

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-56784; File No. SR-CHX-2007-25)

November 14, 2007

Self-Regulatory Organizations; Chicago Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change as Modified by Amendment No. 1 Thereto to Eliminate References to the ITS Plan and Other Now-Obsolete Matters

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on October 17, 2007, 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 and II below, which Items have been substantially prepared by the CHX. On November 9, 2007, CHX filed Amendment No. 1 to the proposed rule change. CHX has designated the proposed rule change as a “non-controversial” rule change pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(6) thereunder,⁴ which renders the proposed rule change 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 Exchange proposes to amend its rules to eliminate now-obsolete references to the Intermarket Trading System Plan (“ITS Plan”), the NMS Linkage Plan, the telephonic access requirements of the Nasdaq/UTP Plan and the compliance date for Rule 611 (“Trading Phase Date”) of Regulation NMS (“Reg NMS”). The text of the proposed rule change is available at

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).

CHX, the Commission's Public Reference Room, and

http://www.chx.com/rules/proposed_rules.htm.

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 CHX 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 CHX 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

In 2006, the Exchange made a substantial number of changes to its rules in connection with its implementation of a new trading model.⁵ At the time these new rules were approved, the Nasdaq/UTP Plan still required participant exchanges to provide NASD market participants with telephonic access to their quotes; the ITS Plan was still in effect and the NMS Linkage Plan had just been approved; and the Trading Phase Date was still several months away. As a result, the Exchange's rules contained references to these plans and to the way that the Exchange's rules should operate both before and after the Trading Phase Date.⁶

In the ensuing months, however, the ITS Plan has been eliminated; the NMS Linkage Plan has terminated; the Trading Phase Date has passed; and the access requirements of the

⁵ See Securities Exchange Act Release No. 54550 (September 29, 2006), 71 FR 59563 (October 10, 2006) (approving CHX's proposed new trading model).

⁶ See, e.g., Article 1, Rule 1(o) (defining the term NBBO both before and after the full implementation of Reg NMS); and Article 19 (containing the ITS rules).

Nasdaq/UTP Plan have changed.⁷ The Exchange now proposes to update its rules to eliminate all now-outdated references to the ITS and NMS Linkage Plans, to the compliance or effective dates of any provisions of Reg NMS and to the telephonic access requirements of the Nasdaq/UTP Plan.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with 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 the proposed rule change is designed to promote just and equitable principles of trade, remove impediments to, and perfect the mechanism of, a free and open market and a national market system, and, in general, protect investors and the public interest by updating the Exchange's rules to eliminate outdated references to matters that are no longer relevant.

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.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

No written comments were either solicited or received.

⁷ See Securities Exchange Act Release Nos. 55397 (March 5, 2007), 72 FR 11066 (March 12, 2007) (eliminating the ITS Plan); 54551 (September 29, 2006), 71 FR 59148 (October 6, 2006) (approving the NMS Linkage Plan, with a termination date of June 30, 2007); 55160 (January 24, 2007), 72 FR 4202 (January 30, 2007) (File No. S7-10-04) (extending the Trading Phase Date from February 5, 2007 to March 5, 2007); and 54936 (December 14, 2006), 71 FR 76381 (December 20, 2006) (approving Amendment No. 18 to the Nasdaq/UTP Plan, which, in general terms, replaced the telephonic access requirements with market access requirements consistent with Rule 610).

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(5).

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

Because the foregoing proposed rule change does not:

(1) significantly affect the protection of investors or the public interest;

(2) impose any significant burden on competition; and

(3) by its terms become operative for 30 days after the date of this filing, 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 Act¹⁰ and Rule 19b-4(f)(6) thereunder.¹¹ As required under Rule 19b-4(f)(6)(iii) under the Act, the Exchange has given the Commission 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 filing of the proposed rule change, or such shorter time as designated by the Commission.

A proposed rule change filed under Rule 19b-4(f)(6) under the Act¹² normally may not become operative prior to 30 days after the date of filing. 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. CHX has requested that the Commission waive the 30-day operative delay, as specified in Rule 19b-4(f)(6)(iii),¹⁴ which would make the rule change effective and operative upon filing. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest because the proposal allows the Exchange to immediately update its rules to reflect, among other changes,

¹⁰ 15 U.S.C. 78s(b)(3)(A).

¹¹ 17 CFR 240.19b-4(f)(6).

¹² Id.

¹³ 17 CFR 240.19b-4(f)(6)(iii).

¹⁴ Id.

the termination of the NMS Linkage Plan, the elimination of the ITS Plan, and the implementation of Reg NMS.¹⁵ Accordingly, the Commission designates the proposed rule change operative 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.¹⁶

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-CHX-2007-25 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.

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

¹⁶ The effective date of the original proposed rule is October 17, 2007. The effective date of Amendment No. 1 is November 9, 2007. 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 November 9, 2007, the date on which CHX submitted Amendment No. 1. See 15 U.S.C. 78s(b)(3)(C).

All submissions should refer to File Number SR-CHX-2007-25. 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 am and 3:00 pm. Copies of such filing also will be available for inspection and copying at the principal office of the CHX. 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-CHX-2007-25 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.¹⁷

Florence E. Harmon
Deputy Secretary

¹⁷ 17 CFR 200.30-3(a)(12).