

The Commission notes that, under each of the proposed new exceptions, the Market Maker would be required to make the Floor Broker aware of his or her intention to enter or be present in the trading crowd, and the Market Maker would also be required to refrain from trading in-person on the same trade as the relevant order being represented by the Floor Broker. The Commission believes that these provisions are appropriately designed to prevent a Market-Maker from being disproportionately represented in the trading crowd, consistent with the original purpose of the prohibition in CBOE Rule 6.55. The Commission, therefore, believes that the proposed rule change is consistent with the Act.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁹ that the proposed rule change (SR-CBOE-2005-111), as modified by Amendment No. 1, is approved.

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

Nancy M. Morris,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55262; File No. SR-CBOE-2007-09]

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of Proposed Rule Change and Amendment No. 1 Thereto to Amend CBOE Rules Relating to CBOE's Determination to Trade Options on the NASDAQ 100 Index (NDX) on the Hybrid 2.0 Platform and Options on the S&P 100 (XEO) on the Hybrid Trading System

February 8, 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 January 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 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 The Exchange filed Amendment No. 1 to the proposed rule change on February 7, 2007. 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 its rules relating to CBOE's determination to trade options on the NASDAQ 100 Index (NDX) on the Hybrid 2.0 Platform and options on the S&P 100 (XEO) on the Hybrid Trading System. The text of the proposed rule change is available on CBOE's Web site (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 this rule change is to amend CBOE Rule 8.3 in connection with CBOE's determination to trade options on the NASDAQ 100 Index (NDX) on the Hybrid 2.0 Platform.⁵ Additionally, CBOE proposes to amend Rule 8.3 in connection with CBOE's determination to trade options on the S&P 100 (XEO) on the Hybrid Trading System.

NDX currently has an appointment cost of 1.0. CBOE intends to lower NDX's appointment cost to .50 when NDX trades on the Hybrid 2.0 Platform. As a result, NDX will be classified in Tier AA. CBOE intends to trade NDX on the Hybrid 2.0 Platform beginning on February 6, 2007.

CBOE proposes to amend Rule 8.3(c)(ii) to specifically reference XEO as an option class trading on the Hybrid Trading System.⁶ Presently, XEO and options on the S&P 100 (OEX) collectively have an appointment cost of 1.0. CBOE proposes to maintain the same appointment cost when XEO trades on the Hybrid Trading System. CBOE intends to trade XEO on the Hybrid Trading System beginning on January 30, 2007.

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.⁷ Specifically, the Exchange believes the proposed rule change is consistent with Section 6(b)(5) of the Act,⁸ 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 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 rule change has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act⁹ and subparagraph (f)(6) of Rule 19b-4¹⁰ thereunder because it does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate; and the Exchange has given the Commission

⁶ Reference to XEO will also be deleted in the table listing the non-Hybrid option classes and their related appointment costs. (See Rule 8.3(c)(iv).)

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(5).

⁹ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁰ 17 CFR 240.19b-4(f)(6).

⁹ 15 U.S.C. 78s(b)(2).

¹⁰ 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)(iii).

⁴ 17 CFR 240.19b-4(f)(6).

⁵ CBOE Rule 1.1(aaa) defines Hybrid Trading System and Hybrid 2.0 Platform.

written notice of its intention to file the proposed rule change at least five business days prior to filing. 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 furtherance of the purposes of the Act.

Under Rule 19b-4(f)(6) of the Act,¹¹ the proposal does not become operative for 30 days after the date of its filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest. The Exchange has requested that the Commission waive the 30-day operative date, so that the proposal may take effect on January 30, 2007 for XEO options and on February 6, 2007 for NDX options. The Exchange believes that the proposed rule change does not raise any new regulatory issues. The Commission agrees and, consistent with the protection of investors and the public interest, has determined to waive the 30-day operative date, which renders the proposal effective on January 30, 2007 for XEO options and on February 6, 2007 for NDX options.¹²

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change, as amended, 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-2007-09 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-CBOE-2007-09. 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 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-2007-09 and should be submitted on or before March 8, 2007.

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

Nancy M. Morris,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55269; File No. SR-NASDAQ-2006-050]

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Order Granting Accelerated Approval of a Proposed Rule Change as Modified by Amendment No. 3 Thereto Adopting Generic Listing Standards for Exchange-Traded Funds Based on International or Global Indexes or Indexes Described in Exchange Rules Previously Approved by the Commission as Underlying Benchmarks for Derivative Securities

February 9, 2007.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Exchange Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on November 28, 2006, The NASDAQ Stock Market LLC ("Nasdaq") 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 Nasdaq. On November 28, 2006, Nasdaq filed Amendment No. 1 to the proposal. On January 29, 2007, Nasdaq filed Amendment No. 2 to the proposal. On February 9, 2007, Nasdaq filed Amendment No. 3 to the proposal. This order provides notice of the proposal, as amended, and approves the proposal on an accelerated basis.

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

Nasdaq proposes to revise its listing standards to include generic listing standards for series of portfolio depository receipts ("PDRs") and index fund shares ("IFSs") (PDRs and IFSs together referred to as "exchange-traded funds" or "ETFs") that are based on international or global indexes or on indexes described in exchange rules that have been previously approved by the Commission for the trading of ETFs or other specified index-based securities. The text of the proposed rule change is available at Nasdaq, from the Commission's Public Reference Room, and on Nasdaq's Web site (<http://www.nasdaq.com>).

¹¹ *Id.* Rule 19b-4(f)(6) also requires the self-regulatory organization to give the Commission notice of its intention 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 filing the proposed rule change, or such shorter time designated by the Commission. CBOE has satisfied the five-day pre-filing requirement.

¹² For purposes only of accelerating the operative date of this proposal, the Commission has considered the proposed rule's impact on efficiency, competition and capital formation. 15 U.S.C. 78c(f).

¹³ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.