

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-59211; File No. SR-BSE-2008-56)

January 7, 2009

Self-Regulatory Organizations; Boston Stock Exchange, Inc.; Notice of Filing of Proposed Rule Change Relating to BOX Rules Governing Doing Business With the Public

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 9, 2008, 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 substantially prepared by the self-regulatory organization. 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 Chapter XI of the Boston Options Exchange (“BOX”) Rules by replacing the term “Registered Options and Security Futures Principal” (“ROSF”) with “Registered Options Principal” (“ROP”), to modify the confirmation disclosure requirements to remain consistent with other exchanges, and to

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

eliminate a definition made obsolete by an earlier rule change. The text of the proposed rule change is available at the principal office of the Exchange, the Commission's Public Reference Room, and http://nasdaqtrader.com/Trader.aspx?id=Boston_Stock_Exchange.

II. Self-Regulatory Organization's Statement of Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization 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 in the places specified in Item IV below. The self-regulatory organization 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 Exchange proposes to amend Chapter XI of the Boston Options Exchange ("BOX") Rules by replacing the term "Registered Options and Security Futures Principal" ("ROSFP") with "Registered Options Principal" ("ROP"). Although ROP was recently changed to ROSFP in the BOX Rules, the Exchange believes that the change from ROP to ROSFP may have created confusion among BOX participants, and that reverting to ROP will alleviate this confusion. Furthermore, the Exchange believes that reverting to ROP will provide consistency with the rules of other options exchanges, most

of which use ROP rather than ROSFP.³ The Exchange notes that the reversion to ROP does not affect the qualifications required to transact options business with the public.

The Exchange also proposes amending Chapter XI, Section 13 of the BOX Rules to clarify that an options confirmation need not disclose the exchange or exchanges on which an options transaction is executed. The rule will continue to require that written confirmations contain a description of each transaction in the options contract, the underlying security, the type of option, the option expiration month, exercise price, number of option contracts, premium, commissions, date of transaction and settlement date, and shall indicate whether the transaction is a purchase or sale and whether a principal or agency transaction. The confirmation shall also distinguish by appropriate symbols between Exchange transactions and other transactions in options contracts. This change will maintain consistency with other exchanges which have recently filed similar rule proposals.⁴

³ See Securities Exchange Act Release No. 58932 (November 12, 2008), 73 FR 69696 (November 19, 2008) (SR-FINRA-2008-032) (changing the term “Registered Options and Security Futures Principal” to “Registered Options Principal”). See also Securities Exchange Act Release No. 58129 (July 9, 2008), 73 FR 40895 (SR-ISE-2008-21); Securities Exchange Act Release No. 57738 (April 29, 2008), 73 FR 25805 (May 7, 2008) (SR-AMEX-2007-129); and Securities Exchange Act Release No. 56971 (December 14, 2007), 72 FR 72804 (December 21, 2007) (SR-CBOE-2007-106) (approving elimination of the positions and titles of Senior Registered Options Principal and Compliance Registered Options Principal).

⁴ See Securities Exchange Act Release No. 58980 (November 19, 2008), 73 FR 72091 (November 26, 2008) (SR-CBOE-2008-61). See also Securities Exchange Act Release No. 58932 (November 12, 2008), 73 FR 69696 (November 19, 2008) (SR-FINRA-2008-032) (approving change clarifying confirmation disclosure requirements).

Lastly, the Exchange proposes elimination of the definition of “closing purchase transaction” as defined in Chapter I, Section 1 of the BOX Rules. The term “closing purchase transaction” does not appear in any other provision of the BOX Rules. Therefore, the definition is unnecessary.

2. Statutory Basis

The Exchange believes that the proposed change is consistent with the requirements of Section 6(b) of the Act,⁵ in general, and Section 6(b)(5) of the Act,⁶ in particular, in that it will promote just and equitable principles of trade, facilitate transactions in securities, remove impediments to and perfect the mechanism of a free and open market and a national market system, and protect investors and the public interest. Specifically, the Exchange believes that the proposed rule change will further the purposes of the Act by clarifying the use of certain terms consistent with their use by other self-regulatory organizations, and by clarifying the Exchange’s options confirmation procedure rules.

B. Self-Regulatory Organization’s Statement of Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

⁵ 15 U.S.C. 78(f)(b).

⁶ 15 U.S.C. 78(f)(b)(5).

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 comments on the proposed rule change.

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

Within 35 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (a) by order approve such proposed rule change, or
- (b) institute proceedings to determine whether the proposed rule change

should be disapproved.

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.stml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-BSE-2008-56 on the subject line.

Paper Comments

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-BSE-2008-56. The 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, located at 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 filings also will be available for inspection and copying at the principal office of the BSE. 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-BSE-2008-56 and should be submitted on or before [date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁷

Florence E. Harmon
Deputy Secretary

⁷ 17 CFR 200.30-3(a)(12).