

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-52632; File No. SR-CHX-2005-21)

October 19, 2005

Self-Regulatory Organizations; Chicago Stock Exchange, Inc.; Order Approving Proposed Rule Change and Amendments Nos. 1 and 2 Thereto Requiring the Chicago Stock Exchange's Participants to Provide Electronic Mail Addresses to the Exchange

Introduction

On July 18, 2005, the Chicago Stock Exchange, Inc. ("CHX" 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 require participants and participant firms to provide electronic mail addresses to the Exchange for use in transmitting notices and other communications. On August 30, 2005, the Exchange filed Amendment No. 1 to the proposed rule change.<sup>3</sup> On September 1, 2005, the Exchange filed Amendment No. 2 to the proposed rule change.<sup>4</sup> The proposed rule change, as amended, was published in the Federal Register on September 14, 2005.<sup>5</sup> No comments were received on the proposed rule change. This order approves the proposed rule change, as amended.

New Rule 17 of Article III shall provide that every Exchange participant and Exchange participant firm shall designate one or more electronic mail addresses for the purpose of

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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 Amendment No. 1. In Amendment No. 1, the Exchange made several modifications to the proposed rule change, including changes to the proposed rule text to require members to promptly update electronic mail addresses they provide to the Exchange, to clarify that the proposal will not supersede or modify any other provisions of Exchange rules that set out a specific method for the receipt of information from the Exchange, and to modify the notice to more closely conform it to the text of the proposed rule change.

<sup>4</sup> See Amendment No. 2. In Amendment No. 2, the Exchange changed the text of the proposed rule so that it uses the term "electronic mail" instead of the term "e-mail."

receiving Exchange notices and communications and shall promptly update those electronic mail addresses when those addresses change or are no longer valid. New Rule 17 also provides that an authorized representative of the Exchange may elect to transmit notices or other communications to participants electronically, but that nothing in Rule 17 will supersede or modify either the method for service of process or other materials in any disciplinary proceeding or any other provisions of the Exchange rules setting out a specific method for the receipt of information from the Exchange.

The Commission finds that the proposed rule change, as amended, is consistent with the Act and the rules and regulations thereunder applicable to a national securities exchange.<sup>6</sup> The Commission 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)(5) of the Act,<sup>8</sup> in particular, in that it promotes just and equitable principles of trade, removes impediments to, and perfects the mechanism of, a free and open market and a national market system, and, in general, protects investors and the public interest, by allowing the Exchange to take advantage of technology to communicate with participants in a more efficient and cost-effective manner.

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<sup>5</sup> See Securities Exchange Act Release No. 52375 (September 1, 2005), 70 FR 54424.

<sup>6</sup> In approving this proposed rule change, the Commission has considered the proposed rule's impact of efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

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

<sup>8</sup> 15 U.S.C. 78(f)(b)(5).

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,<sup>9</sup> that the proposed rule change (SR-CHX-2005-21), as amended, is approved.

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>9</sup> 15 U.S.C. 78s(b)(2).

<sup>10</sup> 17 CFR 200.30-3(a)(12).