

All submissions should refer to File Number SR-Amex-2005-044. 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, 100 F Street, NE., Washington, DC 20549. Copies of such filing also will be available for inspection and copying at the principal office of the 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 publicly available. All submissions should refer to File Number SR-Amex-2005-044 and should be submitted on or before July 15, 2005.

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

After careful consideration, 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.⁷ In particular, the Commission believes that the proposed rule change is consistent with Section 6(b)(5) of the Act,⁸ which requires among other things, that the rules of the Exchange are designed 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 believes that the proposed index dissemination requirement, which is similar to the index dissemination requirement used in the listing standards for narrow-based index

options,⁹ will help to ensure the transparency of current index values for indexes underlying PDRs and IFSs.

The Amex 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 notes that it has recently approved a similar proposal regarding the dissemination of the underlying index value for PDRs and IFSs traded on Nasdaq.¹⁰ The Commission believes that granting accelerated approval of the proposal will allow the Amex to immediately implement these similar listing standards already in place on Nasdaq. Accordingly, the Commission finds good cause, pursuant to Section 19(b)(2) of the Act,¹¹ for approving the proposed rule change prior to the thirtieth day after the date of publication of notice thereof in the **Federal Register**.

V. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹² that the proposed rule change (SR-Amex-2005-044) be, and hereby is, approved on an accelerated basis.

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

Jill M. Peterson,

Assistant Secretary.

[FR Doc. E5-3278 Filed 6-23-05; 8:45 am]

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⁹ See e.g., Chicago Board Options Exchange Rule 24.2(b); International Securities Exchange Rule 2002(b); Pacific Exchange Rule 5.13; and Philadelphia Stock Exchange Rule 1009A(b) (listing standards for narrow-based index options requiring that, among other things, the current underlying index value be reported at least once every 15 seconds during the time the index option trades on the exchange).

¹⁰ See Securities Exchange Act Release No. 51748 (May 26, 2005) (order approving File No. SR-NASD-2005-024 relating to dissemination of the underlying index value for PDRs and IFSs trading on Nasdaq).

¹¹ 15 U.S.C. 78s(b)(2).

¹² 15 U.S.C. 78s(b)(2).

¹³ 17 CFR 200.30-3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-51879; File No. SR-BSE-2004-58]

Self-Regulatory Organizations; Boston Stock Exchange, Inc.; Order Approving Proposed Rule Change, and Amendments No. 1, 2, 3, and 4 Thereto, Relating to the Composition of the Board of Directors and Executive Committee of Boston Options Exchange Regulation LLC

June 20, 2005.

I. Introduction

On December 9, 2004, the Boston Stock Exchange, Inc. ("BSE" 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 amend certain sections of the By-laws of Boston Options Exchange Regulation LLC ("BOXR") relating to BSE Governor representation on BOXR's Board of Directors ("BOXR Board") and Executive Committee. BOXR is a wholly owned subsidiary of the Exchange and the Exchange has delegated certain functions to BOXR so that BOXR is responsible for the regulatory oversight of the Boston Options Exchange, a facility of the BSE.

On December 13, 2004, the BSE filed Amendment No. 1 to the proposed rule change.³ On December 16, 2004, the BSE filed Amendment No. 2 to the proposed rule change.⁴ On March 8, 2005, the BSE filed Amendment No. 3 to the proposed rule change.⁵ On March 10, 2005, the BSE filed Amendment No. 4 to the proposed rule change.⁶ The proposed rule change, as amended, was published for comment in the **Federal Register** on March 24, 2005.⁷ The

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ In Amendment No. 1, the Exchange revised the proposed rule text. Amendment No. 1 replaced the BSE's original filing in its entirety.

⁴ In Amendment No. 2, the Exchange withdrew its request that the proposed rule change become immediately effective and requested that the proposed rule change become effective pursuant to Section 19(b)(2) of the Act.

⁵ In Amendment No. 3, the Exchange revised the purpose section and rule text of the proposed rule change. Amendment No. 3 replaced Amendment No. 1, as amended by Amendment No. 2, in its entirety.

⁶ In Amendment No. 4, the Exchange amended its filing to reflect that Amendment No. 3 was incorrectly filed pursuant to Rule 19(b)(3)(A) of the Act and should have been filed pursuant to section 19(b)(2) of the Act.

⁷ See Securities Exchange Act Release No. 51388 (March 17, 2005), 70 FR 15135.

⁷ In approving this proposal, the Commission has considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁸ 15 U.S.C. 78f(b)(5).

Commission received no comments on the proposal.

II. Description of the Proposal

The Exchange proposed the following amendments to BOXR's By-laws: (1) Replace the requirement in Section 4 that the BSE Chairman be a member of the BOXR Board with the requirement that at least one Governor of the BSE Board of Governors must be a member of the BOXR Board; (2) replace the requirement in Section 14 that the BSE Chairman must be a member of BOXR's Executive Committee with the requirement that at least one Governor of the BSE Board of Governors, who shall also be a member of the BOXR Board, must be a member of BOXR's Executive Committee; and (3) eliminate language in both Sections 3 and 4 that provides that the BSE Chairman shall not be considered a member of the BOXR Board for "qualification purposes." Section 4 of BOXR's By-laws provides that at least 50% of the Directors on the BOXR Board must be Public Directors⁸ and at least 20% of the Directors on the BOXR Board must be representatives of BOX Options Participants.⁹ However, currently, the BSE Chairman is not considered to be a Public Director, BOX Options Participant Director or Industry Director¹⁰ and is not taken into account when determining whether the composition of the BOXR Board complies with the composition requirements of Section 4, although the BSE Chairman is a voting member of the BOXR Board. The proposed rule change, however, would require BOXR to consider the BSE Governor representative on the BOXR Board for the purpose of determining compliance with the composition requirements of Section 4, whether the BSE Governor representative is the BSE's Chairman or another member of the BSE Board of Governors.

III. Discussion and Commission Findings

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 exchange¹¹ and, in particular,

the requirements of Section 6(b) of the Act¹² and the rules and regulations thereunder. The Commission finds specifically that the proposed rule change, as amended, is consistent with Section 6(b)(1) of the Act,¹³ in that the proposal is designed so that the Exchange is organized and has the capacity to carry out the purposes of the Act; Section 6(b)(3) of the Act,¹⁴ in that the proposal is designed so the rules of the Exchange assure a fair representation of its members in the selection of its directors and the administration of its affairs; and Section 6(b)(5) of the Act,¹⁵ in that the proposal is designed to promote just and equitable principles of trade, remove impediments to and perfect the mechanism of a free and open market and a national market system, and to protect investors and the public interest.

The Commission notes that the proposal is designed to provide the Exchange with greater flexibility with respect to the appointment of a BSE Governor to serve on the BOXR Board and Executive Committee. The Exchange's Constitution permits, but does not mandate, that the Exchange's Chairman and Chief Executive Officer ("CEO") positions be separated. If the positions are in fact held by two individuals, then the Exchange's Chairman would be responsible for the regulatory functions of the Exchange and it would be consistent with BOXR's regulatory mandate to have the BSE Chairman be a member of the BOXR Board and Executive Committee. However, in the event that the positions are held by a single individual, then the Exchange's Board would be able to appoint a BSE Governor other than the BSE Chairman to the BOXR Board. The Commission considers it appropriate for the Exchange to have a BSE Governor other than the Exchange's Chairman be appointed to the BOXR Board and Executive Committee, particularly in light of the Exchange's goal to maintain an adequate separation between its business and regulatory functions.

In addition, the proposal would allow the BSE Governor that serves on the BOXR Board to be considered for the purpose of determining the qualification percentages of the BOXR Board. The Commission notes that this provision would not alter the current requirement of the BOXR By-laws that at least 20% of the BOXR Directors (but no fewer than two Directors) be officers or directors of a firm approved as a BOX

Option Participant. Therefore, in the Commission's view, the proposal is consistent with the Act's requirement that the Exchange assure the fair representation of members in the selection of its directors and administration of its affairs.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹⁶ that the proposed rule change (SR-BSE-2004-58), as amended, be, and hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁷

Jill M. Peterson,

Assistant Secretary.

[FR Doc. E5-3274 Filed 6-23-05; 8:45 am]

BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-51881; File No. SR-BSE-2005-15]

Self-Regulatory Organizations; Boston Stock Exchange, Inc.; Notice of Filing of a Proposed Rule Change Relating to Listing Fees

June 20, 2005.

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 May 31, 2005, 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 prepared by the Exchange. 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 proposes to amend its Listing Fees schedule by increasing its listing fees. The text of the proposed rule change appears below. Proposed new language is in *italics*; proposed deletions are in [brackets].

* * * * *

LISTING FEE SCHEDULE

Stocks

Listing Application Fee: [\$250.00]
\$500 per original listing application. Fee is non-refundable, but will be applied

⁸ See Definitions, Paragraph (p) of the BOXR By-laws.

⁹ See Definitions, Paragraph (o) of the BOXR By-laws.

¹⁰ See Article II, Section 1 of the BSE Constitution.

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

¹² 15 U.S.C. 78f(b).

¹³ 15 U.S.C. 78f(b)(1).

¹⁴ 15 U.S.C. 78f(b)(3).

¹⁵ 15 U.S.C. 78f(b)(5).

¹⁶ 15 U.S.C. 78s(b)(2).

¹⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.