasdaq, Greifeld's exchange so far has faced more pressure to show it will crack down on member companies.

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