

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-60753; File No. SR-CHX-2009-14)

September 30, 2009

Self-Regulatory Organizations; Chicago Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Related to the Fees and Rebates in Various Trading Sessions

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 September 22, 2009, the Chicago Stock Exchange, Inc. (“CHX” or “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II and III below, which Items have been prepared by the Exchange. CHX has filed the proposal pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(2) thereunder,⁴ which renders the proposal effective upon filing with the Commission. 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 CHX proposes to amend its Schedule of Participant Fees and Assessments (the “Fee Schedule”), effective September 28, 2009, to provide for separate trading activity fees for its new Early and Late Trading Sessions. The text of this proposed rule change is available on the Exchange’s website 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)(2).

http://www.chx.com/rules/proposed_rules.htm and in the Commission's Public Reference Room, 100 F Street, N.E., Washington, DC 20549.

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 changes and discussed any comments it received regarding the proposal. 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 Changes

1. Purpose

In a separate filing, the Exchange has created a new Early Trading Session beginning at 6:00 a.m. CT on days the Exchange is open for trading and a Late Trading Session from 3:00 p.m. to 3:15 p.m. CT.⁵ We plan to implement these two new sessions on September 28, 2009.

In furtherance of this initiative, the Exchange proposes to amend its Schedule of Participant Fees and Assessments. We propose to charge a trading activity fee for single-sided orders of \$0.003 per share for liquidity taken in Tape A, B and C securities priced at or above \$1 per share in the new early and late trading sessions. A corresponding rebate of \$0.0022 per share for liquidity provided in such securities would also be added to the Fee Schedule. Fees and rebates will be assessed based upon the session in which the underlying transactions were executed. We believe that these fees and charges are

⁵ SR-CHX-2009-13 (Sept. 1, 2009).

appropriate to meet the Exchange's objective of attracting sufficient trading activity in these sessions on a profitable basis. The increased differential reflects, in part, our expectation of a lower amount of market data revenue for trades executed in the Early and Late Trading Sessions, and a corresponding reliance on trading activity fee revenue to support the operational costs associated with these two sessions.

The Exchange acknowledges that these charges differ from the fees and rebates for such securities in the Regular Trading Session. Trading activity fees and rebates, however, are often not uniform at a given exchange depending on the circumstances. For example, Nasdaq and NYSE Arca have different Tiers for take/provide fees for a member depending on the average number shares transacted and liquidity provided to their exchanges. Trading activity fees and rebates frequently vary depending on whether the security is reported as Tape A, B or C. Provide rebates may vary depending on the nature of the order, e.g., if the order was not displayed (Nasdaq) or was a Market-on-Close/Limit-on-Close order (NYSE Arca). Finally, a number of exchanges, including the CHX, have different take/provide rates for securities trading under \$1. Our charges for trading activity are and will continue to be disclosed in the Fee Schedule posted on our public website and in a Legal Notice to our Participants.

The current fee and rebate structure for stocks trading under \$1 would be extended to the Early and Late Trading Sessions. All other current trading-related fees and charges would extend equally to the Early and Late Trading Sessions. Fees and charges relating to cross transactions executed in the Late Crossing Session would remain unchanged.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act⁶ in general, and furthers the objectives of Section 6(b)(4) of the Act⁷ in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among its members. Among other things, the change to the fee schedule would provide a reasonable amount of expected revenue to the Exchange to offset the expenses of operating these new trading sessions.

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 that is not necessary or appropriate in furtherance of the purposes of the Act.

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

No written comments were either solicited or received.

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

The foregoing rule change has become effective pursuant to Section 19(B)(3)(A)(ii) of the Act⁸ and subparagraph (f)(2) of Rule 19b-4 thereunder⁹ because it establishes or changes a due, fee, or other charge applicable only to a member imposed by the self-regulatory organization. Accordingly, the proposal is effective upon Commission receipt of the filing. At any time within 60 days of the filing of such rule

⁶ 15 U.S.C. 78f.

⁷ 15 U.S.C. 78f(b)(4).

⁸ 15 U.S.C. 78s(b)(3)(A)(ii).

⁹ 17 CFR 240.19b-4(f)(2).

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 purpose of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposal 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 No. SR-CHX-2009-14 on the subject line.

Paper Comments:

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

All submissions should refer to File Number SR-CHX-2009-14. 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 changes 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, N.E., Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing will also 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 No. SR-CHX-2009-14 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.¹⁰

Florence E. Harmon
Deputy Secretary

¹⁰ 17 CFR 200.30-3(a)(12).