

member organizations effective February 22, 2007.

2. Statutory Basis

The proposed fee change is consistent with Section 6(b)(4) of the Act¹³ regarding the equitable allocation of reasonable dues, fees, and other charges among exchange members and other persons using exchange facilities.

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

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

No written comments were solicited or received with respect to the proposed rule change.

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 Act¹⁴ and Rule 19b-4(f)(2) thereunder¹⁵ because it establishes or changes a due, fee, or other charge imposed by the Exchange. At any time within 60 days of the filing of the 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.

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. Please include File No. SR-Amex-2007-23 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-Amex-2007-23. 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 the filing also will be available for inspection and copying at the principal office of Amex. 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-Amex-2007-23 and should be submitted on or before April 10, 2007.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁶

Florence E. Harmon,
Deputy Secretary.

[FR Doc. E7-5059 Filed 3-20-07; 8:45 am]

BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55472; File No. SR-BSE-2007-08]

Self-Regulatory Organizations; Boston Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change and Amendment No. 1 Thereto To Add an Automatic Quote Cancellation Procedure to the Boston Options Exchange Rules

March 14, 2007.

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 15, 2007, 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, II, and III below, which Items have been substantially prepared by the Exchange. On March 13, 2007, BSE submitted Amendment No. 1 to the proposed rule change. BSE has filed the proposal pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(5) thereunder,⁴ which renders the proposal effective upon filing with the Commission. 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

BSE proposes to add Section 15, Automatic Quote Cancellation Procedure, to Chapter VI in the Boston Options Exchange ("BOX") Rules. This proposed addition to the BOX Rules will provide a BOX Market Maker the option of enabling automatic quote cancellation protection so its quotes will be automatically cancelled if it is technically disconnected from the BOX Trading Host. The text of the proposed rule change is below. Proposed new language is in *italics*.

Chapter VI. Market Makers

Sec. 1 through Sec. 14—No Change.

Sec. 15 Automatic Quote Cancellation Procedure:

(a) The Automatic Quote Cancellation Procedure is enabled (or disabled) for all of a Market Maker's appointed options classes when a Market Maker sends an Automatic Quote Cancellation Procedure enabling (or disabling) message to the Trading Host. The Market Maker must provide in the enable message the duration of no technical connectivity after which the Trading Host should cancel his quotes (set for a duration of between one and nine seconds). Unless enabled, the Automatic Quote Cancellation Procedure is disabled for all options classes.

(b) When the Automatic Quote Cancellation Procedure has been enabled, the Trading Host will automatically cancel all quotes posted by the Market Maker in all of the Market Maker's appointed options classes when

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(5).

¹³ 15 U.S.C. 78f(b)(4).

¹⁴ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁵ 17 CFR 19b-4(f)(2).

¹⁶ 17 CFR 200.30-3(a)(12).

there has been no technical communication with the Trading Host for the time indicated by the Market Maker as described in section 15(a) above.

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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.

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

1. Purpose

The proposed addition to the BOX Rules will provide a BOX Market Maker protection when it becomes disconnected from the BOX Trading Host. The proposed rule will allow a BOX Market Maker the option to turn on the automatic quote cancellation protection by sending an enabling message to the BOX Trading Host. The enabling message must provide the duration of no technical connectivity (between one and nine seconds) after which the BOX Trading Host will cancel all of the Market Maker's quotes. Once the Market Maker enables this protection, the BOX Trading Host will count the number of seconds since the last quote message or heartbeat ("Message") received from the Market Maker. Each Market Maker Message received by the BOX Trading Host will restart the counter. A Market Maker's quotes will be automatically canceled if the BOX Trading Host counter reaches the Market Maker's specified timeframe. There is no outgoing message sent by the BOX Trading Host which will trigger the automatic quote cancellation procedure. The Exchange believes that this proposed rule change will benefit the marketplace, as it reduces the chance of erroneous or stale quotes if a BOX Market Maker loses technical connectivity.

The following example illustrates how the Automatic Quote Cancellation Procedure will work:

START OF THE DAY

11:37:05:82—Market Maker sends a message enabling the automatic quote

cancellation procedure, setting the BOX Trading Host counter for 5 seconds of no activity

Counter starts

11:37:09:26—Market Maker sends a Bulk Quote on class 1

Counter re-starts

11:37:10:06—Market Maker sends a Panic Quote on class 1

Counter re-starts

11:37:12:06—Market Maker sends a Bulk Quote on class 2

Counter re-starts

11:37:13:06—Market Maker sends a Heartbeat

Counter re-starts

11:37:18:07—Nothing received from the Market Maker.

The Box Trading Host cancels all of the Market Maker's quotes.

2. Statutory Basis

The Exchange believes that the proposal is consistent with the provisions of Section 6(b) of the Act,⁵ in general, and with Section 6(b)(5) of the Act,⁶ in particular, in that the proposal is 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.

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

Because the proposed rule change does not: (1) significantly affect the protection of investors or the public interest; (2) impose any significant burden on competition; and (3) have the effect of limiting the access to or availability of an existing order entry or trading system of the Exchange, the foregoing rule change has become effective immediately pursuant to Section 19(b)(3)(A)(iii) of the Act⁷ and

Rule 19b-4(f)(5) thereunder.⁸ At any time within 60 days of the filing of the 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.⁹

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. Please include File Number SR-BSE-2007-08 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-2007-08. 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 the filing also will be available for inspection and copying at the principal office of BSE. All comments received will be posted

⁸ 17 CFR 240.19b-4(f)(5).

⁹ 15 U.S.C. 78s(b)(3)(C). For purposes of calculating the 60-day period within which the Commission may summarily abrogate the proposal, the Commission considers the period to commence on March 13, 2007, the date on which the Exchange submitted Amendment No. 1.

⁵ 15 U.S.C. 78f(b).

⁶ 15 U.S.C. 78f(b)(5).

⁷ 15 U.S.C. 78s(b)(3)(A)(iii).

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-2007-08 and should be submitted on or before April 11, 2007.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁰

Florence E. Harmon,
Deputy Secretary.

[FR Doc. E7-5115 Filed 3-20-07; 8:45 am]

BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55474; File No. SRCBOE-2007-20]

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Extend a Pilot Program Relating to Multiple Aggregation Units

March 15, 2007.

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 26, 2007, 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 substantially 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 Act³ and Rule 19b-4(f)(6) thereunder,⁴ which renders the proposal effective upon filing. 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

CBOE proposes to extend for an additional year, until March 14, 2008, an existing Pilot Program that allows a CBOE member or member firm to have multiple aggregation units operating as separate Market-Makers or Remote

Market-Makers ("RMMs") within the same class. The text of the proposed rule change is available on CBOE's Web site (<http://www.cboe.org/Legal>), at the CBOE's Office of the Secretary, 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, 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.

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

1. Purpose

The purpose of the proposed rule change is to extend for an additional year, until March 14, 2008, an existing Pilot Program that allows a CBOE member or member firm to have multiple aggregation units operating as separate Market-Makers or RMMs within the same class, provided they satisfy certain criteria set forth in Rule 8.4(c)(ii)(A)-(C).⁵

In March 2005, CBOE amended its rules to establish a new membership status called RMM, who have the ability to submit quotes to the CBOE from a location outside of the physical trading station of the RMM's appointed class.⁶ In connection with the adoption of these rules, CBOE also adopted provisions in its rules relating to RMM affiliation limitations. Specifically, CBOE Rule 8.4(c) provides that except as otherwise provided, an RMM may not have an appointment as an RMM in any class in which it or its member organization serves as DPM, e-DPM, RMM, or Market-Maker on CBOE.

One exception that was approved on a pilot basis was the ability of a CBOE member or member firm to have multiple aggregation units operating as separate RMMs within the same class,

provided certain specific criteria were complied with.⁷

In March 2006, the Pilot Program was extended for an additional year,⁸ and is also applicable to Market-Makers.⁹ CBOE believes that the Pilot Program has been successful, in that it allows a CBOE member or member firm to have multiple aggregation units operating as separate Market-Makers or RMMs within the same class, provided they comply with certain specific criteria. CBOE has not experienced any negative effects with respect to the Pilot Program. Thus, CBOE believes it would be appropriate and beneficial to extend this Pilot Program for an additional year, until March 14, 2008.

2. Statutory Basis

The Exchange believes the proposed rule change 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.¹⁰ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5) of the Act,¹¹ which requires 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 will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Exchange Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Exchange neither received nor solicited written comments on the proposal.

⁷ A second exception, also adopted on a pilot basis and contained in Rule 8.4(c)(i), permits a member or member firm operating as an RMM in a class to have one Market-Maker affiliated with the RMM organization trading in open outcry in any specific class allocated to the RMM, provided such Market-Maker trades on a separate membership.

⁸ See Securities Exchange Act Release No. 53414 (March 3, 2006), 71 FR 12753 (March 13, 2006) (approving SR-CBOE-2006-25).

⁹ See Securities Exchange Act Release No. 54182 (July 20, 2006), 71 FR 42692 (July 20, 2006) (approving SR-CBOE-2006-51).

¹⁰ 15 U.S.C. 78f(b).

¹¹ 15 U.S.C. 78f(b)(5).

¹⁰ 17 CFR 200.30-3(a)(12).

¹¹ 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 See Rule 8.3(c)(viii) and Rule 8.4(c)(ii).

⁶ See Securities Exchange Act Release No. 51366 (March 14, 2005), 70 FR 13217 (March 18, 2005) (approving SR-CBOE-2004-75).