

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-57152; File No. SR-BSE-2007-55)

January 15, 2008

Self-Regulatory Organizations; Boston Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change and Amendment No. 1 Thereto Relating to Exchange Fees and Charges to Be Assessed in Connection with the Implementation of an Electronic Registration Process

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 December 21, 2007, the Boston Stock Exchange, Inc. (“BSE” 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 substantially by the Exchange. On January 11, 2008, BSE filed Amendment No. 1 to the proposed rule change. BSE has designated this proposal as one establishing or changing a member due, fee, or other charge imposed by the Exchange under Section 19(b)(3)(A)(ii) of the Act<sup>3</sup> and Rule 19b-4(f)(2) 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 BSE proposes to amend the BSE Fee Schedule and the Boston Options Exchange (“BOX”) Fee Schedule in order to adopt certain fees to be charged to all active members<sup>5</sup> and to

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<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)(ii).

<sup>4</sup> 17 CFR 240.19b-4(f)(2).

<sup>5</sup> Because BSE ceased operations of its BeX equity market on September 5, 2007, the only active members that this now applies to are those members of BOX.

all member and participant organizations (collectively, the “members”) associated with the implementation of an electronic registration process through the Financial Industry Regulatory Authority’s (“FINRA”) Web Central Registration Depository (“Web CRD”). The text of the proposed rule change is available at [www.bostonstock.com](http://www.bostonstock.com), the principal offices of 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, 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. BSE 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 the proposed rule change is to adopt fees associated with the implementation of an electronic registration process through FINRA’s Web CRD, which should, in turn, create a more efficient registration process by migrating from a manual paper-based Exchange procedure for registration to a Web-based registration process that is operated by FINRA. The proposed fees are similar to those fees charged by other self-regulatory organizations that use FINRA’s Web CRD.<sup>6</sup>

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<sup>6</sup> See Securities Exchange Act Release Nos. 51641 (May 2, 2005), 70 FR 24155 (May 6, 2005) (SR-PCX-2005-49); 48066 (June 19, 2003), 68 FR 38409 (June 27, 2003) (SR-AMEX-2003-49); 45112 (November 28, 2001), 66 FR 63086 (December 4, 2001) (SR-NYSE-2001-47); and 53688 (April 20, 2006), 71 FR 24885 (April 27, 2006) (SR-Phlx-2006-24).

Specifically, the Exchange proposes to adopt the following fees that will be imposed upon all members in connection with their required participation in Web CRD: (a) a FINRA CRD Processing Fee of \$85.00; (b) a FINRA Disclosure Processing Fee of \$95.00; (c) a FINRA Annual System Processing Fee of \$30.00; and (d) fingerprinting fees that will vary depending on the submission: for a first card submission the fee will be \$30.25; for a second card submission the fee will be \$13.00; for a third card submission the fee will be \$30.25; for processing fingerprint results where the member had prints processed through a self-regulatory organization and not FINRA, the fee will be \$13.00 (collectively, the “FINRA Fees”). The Exchange also proposes to adopt: (e) an individual initial registration fee of \$60.00; (f) an individual transfer fee for \$40.00 with a transfer time period of thirty (30) days; (g) an individual renewal fee for \$50.00; and (h) an individual termination fee of \$30.00 (collectively, the “Exchange Fees”). FINRA will process the fingerprint cards and will make the results available to the Exchange, its members, and member and participant organizations via Web CRD.

Members and participant organizations will be instructed to pay the FINRA Fees and the Exchange Fees associated with Web CRD directly to FINRA through Web CRD. FINRA will retain the FINRA Fees and remit the Exchange Fees it collects to BSE.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act<sup>7</sup>, in general, and furthers the objectives of Section 6(b)(4) of the Act<sup>8</sup>, in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its members and issuers and other persons using its facilities in connection with their use of Web CRD. The fees are imposed upon all members equally. The Exchange believes the proposed

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<sup>7</sup> 15 U.S.C. 78f(b).

<sup>8</sup> 15 U.S.C. 78f(b)(4).

fees are reasonable in that they are similar to those charged by other self-regulatory organizations that use FINRA's Web CRD.<sup>9</sup>

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

The Exchange does not believe that the proposed rule change will result in 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 has neither solicited nor received written comments on 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 a fee change pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>10</sup> and Rule 19b-4(f)(2)<sup>11</sup> thereunder, because it establishes or changes a due, fee, or other charge imposed on members by the Exchange. Accordingly, the proposal is effective upon filing with the Commission. 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.<sup>12</sup>

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<sup>9</sup> See note 6, *supra*.

<sup>10</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>11</sup> 17 CFR 240.19b-4(f)(2).

<sup>12</sup> 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 January 11, 2008, the date on which the Exchange filed Amendment No. 1.

#### 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](mailto:rule-comments@sec.gov). Please include File Number SR-BSE-2007-55 on the subject line.

##### Paper comments:

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, Station Place, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-BSE-2007-55. 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 10:00 a.m. and 3:00 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 publicly available. All submissions should refer to File Number SR-BSE-2007-55 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>13</sup>

Florence E. Harmon  
Deputy Secretary

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<sup>13</sup> 17 CFR 200.30-3(a)(12).