For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[13]

Nancy M. Morris,

Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–53343; File No. SR–CBOE–2006–13]

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of Proposed Rule Change and Amendment No. 1 Thereto To Amend CBOE Rule 8.3 Relating to Market-Maker Appointments

February 22, 2006.

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 February 2, 2006, the Chicago Board Options Exchange, Incorporated (''Exchange'' or ''CBOE'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Exchange filed the proposal as a ''non-controversial'' proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act[3] and Rule 19b–4(f)(6) thereunder.[4] On February 17, 2006, the Exchange filed Amendment No. 1 to the proposed rule change.[5] The Commission is publishing this notice, as amended, 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 CBOE proposes to amend CBOE Rule 8.3 relating to Market-Maker appointments. The text of the proposed rule change is available on the CBOE's Web site (*http://www.cboe.com*), at the CBOE's Office of the Secretary, and at the Commission.

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 CBOE 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 purpose of this rule change is to amend CBOE Rule 8.3 relating to Market-Maker appointments, other than appointments for Remote Market-Makers. Currently, CBOE Rule 8.3(c) provides that a Market-Maker can quote (i) electronically in all classes traded on the Hybrid Trading System that are located in one designated trading station (''appointed trading station'') provided, however, that with respect to Hybrid 2.0 Classes, a Market-Maker may submit electronic quotations in up to 40 classes for each Exchange membership it owns or up to 30 classes for each Exchange membership it leases; and (ii) in open outcry all classes traded on the Exchange.

CBOE proposes to allow a Market-Maker that is submitting electronic quotations in his or her appointed Hybrid and Hybrid 2.0 Classes to quote electronically in either two additional Hybrid 2.0 Classes in Tier A or Tier B that are not located in the Market-Maker's appointed trading station, or five additional Hybrid 2.0 Classes in Tiers C, D, or E that are not located in the Market-Maker's appointed trading station.[6]

CBOE Rule 8.3 also would provide that the Market-Maker cannot be affiliated with an e-DPM or RMM that holds an appointment in one of these additional Hybrid 2.0 Classes, which is consistent with the current restriction in CBOE Rule 8.3 on Market-Makers streaming electronic quotations from outside of their appointed trading stations in classes in which an affiliated e-DPM or RMM submits electronic quotations.[7] Moreover, pursuant to a Pilot Program that expires on September 14, 2006, a Market-Maker could be affiliated with another Market-Maker (''Affiliated Market-Maker'') who holds an appointment in one of these additional Hybrid 2.0 Classes, provided that the Market-Maker could not submit electronic quotations in these additional Hybrid 2.0 Classes if the Affiliated Market-Maker is submitting electronic quotations from outside its appointed trading station. Pursuant to a separate Pilot Program that expires on March 14, 2006 (*see* CBOE Rule 8.4(c)(ii)), if both Market-Makers operate as multiple aggregation units under the criteria set forth in CBOE Rule 8.4(c)(ii), the preceding restriction would not apply.

With respect to the additional Hybrid 2.0 Classes, the provisions of CBOE Rule 8.3A would continue to apply, and a Market-Maker would be able to quote electronically in the options classes provided the Class Quoting Limit (''CQL'') for the option class has not been met (unless the CQL has been otherwise increased under the provisions of CBOE Rule 8.3A).

CBOE believes it would be appropriate and beneficial to permit Market-Makers to quote electronically in an additional number of Hybrid 2.0 Classes which are not located in the Market-Maker's appointed trading station. The Exchange believes that allowing Market-Makers the opportunity to quote electronically in up to either two additional Hybrid 2.0 Classes in Tier A or Tier B that are not located in the Market-Maker's appointed trading station, or five additional Hybrid 2.0 Classes in Tiers C, D, or E that are not located in the Market-Maker's appointed trading station would increase competition and liquidity in the classes, while providing Market-Makers with additional trading opportunities outside of their appointed trading stations.

CBOE also proposes to eliminate the 40/30 restriction on quoting Hybrid 2.0 Classes electronically depending on whether the Market-Maker owns or leases a membership. Instead, the CBOE proposes to allow a Market-Maker to submit electronic quotations in all Hybrid and Hybrid 2.0 Classes located in his/her appointed trading station. CBOE does not believe that the limitation on only quoting electronically

[13] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] 15 U.S.C. 78s(b)(3)(A)(iii).

[4] 17 CFR 240.19b–4(f)(6).

[5] Amendment No. 1 is incorporated in this notice. Amendment No. 1 clarifies that for purposes of the proposed amendment to CBOE Rule 8.3, the Exchange is using the specific Tiers set forth in CBOE Rule 8.4(d) that have been structured for purposes of Remote Market-Maker appointments.

[6] For purposes of Remote Market-Maker appointments, CBOE has assigned approximately 604 Hybrid 2.0 Classes to five separate tiers structured according to trading volume statistics and an ''A+'' Tier which consists of five option classes listed in CBOE Rule 8.4(d). Tiers A though E each consist of approximately 120 Hybrid 2.0 Classes.

[7] CBOE Rule 8.3(c) states that: ''Any Market-Maker affiliated with an e-DPM or RMM shall be ineligible to submit electronic quotations from outside of its appointed trading station prusuant to this rule in any class in which the affiliated e-DPM or RMM has an appointment.''

in either 40 Hybrid 2.0 Classes (if a market-Maker owns a membership) or 30 Hybrid 2.0 Classes (if the market-Maker leases a membership) is necessary since the average number of Hybrid 2.0 Classes in a trading crowd is 14.9, and the highest number of Hybrid 2.0 Classes in one trading crowd is 28.

2. Statutory Basis

The Exchange believes the proposed rule change, as amended, 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.[8] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5) Act[9] 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.

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

CBOE does not believe that the proposed rule change, as amended, will impose any 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 Exchange has given the Commission written notice of its intent to file the proposed rule change 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[10] and Rule 19b–4(f)(6) thereunder.[11]

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.[12]

Under Rule 19b–4(f)(6)(iii) of the Act,[13] the proposal does not become operative for 30 days after the date of its filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest. The Exchange has requested that the Commission accelerate the 30-day operative date. The Commission, consistent with the protection of investors and the public interest, has determined to accelerate the 30-day operative date because the proposal does not raise any unique regulatory issues.[14]

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change, as amended, 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.* Please include File Number SR–CBOE–2006–13 on the subject line.

Paper Comments

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

All submissions should refer to File Number SR–CBOE–2006–13. 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 Section. 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–2006–13 and should be submitted on or before March 22, 2006.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[15]

Nancy M. Morris,

Secretary.

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[8] 15 U.S.C. 78f(b).

[9] 15 U.S.C. 78f(b)(5).

[10] 15 U.S.C. 78s(b)(3)(A).

[11] 17 CFR 240.19b–4(f)(6).

[12] For purposes of calculating the 60-day abrogation date, the Commission considers the 60-day period to have commenced on February 17, 2006, the date CBOE filed Amendment No. 1.

[13] 17 CFR 240.19b–4(f)(6)(iii).

[14] For purposes only of accelerating the 30-day operative period for this proposal, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

[15] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–53351; File No. SR–CHX–2006–06]

Self-Regulatory Organizations; Chicago Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change and Amendment No. 1 Thereto To Incorporate Certain Examination Fees

February 22, 2006.

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 February 8, 2006, the Chicago Stock Exchange, Inc. (''CHX'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the CHX. On February 17, 2006, the CHX filed Amendment No. 1 to the proposed rule change.[3] The CHX filed the proposal pursuant to Section 19(b)(3)(A)(ii) of the

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] In Amendment No. 1, the Exchange clarified the scope of the Series 7A Examination fee in the proposed rule text and made minor technical changes with respect to the purpose of the proposal.