

deems it necessary to set forth the following specific measures.

Accordingly, with respect to the PCAOB's 2009 budget cycle, the PCAOB will:

1. Develop a full and robust strategic plan, preliminary budget and budget justification. In particular:

a. The PCAOB will review its strategic plan in connection with the description of the minimum elements of such a plan in the Commission's budget approval rule and the Commission's comments noted above. Consistent with the foregoing, the PCAOB will submit a draft to the Commission by February 29, 2008 of a revised strategic plan that includes, among other things, (i) quantifiable and measurable performance targets, (ii) forecasts of total headcount and budget summary figures for the current and four following years, (iii) a candid assessment of the PCAOB's strengths and weaknesses, and (iv) a broader discussion of environmental factors. The Commission will provide views to the PCAOB within two weeks after it receives the new draft plan. Thereafter, the PCAOB will adopt a new strategic plan, reflecting such views, by March 31, 2008.

b. The PCAOB will further develop and submit a more detailed preliminary budget, budget justification and performance budget, including performance targets as required under the budget rule.

2. Include more detailed information about the state of the PCAOB's IT review and reorganization in its quarterly reports to the Commission, including plans and estimated and actual costs for IT projects such as the proposed annual and special reporting system;

3. Implement annual and special reporting in accordance with the Act and provide an analysis of historical and planned expenditures related to the review and processing of registrations and annual reports of public accounting firms, including any associated information technology costs, and provide a timetable for recovering those amounts from registered public accounting firms as required by section 102(f) of the Act;

4. Not increase Chairman and Board salaries for 2008 beyond the 3.3% budgeted increase in the 2008 budget, and Chairman and Board salaries shall not be further linked to FASB Chairman and Board salaries; and

5. Keep the Commission and its staff informed of any internal or third-party reviews of the PCAOB's programs and offices and the findings of any such reviews. The Commission has

determined that the PCAOB's 2008 budget and annual accounting support fee are consistent with section 109 of the Act. Accordingly,

It is ordered, pursuant to section 109 of the Act, that the PCAOB budget and annual accounting support fee for calendar year 2008 are approved.

By the Commission.

Nancy M. Morris,

Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-56977; File No. SR-CBOE-2007-148]

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend its Equity Options Obvious Error Rule

December 18, 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 December 14, 2007, the Chicago Board Options Exchange, Incorporated ("CBOE" 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 substantially prepared by the Exchange. CBOE has designated this proposal as one concerned solely with the administration of the Exchange under section 19(b)(3)(A)(iii) of the Act³ and Rule 19b-4(f)(3) thereunder,⁴ which renders the proposal effective upon filing with the 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

The Exchange proposes to amend CBOE Rule 6.25, which is the Exchange's rule applicable to the nullification and adjustment of equity options transactions. The text of the proposed rule change is available at the Exchange, the Commission's Public Reference Room, and <http://www.cboe.com>.

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)(2).

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. CBOE has substantially 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

Under CBOE's equity obvious error rule, an Obvious Error Panel may be formed to review decisions made by Trading Officials under the rule. The Obvious Error Panel is currently comprised of at least one Trading Floor Liaison ("TFL") staff member and four Exchange members. The purpose of the proposed rule change is to replace the reference to the "TFL" staff with a reference to the "Exchange's staff designated to perform Obvious Error Panel functions." The Exchange is proposing to make this change because it recently determined to reassign the Obvious Error Panel function from the CBOE TFL group to a group of designated Exchange personnel within CBOE's market control center. In trying to accommodate the reassignment of these particular TFL functions, the Exchange believes a better approach than specifically referencing a particular Exchange staff group is to reference the "Exchange's staff designated to perform" the particular function. In this way, the Exchange will have the flexibility to delegate the authorities under the obvious error rules to the appropriate Exchange staff and will not have to make a rule change merely, for instance, to accommodate a future change in the title of a staff group or to accommodate the reassignment of the authority to another staff group. The Exchange believes that because the authority exercised by Exchange staff is delegated pursuant to Exchange rules, the title of the particular group exercising their authority should not be relevant.⁵

⁵ The Exchange recently made a similar change when it deleted specific references to TFLs in its obvious error rules in order to accommodate the reassignment of Trading Official functions under the rules from the TFL group to a group of

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with section 6(b) of the Act⁶ in general, and furthers the objectives of section 6(b)(5) of the Act⁷ in particular, in that it is designed to promote just and equitable principles of trade, foster cooperation among persons engaged in facilitating securities transactions, and protect investors and the public interest. The Exchange believes that this proposal complies with the Act because the Exchange is amending its rules to update and/or generalize references to certain Exchange staff in order to facilitate compliance.

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

The Exchange neither solicited nor received comments with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing proposed rule change has been designated as concerned solely with the administration of the Exchange pursuant to section 19(b)(3)(A)(iii) of the Act⁸ and Rule 19b-4(f)(3)⁹ thereunder. Accordingly, the proposal will take effect upon filing with the Commission. At any time within 60 days of the filing of such proposed rule change, the Commission may summarily abrogate such proposed 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.

designated Exchange personnel within CBOE's market control center. See Securities Exchange Act Release No. 56494 (September 21, 2007), 72 FR 55264 (September 28, 2007) (SR-CBOE-2007-110). Under the revised rules, "Trading Officials" now means two Exchange members designated as Floor Officials and one member of the Exchange's staff designated to perform Trading Official functions. See CBOE Rules 6.25, Commentary 02 and 24.16, Commentary 02.

⁶ 15 U.S.C. 78f(b).

⁷ 15 U.S.C. 78f(b)(5).

⁸ 15 U.S.C. 78s(b)(3)(A)(iii).

⁹ 17 CFR 240.19b-4(f)(3).

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 (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-CBOE-2007-148 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-2007-148. 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, 100 F Street, NE., Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. 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 Number SR-CBOE-2007-148 and should be submitted on or before January 16, 2008.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁰

Florence E. Harmon,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-56905; File No. SR-NASDAQ-2007-087]

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Modify Fees for Members Using the Nasdaq Market Center

December 5, 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 October 31, 2007, The NASDAQ Stock Market LLC ("Nasdaq") 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 substantially prepared by the Exchange. The Exchange filed the proposed rule change pursuant to section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(2) thereunder,⁴ which renders it effective upon filing with the 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

Nasdaq proposes to modify pricing for Nasdaq members using the Nasdaq Market Center. Nasdaq will implement this proposed rule change on November 1, 2007. The text of the proposed rule change is available at the Exchange's Web site, the Exchange and 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, Nasdaq included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed

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).

⁴ 17 CFR 240.19b-4(f)(2).