

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁵

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-49049; File No. SR-Amex-2003-103]

Self-Regulatory Organizations; American Stock Exchange, LLC; Order Granting Accelerated Approval to Proposed Rule Change Relating to Issuer Fees

January 9, 2004.

On November 25, 2003, the American Stock Exchange LLC ("Amex" 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 sections 140, 141, 142, and 144 of the Amex *Company Guide* to designate as non-refundable the current one-time \$5,000 application processing fee, establish a late change of \$2,500 payable by issuers whose annual listing fees are more than 60 days past due, and increase fees for listing additional shares. The Exchange further proposed to amend Sections 141 and 142 of the Amex *Company Guide* to clarify that annual listing fees and additional listing fees do not apply to Nasdaq National Market securities to which the Exchange has extended unlisted trading privileges.

The proposed rule change was published for comment in the **Federal Register** on December 11, 2003.³ The Commission received no comments on the proposal.

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 and, in particular, the requirement of Section 6(b)(4) of the Act that the rules of the Exchange provide for the equitable allocation of reasonable dues, fees, and other charged among its members and issuers and other persons using its facilities.⁴

Furthermore, the Commission finds good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of notice thereof in the **Federal Register**. Specifically, the Commission notes the Exchange has represented that these fee changes are necessary to adequately fund the Exchange's listed equities business and develop value-added services for Amex listed issuers.⁵ The Exchange also represents that it has experienced a surge in listing applications and needs to implement the fee changes in an expeditious manner in order to provide appropriate funding for its application review process.⁶ Accordingly, the Commission finds good cause, consistent with sections 6(b)(4) and 19(b)(2) of the Act,⁷ to approve the proposed rule change on an accelerated basis.⁸

It is therefore ordered, pursuant to section 19(b)(2) of the Act,⁹ that the proposed rule change (File No. SR-Amex-2003-103) be, and hereby is, approved on an accelerated basis.

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

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-49067; File No. SR-BSE-2003-19]

Self-Regulatory Organizations; Order Granting Approval to Proposed Rule Change and Notice of Filing and Order Granting Accelerated Approval of Amendments No. 1 and 2 Thereto by the Boston Stock Exchange, Inc. Relating to the LLC Operating Agreement of the Proposed New Exchange Facility To Be Operated by the Boston Options Exchange Group LLC

January 13, 2004.

On October 16, 2003, 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 proposal to establish, through an operating agreement among its owners, a Delaware limited liability company known as the Boston Options Exchange Group LLC ("BOX LLC"). BOX LLC would operate a new options trading facility of the Exchange. On October 23, 2003, the Commission published the proposal in the **Federal Register**.³ The Commission received one comment on the proposal.⁴ On November 14, 2003, BSE submitted Amendment No. 1 to the proposal.⁵ On January 9, 2004, BSE submitted Amendment No. 2 to the proposal.⁶ This order approves the proposed rule change, issues notice of and solicits comment on Amendments No. 1 and 2, and approves Amendments No. 1 and 2 on an accelerated basis.

I. Description of the Proposal

A. Corporate Organization of BOX LLC

Through a series of related filings, BSE is proposing to establish a new options trading facility⁷ to be known as the Boston Options Exchange ("BOX").⁸ In this filing, BSE is seeking the Commission's approval of the operating agreement of BOX LLC (the "LLCOA"). Unlike a corporation's charter or bylaws, the LLCOA is a signed contract between the owners of BOX LLC

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 48650 (October 17, 2003), 68 FR 60731 ("Notice").

⁴ See *infra* Section II.

⁵ See letter from George W. Mann, Jr., General Counsel, BSE, to Nancy Sanow, Division of Market Regulation ("Division"), Commission, dated November 13, 2003 ("Amendment No. 1"). In Amendment No. 1, BSE proposes a technical change to substitute the term "BSE" for the phrase "Regulatory Services Provider and its Affiliates."

⁶ See letter from George W. Mann, Jr., General Counsel, BSE, to Nancy Sanow, Division, Commission, dated January 9, 2004 ("Amendment No. 2"). In Amendment No. 2, BSE proposes to clarify the restrictions on the Transfer of BOX LLC units and to clarify the Commission's jurisdiction over the owners of BOX LLC.

⁷ See Section 3(a)(2) of the Act, 15 U.S.C. 78c(a)(2).

⁸ Today the Commission is approving three other BSE proposals that together establish the BOX facility. See Securities Exchange Act Release Nos. 49066 (January 13, 2004) (SR-BSE-2003-17) (establishing fee schedule for proposed BOX facility); 49065 (January 13, 2004) (SR-BSE-2003-04) creating Boston Options Exchange Regulation LLC to which BSE would delegate its self-regulatory functions with respect to BOX facility; and 49068 (January 13, 2004) (SR-BSE-2002-15) (approving trading rules for BOX facility) ("BOX Rules"). In addition, the Commission previously approved BSE rules providing for the allocation of market maker appointments in the BOX facility. See Securities Exchange Act Release No. 48644 (October 16, 2003), 68 FR 60423 (October 22, 2003) (SR-BSE-2003-13).

¹⁵ 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. 48886 (December 5, 2003), 68 FR 69095.

⁴ 15 U.S.C. 78f(b)(4).

⁵ See SR-Amex-2003-103.

⁶ Telephone conversation between Eric Van Allen, Assistant General Counsel, Amex, and Marisol Rubecindo, Attorney, Division of Market Regulation, Commission, on January 6, 2004.

⁷ 15 U.S.C. 78f(b)(4) and 78s(b)(2).

⁸ In approving this proposed rule change, the Commission has considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁹ 15 U.S.C. 78s(b)(2).

¹⁰ 17 CFR 200.30-3(a)(12).