

Number SR-CBOE-2007-47 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-2007-47. 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 Room. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange. 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-2007-47 and should be submitted on or before June 27, 2007.

#### IV. Commission's Findings and Order Granting Accelerated Approval of the Proposed Rule Change

After careful consideration, the Commission finds that the proposed rule change is consistent with the requirements of Section 6 of the Act<sup>9</sup> and the rules and regulations thereunder applicable to a national securities exchange,<sup>10</sup> and, in particular, the requirements of Section 6(b)(5) of the Act.<sup>11</sup> Section 6(b)(5) requires, among other things, that the rules of a national securities exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and

perfect the mechanism of 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 Exchange's Preferred Market Maker Program was approved on a pilot basis approximately two years ago.<sup>12</sup> The Exchange has asked the Commission to approve the Exchange's Preferred Market Maker Program on a permanent basis. For the reasons noted by the Commission when it initially approved the Exchange's Preferred Market Maker Program on a pilot basis, the Commission continues to believe that the Exchange's Preferred Market Maker Program does not jeopardize market integrity or the incentive for market participants to post competitive quotes.<sup>13</sup> Accordingly, the Commission finds that the proposal is consistent with the Act.

The Exchange has requested that the Commission find good cause for approving the proposed rule change prior to the thirtieth day after publication of notice thereof in the **Federal Register**. The Commission believes that granting accelerated approval of the proposed rule change would allow the Exchange's Preferred Market Maker to continue without disruption beyond the June 2, 2007 expiration date of the current pilot program. Accordingly, the Commission finds good cause, consistent with Section 19(b)(2) of the Act,<sup>14</sup> for approving the proposed rule change prior to the thirtieth day after publication of notice thereof in the **Federal Register**.

#### V. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>15</sup> that the proposed rule change (SR-CBOE-2007-47), is hereby approved on an accelerated basis.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>16</sup>

**Florence E. Harmon,**

*Deputy Secretary.*

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#### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55833; File No. SR-ISE-2007-28]

#### Self-Regulatory Organizations; International Securities Exchange, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change and Amendment No. 1 Thereto Relating to the Expiration of an ISE Stock Exchange Fee Waiver and the Granting of a Fee Waiver for Certain Other Transactions

May 31, 2007.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on May 1, 2007, the International Securities Exchange, LLC ("ISE" 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 substantially prepared by the Exchange. On May 29, 2007, the ISE filed Amendment No. 1 to the proposed rule change. The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

#### I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The ISE is proposing to amend its Schedule of Fees to reflect the expiration of a fee waiver related to all transactions executed on the ISE Stock Exchange ("ISE Stock") and to allow for a waiver of certain transactions executed on ISE Stock. The text of the proposed rule change is available at <http://www.iseoptions.com> and the Commission's Public Reference Room.

#### 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 Exchange 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. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>9</sup> 15 U.S.C. 78f.

<sup>10</sup> In approving this proposal, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>11</sup> 15 U.S.C. 78f(b)(5).

<sup>12</sup> See notes 3 to 5, *supra*.

<sup>13</sup> See note 3, *supra*.

<sup>14</sup> 15 U.S.C. 78s(b)(2).

<sup>15</sup> 15 U.S.C. 78s(b)(2).

<sup>16</sup> 17 CFR 200.30-3(a)(12).

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

1. Purpose

The purpose of this proposed rule change is to amend the Schedule of Fees to reflect the expiration of a fee waiver related to all MidPoint Match ("MPM") transactions executed on ISE Stock, a facility of the Exchange, and to allow for a waiver of certain other MPM transactions executed on ISE Stock. The Exchange currently waives all execution fees for MPM transactions in an effort to promote trading on ISE Stock. The Exchange currently waives all execution fees in an effort to promote trading on ISE Stock.<sup>3</sup> The fee waiver is scheduled to expire on May 1, 2007.<sup>4</sup>

The Exchange proposes to waive the transaction fee applicable to executions in MPM when the same firm enters a MPM buy order which executes against that same firm's MPM sell order. However, the Exchange represents that, due to the configuration of session lines carrying orders for multiple firms, it is not always possible for the Exchange to determine who the originating firm is that entered the order. Accordingly, for a firm to avail itself of this waiver, the firm must ensure that the MPM order sent by it, or on its behalf, is marked with the firm's identifier or is uniquely identified by submission on a dedicated session. A firm may contact the Exchange to set up its own dedicated session line, whereby all MPM orders sent by it will be identified as that member's order and will be afforded the waiver anytime one of its MPM buy orders executes against one of its own MPM sell orders. Alternatively, a firm may contact a service bureau that is connected to ISE to have the service bureau allocate a session line solely for that firm's orders, *i.e.*, creating a dedicated session line for that firm. In those situations where one firm submits MPM orders to the Exchange over different session lines, the Exchange represents that so long as the firm is identifiable as the originating firm on both sides of the MPM execution, the firm will be afforded the waiver, regardless of what line the MPM orders were submitted through.

2. Statutory Basis

The basis under the Act for this proposed rule change is the requirement under Section 6(b)(4)<sup>5</sup> that the

Exchange provide for the equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons using its facilities.

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

The Exchange believes that the proposed rule change does not impose any burden on competition that is 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 has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any unsolicited written comments from members or other interested parties.

**III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action**

The foregoing proposed rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>6</sup> and Rule 19b-4(f)(2) thereunder,<sup>7</sup> because it establishes or changes a due, fee, or other charge imposed by the Exchange. Accordingly, the proposal will take effect upon filing with the Commission.

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.<sup>8</sup>

**IV. Solicitation of Comments**

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change 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](mailto:rule-comments@sec.gov). Please include File

Number SR-ISE-2007-28 on the subject line.

*Paper Comments*

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

All submissions should refer to File Number SR-ISE-2007-28. 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 Room. Copies of such filing also will be available for inspection and copying at the principal office of the ISE. 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-ISE-2007-28 and should be submitted on or before June 27, 2007.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>9</sup>

**Florence E. Harmon,**

*Deputy Secretary.*

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<sup>6</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>7</sup> 17 CFR 240.19b-4(f)(2).

<sup>8</sup> For purposes of calculating the 60-day period within which the Commission may summarily abrogate the proposed rule change under Section 19(b)(3)(C) of the Act, the Commission considers the period to commence on May 29, 2007, the date on which the ISE filed Amendment No. 1. See 15 U.S.C. 78s(b)(3)(C).

<sup>9</sup> 17 CFR 200.30-3(a)(12).

<sup>3</sup> See Securities Exchange Act Release No. 54561 (October 2, 2006), 71 FR 59844 (October 11, 2006).

<sup>4</sup> See Securities Exchange Act Release No. 55560 (March 29, 2007), 72 FR 16837 (April 5, 2007).

<sup>5</sup> 15 U.S.C. 78f(b)(4).