

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-58864; File No. SR-BSE-2008-45)

October 27, 2008

Self-Regulatory Organizations; Boston Stock Exchange, Inc.; Order Granting Approval of a Proposed Rule Change to Amend the By-Laws of the Boston Stock Exchange, Inc.

On September 5, 2008, 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”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to amend the by-laws of BSE in accordance with SR-BSE-2008-23.<sup>3</sup> The proposed rule change was published for comment in the Federal Register on September 22, 2008.<sup>4</sup> 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<sup>5</sup> and, in particular, the requirements of Section 6 of the Act<sup>6</sup> and the rules and regulations

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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> See Securities Exchange Act Release No. 58324 (August 7, 2008), 73 FR 46936 (August 12, 2008) (order approving proposed rule changes by BSE and the Boston Stock Clearing Corporation relating to, among other things, the acquisition of BSE by The NASDAQ OMX Group, Inc. (“Acquisition”)) (“Acquisition Approval Order”). In connection with SR-BSE-2008-23, BSE committed to propose to its Board of Directors immediately following the closing of the Acquisition certain amendments to the bylaws of BSE. See id. at notes 73, 75, 214, and accompanying text.

<sup>4</sup> See Securities Exchange Act Release No. 58547 (September 15, 2008), 73 FR 54648.

<sup>5</sup> In approving this proposed rule change, the Commission notes that it has considered the proposed rule’s impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>6</sup> 15 U.S.C. 78f.

thereunder. Specifically, as discussed more fully in the Acquisition Approval Order,<sup>7</sup> the Commission finds that the proposal is consistent with Section 6(b)(1) of the Act,<sup>8</sup> which requires among other things, that a national securities exchange be so organized to carry out the purposes of the Act and comply with the requirements of the Act; and Section 6(b)(3) of the Act,<sup>9</sup> which requires, among other things, that a national securities exchange assure the fair representation of its members in the selection of its directors and administration of its affairs. The proposal is designed to clarify the procedures for the selection of directors to the BSE board of directors that are representative of members; limit the influence that a single member, or group of members, may exercise over the Exchange; and clarify the procedures for ensuring that participants in BSE's options exchange facility have fair representation on the BSE board of directors.

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<sup>7</sup> See Acquisition Approval Order, supra note 3, at notes 78-84, 216, and accompanying text.

<sup>8</sup> 15 U.S.C. 78f(b)(1).

<sup>9</sup> 15 U.S.C. 78f(b)(3).

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,<sup>10</sup> that the proposed rule change (File No. SR-BSE-2008-45) be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>11</sup>

Florence E. Harmon  
Acting Secretary

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<sup>10</sup> 15 U.S.C. 78s(b)(2).

<sup>11</sup> 17 CFR 200.30-3(a)(12).