

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-57263; File No. SR-Phlx-2007-91]

### Self-Regulatory Organizations; Philadelphia Stock Exchange, Inc; Order Approving a Proposed Rule Change to Require a Non-Streaming Quote Trader Registered Option Traders (“non-SQT ROT”) to Submit a List of Options for Intended Assignment

February 4, 2008.

On December 12, 2007, the Philadelphia Stock Exchange, Inc. (“Phlx” or “Exchange”), filed with the Securities and Exchange Commission (“Commission”), 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> a proposed rule change to amend Exchange Rule 1014(b)(ii)(C) to require “non-SQT ROTs” (as defined below) to submit to the Exchange a list of the options in which such non-SQT ROT intends to be assigned to make markets. The proposed rule change was published for comment in the **Federal Register** on December 31, 2007.<sup>3</sup> The Commission received no comments on the proposal.

PHLX proposes to amend Exchange Rule 1014(b)(ii)(C) to require “non-SQT ROTs”<sup>4</sup> to notify the Exchange of each option, on an issue-by-issue basis, it intends to be assigned to make markets. Such notification would need to be made in writing on a form prescribed by the Exchange (an “ROT Assignment Form”). Any change to the ROT Assignment Form would have to be made in writing by the non-SQT ROT prior to the end of the trading session in which the change is to take place. Receipt of the properly completed ROT Assignment Form from a qualified non-SQT ROT applicant would constitute acceptance by the Exchange of the non-SQT ROT’s assignment in, or termination of assignment in (as indicated on the ROT Assignment Form), the options listed on such ROT Assignment Form. If a non-SQT ROT applicant failed to qualify as an ROT on

the Exchange, such assignments would be rendered ineffective and would be terminated. The proposed rule change is designed to facilitate the Exchange’s ability to track the activities of non-SQT ROTs.

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 national securities exchange.<sup>5</sup> In particular, the Commission finds that the proposed rule change is consistent with section 6(b)(5) of the Act,<sup>6</sup> which requires, among other things, that the Exchange’s rules be designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism for a free and open market and a national market system, and, in general, to protect investors and the public interest. The Commission believes that the proposed notification requirement will assist the Exchange in monitoring the activities of non-SQT ROTs and should contribute to the Exchange’s efforts to enhance the fair and orderly operation of the Exchange’s market.

*It is therefore ordered*, pursuant to section 19(b)(2) of the Act,<sup>7</sup> that the proposed rule change (File No. SR-Phlx-2007-91) hereby is approved.

**Florence E. Harmon,**

*Deputy Secretary.*

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>8</sup>

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-57260; File No. SR-BSE-2008-06]

### Self-Regulatory Organizations; Boston Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Regarding a Proposed Combination Between the Montréal Exchange Inc. and TSX Group Inc.

February 1, 2008

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934

<sup>5</sup> In approving this proposal, the Commission considered the proposed rule’s impact on efficiency, competition and capital formation. 15 U.S.C. 78c(f).

<sup>6</sup> 15 U.S.C. 78f(b)(5).

<sup>7</sup> 15 U.S.C. 78s(b)(2).

<sup>8</sup> 17 CFR 200.30-3(a)(12).

(“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on January 29, 2008, the Boston Stock Exchange, Inc. (“BSE” or “Exchange”) 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 BSE. The Exchange filed the proposal as a “non-controversial” proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>3</sup> and Rule 19b-4(f)(6) thereunder,<sup>4</sup> which renders the proposal effective upon filing with the Commission. The Commission is publishing this notice 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 Exchange is submitting the proposed rule change to the Commission to amend the Fifth Amended and Restated Operating Agreement, dated January 26, 2005, as may be amended from time to time (“BOX LLC Agreement”), of the Boston Options Exchange Group LLC (“BOX LLC”), in connection with the proposed business combination (the “Combination”) of the Montréal Exchange Inc.,<sup>5</sup> a company incorporated in Québec, Canada (“MX”), and TSX Group Inc., a company incorporated in Ontario, Canada (“TSX Group”). The text of the rule proposal, including the proposed Instrument of Accession, is available on the Exchange’s Web site (<http://www.bostonstock.com>), at the Exchange, and at 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, BSE 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. BSE 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>3</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>4</sup> 17 CFR 240.19b-4(f)(6).

<sup>5</sup> The Montréal Exchange Inc. is also known in French as the Bourse de Montréal Inc.

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

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

<sup>3</sup> See Securities Exchange Act Release No. 57034 (December 21, 2007), 72 FR 74398.

<sup>4</sup> A Streaming Quote Trader (“SQT”) is a Registered Options Trader (“ROT”) that has received permission from the Exchange to generate and submit electronic option quotations electronically via an Exchange approved quoting device. See Exchange Rule 1014(b)(ii)(A). Non-SQT ROTs do not stream electronic quotations but make verbal markets upon request and have the ability to send limit orders to the limit order book via electronic interface with Phlx XL.