

## 2. Statutory Basis

The proposed rule change is designed to be consistent with Section 6(b) of the Act,<sup>10</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>11</sup> in particular, in that it 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 national market system, and, in general, to protect investors and the public interest.

### *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

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 Act<sup>12</sup> and Rule 19b-4(f)(5) thereunder.<sup>13</sup> 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 the 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 at <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 No. SR-Amex-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 No. SR-Amex-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 No. SR-Amex-2007-47 and should be submitted on or before June 11, 2007.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>14</sup>

**Jill M. Peterson,**

*Assistant Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55764; File No. SR-ISE-2007-18]

### **Self-Regulatory Organizations; International Securities Exchange, LLC.; Order Approving Proposed Rule Change Relating to Information Regarding Customer Interest on the Book**

May 15, 2007.

#### **I. Introduction**

On March 5, 2007, the International Securities Exchange, LLC ("ISE" 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 allow the ISE to make available to all ISE members information regarding the quantity of public customer contracts included in the ISE's highest bid and lowest offer. The proposed rule change was published for comment in the **Federal Register** on April 12, 2007.<sup>3</sup> The Commission received no comments regarding the proposal. This order approves the proposed rule change.

#### **II. Description of the Proposal**

Currently, the ISE provides information regarding the quantity of public customer contracts at the ISE's best bid and best offer ("BBO") only to Primary Market Makers ("PMMs"). The ISE proposes to adopt ISE Rule 713, Supplementary Material .04, to allow the ISE to make such information available to all ISE members. According to the ISE, the Chicago Board Options Exchange ("CBOE") currently provides its members with information regarding customer interest at the CBOE's BBO. The ISE believes that it is necessary to provide its members with similar information to remain competitive with the CBOE. In addition, the ISE notes that the information would allow an ISE member to know the number of customer contracts it would need to satisfy before the member could cross a large block-sized order. The ISE believes that such information is particularly useful for members seeking to execute larger-sized orders through the ISE's block and facilitation mechanisms.<sup>4</sup> In addition, the proposal corrects several cross-references in ISE Rule 713(a).

<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. 55589 (April 5, 2007), 72 FR 18498.

<sup>4</sup> See ISE Rule 716.

<sup>10</sup> 15 U.S.C. 78f(b).

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

<sup>12</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>13</sup> 17 CFR 240.19b-4(f)(5).

<sup>14</sup> 17 CFR 200.30-3(a)(12).

### III. Discussion

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> Specifically, the Commission finds that the proposal is consistent with Section 6(b)(5) of the Act,<sup>6</sup> 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. Specifically, the proposal will allow the ISE to make available to all ISE members information regarding customer interest at the ISE's BBO that currently is available only to PMMs. In addition, the proposal will allow the ISE to provide its members with the same customer interest information that CBOE currently makes available to its members.

### IV. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>7</sup> that the proposed rule change (SR-ISE-2007-18) is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>8</sup>

**Jill M. Peterson,**

*Assistant Secretary.*

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### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55768; File No. SR-NYSE-2007-24]

#### **Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change and Amendment No. 1 Thereto Relating to Rule 13 (Definitions of Orders) To Establish the New Order Type Called Do Not Ship**

May 15, 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 April 20, 2007, the New York Stock Exchange LLC ("NYSE" or "Exchange") filed with the Securities and Exchange Commission ("Commission") a proposed rule change. The Exchange filed Amendment No. 1 to the proposed rule change on May 11, 2007. The proposed rule change, as amended, is described in Items I and II below, which Items have been substantially prepared by the NYSE. The Exchange filed the proposal pursuant to Section 19(b)(3)(A) 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, as amended, 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 Rule 13 (Definitions of Orders) to establish the new order type called Do Not Ship ("DNS"). The text of the proposed rule change is available at the Exchange, on the Exchange's Web site at <http://www.nyse.com>, 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 Exchange is amending Rule 13 to adopt a Do Not Ship, or "DNS," order. A DNS order will be a limit order to buy or sell that is to be quoted and/or executed in whole or in part only on the Exchange. In the event the order would require routing to another market center pursuant to Exchange rules or federal securities laws, it would be immediately cancelled by Exchange systems.

The proposed DNS order provides an alternative for market participants who are seeking to have their order quoted and executed solely on the Exchange. The Exchange states that the DNS order provides the market participant with control over execution costs and where the order will be handled.

Regulation National Market System ("Reg. NMS") requires, among other things, that with limited exceptions, trading centers have policies and procedures reasonably designed to prevent the execution of trades at prices inferior to protected quotations displayed by other market centers.<sup>5</sup> The Exchange states that, in this context, orders that are routed away to other market center(s) in compliance with Reg. NMS may cause the market participant to incur multiple fees because the customer has to pay a separate fee each time the order is routed to other market center(s) during the course of its execution. The DNS order enables a market participant to control the costs associated with order execution by limiting the execution of the order in whole or in part, to the Exchange.

Similarly, a market participant who desires to have its order executed in whole or in part solely on the Exchange will also benefit from the DNS order which, by its terms, will immediately and automatically cancel if it is required to be routed away to another market center.

Generally, a DNS order can quote and trade on the Exchange. Where the bid or offer on the Exchange matches the bid or offer at another market center, an incoming DNS order that is eligible to quote and trade will do so first at the Exchange. However, if quoting the DNS order will cause the locking or crossing

<sup>5</sup> In approving this proposed rule change the Commission has 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).

<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).

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

<sup>5</sup> See 17 CFR 242.611. See also Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496 (June 29, 2005).