

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-45166, File No. 4-208)

December 18, 2001

Joint Industry Plan; Order Approving Amendment to Add Chicago Board Options Exchange, Inc. as Participant to Joint-SRO Plan Under Rule 11Ac1-5

I. Introduction

On July 11, 2001, the Chicago Board Options Exchange, Inc. ("CBOE" or "Exchange") submitted to the Securities and Exchange Commission ("SEC" or "Commission") in accordance with Section 11A of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 11Aa3-2 thereunder,<sup>2</sup> a proposed amendment to the national market system plan establishing procedures under Rule 11Ac1-5 ("Joint-SRO Plan" or "Plan").<sup>3</sup> Under the proposed amendment, the CBOE would be added as a participant to the Joint-SRO Plan. Notice of filing and an order granting temporary effectiveness of the proposal through December 19, 2001 was published in the Federal Register on August 21, 2001.<sup>4</sup> The Commission did not receive any comments on the proposed amendment. This order approves the amendment on a permanent basis.

II. Discussion

The Joint-SRO Plan establishes procedures for market centers to follow in making their monthly reports required pursuant to Rule 11Ac1-5, available to the public in a uniform, readily accessible, and usable electronic format. The current participants to the Plan are the American Stock Exchange LLC, Boston Stock Exchange, Inc., Chicago Stock Exchange, Inc., Cincinnati

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<sup>1</sup> 15 U.S.C. 78k-1.

<sup>2</sup> 17 CFR 240.11Aa3-2.

<sup>3</sup> See Securities Exchange Act Release No. 44177 (April 12, 2001), 66 FR 19814.

<sup>4</sup> See Securities Exchange Act Release No. 44703 (August 15, 2001), 66 FR 43924.

Stock Exchange, Inc., National Association of Securities Dealers, Inc., New York Stock Exchange, Inc., Pacific Exchange, Inc., and Philadelphia Stock Exchange, Inc.

The amendment adds the CBOE as a participant to the Joint-SRO Plan. Section III(b) of the Joint-SRO Plan provides that a national securities exchange or national securities association may become a party to the Plan by: (i) executing a copy of the Plan, as then in effect (with the only changes being the addition of the new participant's name in Section II(a) of the Plan and the new participant's single-digit code in Section VI(a)(1) of the Plan) and (ii) submitting such executed plan to the Commission for approval. The CBOE submitted a signed copy of the Joint-SRO Plan to the Commission in accordance with the procedures set forth in the Plan regarding new participants.

After careful review, the Commission finds that the amendment to the Joint-SRO Plan is consistent with the requirements of the Act and the rules and regulations thereunder. Specifically, the Commission finds that the proposed amendment is consistent with the requirements of Section 11A of the Act,<sup>5</sup> and Rule 11Aa3-2<sup>6</sup> thereunder. The Plan established appropriate procedures for market centers to follow in making their monthly reports required pursuant to Rule 11Ac1-5 available to the public in a uniform, readily accessible, and usable electronic format. The amendment to include the CBOE as a participant in the Joint-SRO Plan should contribute to the maintenance of fair and orderly markets and remove impediments to and perfect the mechanisms of a national market system by facilitating the uniform public disclosure of order execution information by all market centers. The Commission believes that it is

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<sup>5</sup> 15 U.S.C. 78k-1.

<sup>6</sup> 17 CFR 240.11Aa3-2.

necessary and appropriate in the public interest, for the maintenance of fair and orderly markets, to remove impediments to, and perfect mechanisms of, a national market system to allow the CBOE to become a participant in the Joint-SRO Plan. The Commission finds, therefore, that approving the amendment to the Joint-SRO Plan is appropriate and consistent with Section 11A of the Act.<sup>7</sup>

### III. Conclusion

IT IS THEREFORE ORDERED, pursuant to Section 11A(a)(3)(B) of the Act<sup>8</sup> and Rule 11Aa3-2 thereunder,<sup>9</sup> that the amendment to the Joint-SRO Plan to add the CBOE as a participant is approved and the CBOE is authorized to act jointly with the other participants to the Joint-SRO Plan in planning, developing, operating, or regulating the Plan as a means of facilitating a national market system.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>10</sup>

Jonathan G. Katz  
Secretary

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<sup>7</sup> 15 U.S.C. 78k-1.

<sup>8</sup> 15 U.S.C. 78k-1(a)(3)(B).

<sup>9</sup> 17 CFR 240.11Aa3-2.

<sup>10</sup> 17 CFR 200.30-3(a)(29).