

Section 6(b) of the Act,⁸ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁹ in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest.

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

The Exchange believes that the proposed rule change will impose no 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 by the Exchange on this proposal.

III. 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-CBOE-2005-81 on the subject line.

Paper Comments

- Send paper comments in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, Station Place, 100 F Street, NE., Washington, DC 20549-9303.

All submissions should refer to File Number SR-CBOE-2005-81. 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 CBOE. 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-CBOE-2005-81 and should be submitted on or before November 14, 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,¹⁰ and, in particular, with the requirements of Section 6(b)(5) of the Act,¹¹ which requires, among other things, that the Exchange's rules promote just and equitable principles of trade and facilitate transactions in securities, and, in general, protect investors and the public interest.

The Commission believes that the CBOE's proposal should provide investors with increased flexibility in satisfying their investment objectives by allowing them to purchase and sell (under certain conditions) Mini-SPX options at strike price intervals of no less than \$1. In addition, the proposed restrictions that would permit the listing of options at \$1 and \$3 strike price intervals only for strike prices that are within 20% and 25%, respectively, of 1/10 of the current value of the S&P 500 Index should help to mitigate the effect of this proposal on the use of options system capacity.

The Exchange has requested that the Commission approve the proposed rule change on an accelerated basis. The Commission finds good cause, pursuant to Section 19(b)(2) of the Act,¹² for approving the proposed rule change prior to the thirtieth day after the date of publication of notice in the **Federal Register**. The Commission notes that the CBOE received approval to list and

trade options on the Mini-SPX more than 10 years ago. At that time, the proposal was noticed for the full comment period and no comments were received. The Commission believes that the proposal, which would permit the exchange to begin listing options on the Mini-SPX at \$1 strike price intervals on an expedited basis, raises no new issues of regulatory concern. Accordingly, the Commission finds that good cause exists, consistent with Sections 6(b)(5) and 19(b)(2) of the Act,¹³ to approve the proposed rule change on an accelerated basis.

V. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹⁴ that the proposed rule change (SR-CBOE-2005-81) is hereby approved on an accelerated basis.

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

Jonathan G. Katz,
Secretary.

[FR Doc. E5-5859 Filed 10-21-05; 8:45 am]

BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-52624; File No. SR-CBOE-2005-79]

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend CBOE Rule 8.4 Relating to Remote Market-Maker Appointments

October 18, 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 September 30, 2005, 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 prepared by the Exchange. The Exchange filed the proposal pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(6) thereunder,⁴ which renders the proposal effective upon filing with the

¹³ 15 U.S.C. 78f(b)(5) and 78s(b)(2).

¹⁴ 15 U.S.C. 78s(b)(2).

¹⁵ 17 CFR 200.30-3(a)(12).

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)(6).

¹⁰ In approving this proposal, the Commission has considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

¹¹ 15 U.S.C. 78f(b)(5).

¹² 15 U.S.C. 78s(b)(2).

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(5).

Commission. 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 amend CBOE Rule 8.4 relating to Remote Market-Maker appointments. The text of the proposed rule change is available on the CBOE's Web site (<http://www.cboe.com>), 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 CBOE 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 this rule change is to amend CBOE Rule 8.4 relating to Remote Market-Maker ("RMM") appointments. CBOE Rule 8.4 provides that RMMs will have a Virtual Trading Crowd ("VTC") Appointment, which confers the right to quote electronically in a certain number of products selected from various "tiers." There are five tiers that are structured according to trading volume statistics and an "A+" Tier which consists of three option classes—options on Standard & Poor's Depository Receipts, options on the Nasdaq-100 Index Tracking Stock, and options on Diamonds.

CBOE proposes to amend CBOE Rule 8.4(d) relating to the "A+" Tier to include an additional option class in the "A+" Tier, namely reduced-value options on the Standard & Poor's 500 Stock Index. CBOE believes it is appropriate to include this option class in this tier based on its anticipated trading volume.

CBOE also proposes to delete Interpretation .01 to CBOE Rule 8.4 as it is no longer necessary. Interpretation .01 initially was approved in April 2005

in connection with CBOE's implementation of its RMM program.⁵ The purpose of the inactivity fee was to prevent RMMs from applying for appointments in products in which they had no intention of quoting, thereby preventing other members from securing appointments in products. CBOE subsequently determined to eliminate the inactivity fee,⁶ but did not at that time delete reference to the inactivity fee in Interpretation .01. This rule filing makes that change.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act⁷ in general and furthers the objectives of Section 6(b)(5)⁸ 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 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

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 foregoing proposed rule change does not:

- (i) Significantly affect the protection of investors or the public interest;
- (ii) Impose any significant burden on competition; and
- (iii) Become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, it has become effective pursuant to Section 19(b)(3)(A) of the

⁵ See Securities Exchange Act Release No. 51542 (April 14, 2005), 70 FR 20952 (April 22, 2005), approving SR-CBOE-2005-22.

⁶ See Securities Exchange Act Release No. 51705 (May 18, 2005), 70 FR 30158 (May 25, 2005) (SR-CBOE-2005-35).

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(5).

Act⁹ and Rule 19b-4(f)(6) thereunder.¹⁰ As required under Rule 19b-4(f)(6)(iii) under the Act,¹¹ the Exchange provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of the filing of the proposed rule change.

A proposed rule change filed under Rule 19b-4(f)(6) normally may not become operative prior to 30 days after the date of filing.¹² However, Rule 19b-4(f)(6)(iii)¹³ permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has requested that the Commission waive the 30-day operative delay and render the proposed rule change to become operative immediately. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest. The proposed change to the "A+" Tier that is described in this proposed rule change and the deletion of Interpretation .01 to CBOE Rule 8.4 do not raise any new, unique, or substantive issues from those raised in the filing that initially established the "A+" Tier,¹⁴ or the filing that eliminated the inactivity fee.¹⁵ Accordingly, the Commission designates the proposal to become operative immediately.¹⁶

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:

⁹ 15 U.S.C. 78s(b)(3)(A).

¹⁰ 17 CFR 240.19b-4(f)(6).

¹¹ 17 CFR 240.19b-4(f)(6)(iii).

¹² *Id.*

¹³ *Id.*

¹⁴ See *supra* note 5.

¹⁵ See *supra* note 6.

¹⁶ For purposes only of waiving the operative date of this proposal, the Commission has considered the impact of the proposed rule on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

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–CBOE–2005–79 on the subject line.

Paper Comments

- Send paper comments in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, Station Place, 100 F Street, NE., Washington, DC 20549–9303. All submissions should refer to File Number SR–CBOE–2005–79. 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 CBOE. 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–CBOE–2005–79 and should be submitted on or before November 14, 2005.

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

Jonathan G. Katz, Secretary.

[FR Doc. E5–5860 Filed 10–21–05; 8:45 am]

BILLING CODE 8010–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–52612; File No. SR–CHX–2005–25]

Self-Regulatory Organizations; Chicago Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to Participant Fees and Credits

October 14, 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 September 16, 2005, the Chicago Stock Exchange, Inc. (“CHX” 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 CHX. On October 3, 2005, CHX filed Amendment No. 1 to the proposed rule change.³ On October 12, 2005, CHX filed Amendment No. 2 to the proposed rule change.⁴ The CHX has designated this proposal as one establishing or changing a due, fee, or other charge imposed by the CHX under Section 19(b)(3)(A)(ii) of the Act,⁵ and Rule 19b–4(f)(2) thereunder,⁶ 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 parties.

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 CHX. On October 3, 2005, CHX filed Amendment No. 1 to the proposed rule change.³ On October 12, 2005, CHX filed Amendment No. 2 to the proposed rule change.⁴ The CHX has designated this proposal as one establishing or changing a due, fee, or other charge imposed by the CHX under Section 19(b)(3)(A)(ii) of the Act,⁵ and Rule 19b–4(f)(2) thereunder,⁶ 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 parties.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The CHX proposes to amend its Participant Fee Schedule (the “Fee Schedule”) to confirm the assignment fees that apply when the Exchange’s CSAE assigns a group of securities to a specialist firm in competition with other specialist firms. Below is the text of the proposed rule change, as amended. Proposed new language is *italicized*; proposed deletions are in [brackets].

Participant Fees and Credits

* * * * *

D. Specialist Assignment Fees.

Specialist Application Fee	No change to text
Assignment of Dual Trading System Securities.	Once the Committee on Specialist Assignment and Evaluation approves a Participant to act as specialist in a security (<i>or a group of securities</i>), that Participant must pay the following fee:

*	*	*	*	*	*	*
\$1,000	If the security (<i>or group of securities</i>) was assigned in competition with at least one other Participant and up to one-third of all Participants that trade Dual Trading System Securities					
\$4,000	If the security (<i>or group of securities</i>) was assigned in competition with more than one-third of all Participants that trade Dual Trading System Securities					
Assignment of Nasdaq/NM Securities.	Beginning on September 1, 2004, once the Committee on Specialist Assignment and Evaluation approves a Participant to act as specialist in a security (<i>or a group of securities</i>), that Participant must pay the following fee:					
*	*	*	*	*	*	*
\$1,000	If the security (<i>or group of securities</i>) was assigned in competition with one other Participant that trades Nasdaq/NM Securities					

¹⁷ 17 CFR 200.30–3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ In Amendment No. 1, the Exchange: (1) made clarifying changes to the proposed rule text and the purpose section of the filing; and (2) noted that the proposed rule change is submitted in conjunction with the filing (SR–CHX–2005–23), which established a special allocation process available to the Committee on Specialist Assignment and

Evaluation (“CSAE”) in special circumstances involving the allocation of more than 100 stocks at a time.

⁴ In Amendment No. 2, which superseded Amendment No. 1 in its entirety, the Exchange made a minor change to the proposed rule text and made a corresponding change to the purpose section of the proposed rule change.

The effective date of the original proposed rule change is September 16, 2005, the effective date of Amendment No. 1 is October 3, 2005 and the

effective date of Amendment No. 2 is October 12, 2005. For purposes of calculating the 60-day period within which the Commission may summarily abrogate the proposed rule change under Section 19(b)(3)(C) of the Act, the Commission considers the period to commence on October 12, 2005, the date on which the CHX filed Amendment No. 2. See 15 U.S.C. 78s(b)(3)(C).

⁵ 15 U.S.C. 78s(b)(3)(A)(ii).

⁶ 17 CFR 240.19b–4(f)(2).