

applicable to Market Makers. As previously stated, Make or Take is applicable to all three account types.⁵

This proposed rule change will specifically include this reference to Make or Take within the Public Customer and Broker Dealer portions of the BOX Fee Schedule. Again, this proposal will not modify the fees that are currently charged for the trading of options contracts on BOX, nor will it change to whom the fees are charged.

2. Statutory Basis

The Exchange believes that the proposal is consistent with the requirements of Section 6(b) of the Act,⁶ in general, and Section 6(b)(5) of the Act,⁷ in particular, in that it clarifies existing rule text and it is designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts, 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.

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

The Exchange does not believe that the proposed rule change will 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 neither solicited nor received comments on the proposed rule change.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(i) of the Act⁸ and subparagraph (f)(1) of Rule 19b-4 thereunder.⁹ The proposed rule change is a stated policy, practice or interpretation with respect to the meaning, administration or enforcement of an existing rule of the Exchange.

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.

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. Please include File Number SR-BSE-2008-13 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-BSE-2008-13. 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 Room, 100 F Street, NE., Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of BSE. 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-BSE-2008-13 and should be submitted on or before April 4, 2008.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁰

Florence E. Harmon,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-57454; File No. SR-CHX-2007-18]

Self-Regulatory Organizations; Chicago Stock Exchange, Inc.; Order Approving Proposed Rule Change, as Modified by Amendment No. 1 Thereto, To Make Administrative Changes to its Routing Rules

March 7, 2008

I. Introduction

On July 6, 2007, the Chicago Stock Exchange, Inc. ("CHX" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to make administrative changes to its routing rules. On January 22, 2008, the Exchange filed Amendment No. 1 to the proposed rule change. The proposed rule change, as modified by Amendment No. 1, was published for comment in the *Federal Register* on February 1, 2008.³ The Commission received no comments on the proposal. This order approves the proposed rule change, as amended.

II. Description of the Proposal

The Exchange's rules provide that the Exchange's Matching System will not execute an order if its execution would be improper under Rule 611 of Regulation NMS under the Act ("improper trade-through").⁴ In the case of an execution that would cause an improper trade-through, the Exchange's rules provide that, if a participant submitted a cross with satisfy or an outbound ISO, the Matching System will execute the order and simultaneously route orders necessary to satisfy the bids or offers of other markets.⁵ For all other orders, the

¹⁰ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 57203 (January 25, 2008), 73 FR 6232.

⁴ See CHX Article 20, Rule 5; and Rule 611 of Regulation NMS, 17 CFR 242.611.

⁵ The Exchange's systems determine when, how, and where these orders should be routed. See CHX Article 20, Rule 5, Interpretation and Policy .03(a).

⁵ See Securities Exchange Act Release No. 56371 (September 7, 2007), 72 FR 52401 (September 13, 2007).

⁶ 15 U.S.C. 78f(b).

⁷ 15 U.S.C. 78f(b)(5).

⁸ 15 U.S.C. 78s(b)(3)(A)(i).

⁹ 17 CFR 240.19b-4(f)(1).

Exchange will either cancel the order back to the participant that submitted it or will route the order to the destination of the participant's choice, all at the direction of the participant.⁶

The Exchange's current routing rules also provide that the Exchange will provide routing services pursuant to the terms of three separate agreements, to the extent that they are applicable to a specific routing decision: (1) An agreement between the Exchange and each participant on whose behalf orders will be routed; (2) an agreement between each participant and a specified third-party broker-dealer that will use its routing connectivity to other markets and serve as a "give-up" in those markets; and (3) an agreement between the Exchange and the specified third-party broker-dealer pursuant to which the third-party broker-dealer agrees to provide routing connectivity to other markets and serve as a "give-up" for the Exchange's participants in other markets.⁷

The Exchange proposes to make three changes to its routing rules. First, the Exchange proposes to provide that, if requested by a participant and its routing destination, the Exchange will flip any executions into the participant's account and report that second leg of the away-market transaction to clearing. The Exchange states that this service would provide the order-sending participant the option of consolidating its clearing reports in specific locations.

Second, the Exchange proposes to amend the requirement relating to the agreements that are necessary for the Exchange to provide routing services. For cross with satisfy and outbound ISOs, the Exchange will continue to provide routing services pursuant to the terms of three separate agreements to the extent that they are applicable to a specific routing decision.⁸ For other orders, the Exchange proposes to allow the CHX and/or a third-party broker-dealer providing connectivity to other markets to determine which agreements are needed to implement the routing functionality. The Exchange states that

it believes that most routing destinations will require that order-senders sign additional agreements for any services that the destinations might provide, but the Exchange would like to provide flexibility for destinations to make choices appropriate to their business models.

Third, the Exchange proposes to provide that, with respect to a cross with satisfy or an outbound ISO, the agreement between a participant and the third-party broker-dealer routing its order by access agreement with the Exchange need not provide that the third-party broker-dealer will serve as a give-up if this is not necessary—*i.e.*, where the participant has a good give-up in the market to which the order is routed and prefers that its own give-up be used.⁹

III. Discussion

After careful review, the Commission finds that the proposed rule change, as amended, is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange and, in particular, with Section 6(b)(5) of the Act,¹⁰ which 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.¹¹

The Commission believes that the proposed changes to the Exchange's routing rules should provide the Exchange, its participants, and third-party routers with more flexibility in establishing routing arrangements. Accordingly, the Commission finds that the proposed rule change, as amended, is consistent with the Act.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹² that the proposed rule change (SR-CHX-2007-18), as modified by Amendment No. 1, be, and hereby is, approved.

⁹ See Article 20, Rule 5, Proposed Interpretation and Policy .03(c).

¹⁰ 15 U.S.C. 78f(b)(5).

¹¹ In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

¹² 15 U.S.C. 78s(b)(2).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹³

Florence E. Harmon,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-57455; File No. SR-NYSE-2008-03]

Self-Regulatory Organizations; New York Stock Exchange LLC; Order Approving a Proposed Rule Change, as Modified by Amendment No. 1 Thereto, To Rescind NYSE Rule 97 (Limitation on Member's Trading Because of Block Positioning)

March 7, 2008

I. Introduction

On January 11, 2008, the New York Stock Exchange LLC ("NYSE" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to rescind NYSE Rule 97 (Limitation on Member's Trading Because of Block Positioning). The proposed rule change was published for comment in the **Federal Register** on February 6, 2008.³ On February 20, 2008, NYSE filed Amendment No. 1 to the proposed rule change.⁴ The Commission received one comment on the proposed rule change.⁵ This order approves the proposed rule change, as modified.

II. Description of the Proposed Rule Change

NYSE Rule 97 governs block facilitation transactions by NYSE member organizations on behalf of customers. The rule states that if, as a result of facilitating one or more customer sell orders in a stock during the trading day, a member organization ends up holding a long position in the stock in a proprietary account, then

¹³ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 57236 (January 30, 2008), 73 FR 7022.

⁴ In Amendment No. 1, the Exchange made conforming amendments to NYSE Rules 123C and 800 to remove references to NYSE Rule 97, and corrected typographical errors in NYSE Rule 800. Because Amendment No. 1 is technical in nature, it is not subject to notice and comment.

⁵ See letter from Ann L. Vlcek, Securities Industry and Financial Markets Association ("SIFMA"), dated February 27, 2008 ("SIFMA Letter").

⁶ The participant is responsible for ensuring that it has a relationship with its chosen destination to permit the requested access. The Exchange is not involved in the execution of the order and states that any execution of the order is the responsibility of the destination to which the order was sent. The Exchange, however, reports any execution or cancellation of the order by the other destination to the participant that submitted the order and notifies the other venue of any cancellations or changes to the order submitted by the order-sending participant. See Article 20, Rule 5, Interpretation and Policy .03(b).

⁷ See Article 20, Rule 5, Proposed Interpretation and Policy .03(c)(1).

⁸ See Article 20, Rule 5, Proposed Interpretation and Policy .03(c).