

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-56898; File Nos. SR-Amex-2007-124; SR-BSE-2007-50; SR-CBOE-2007-144; SR-ISE-2007-108; SR-NYSEArca-2007-116; SR-Phlx-2007-88)

December 5, 2007

Self-Regulatory Organizations; American Stock Exchange LLC: Notice of Filing and Order Granting Accelerated Approval to Proposed Rule Change, as Amended, Relating to Linkage Order; Boston Stock Exchange, Inc., Chicago Board Options Exchange, Incorporated; International Securities Exchange, LLC, NYSE Arca, Inc., and Philadelphia Stock Exchange, Inc.: Notice of Filing and Order Granting Accelerated Approval to a Proposed Rule Change Relating to Linkage Orders

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 November 28, 2007, November 28, 2007, November 27, 2007, November 13, 2007, December 4, 2007, and November 27, 2007, the American Stock Exchange LLC (“Amex”), the Boston Stock Exchange, Inc. (“BSE”), the Chicago Board Options Exchange, Incorporated (“CBOE”); the International Securities Exchange, LLC (“ISE”), the NYSE Arca, Inc. (“NYSE Arca”), and the Philadelphia Stock Exchange, Inc. (“Phlx”) (each, an “Exchange” and, collectively, the “Exchanges”), respectively, filed with the Securities and Exchange Commission (“Commission”) the proposed rule changes as described in Items I and II below. On December 4, 2007, Amex filed Amendment No. 1 to its proposed rule change. The Commission is publishing this notice to solicit comments on the proposed rule changes from interested persons and is approving the proposed rule changes on an accelerated basis.

I. Self-Regulatory Organizations’ Statement of the Terms of Substance of the Proposed Rule Changes

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

The Exchanges propose to amend their respective rules pertaining to the Intermarket Options Linkage (“Linkage”) to conform such rules to Joint Amendment No. 25³ of the Plan for the Purpose of Creating and Operating an Intermarket Option Linkage (“Linkage Plan”).⁴ The text of the proposed rule changes are available at the Exchanges’ Web sites,⁵ the Exchanges’ principal offices, and at the Commission’s Public Reference Room.

II. Self-Regulatory Organizations’ Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Changes

In its filing with the Commission, each Exchange included statements concerning the purpose of, and basis for, its proposed rule change and discussed any comments it received on the proposed rule change. The text of the statements may be examined at the places specified in Item III below. The Exchanges have prepared summaries, set forth in Sections A, B, and C, below, of the most significant aspects of such statements.

A. Self-Regulatory Organizations’ Statement for the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

³ See Securities Exchange Act Release No. 56893 (December 4, 2007).

⁴ On July 28, 2000, the Commission approved a national market system plan for the purpose of creating and operating an intermarket options market linkage (“Linkage”) proposed by Amex, CBOE, and ISE. See Securities Exchange Act Release No. 43086 (July 28, 2000), 65 FR 48023 (August 4, 2000). Subsequently, Phlx, Pacific Exchange, Inc. (n/k/a NYSE Arca, Inc.), and BSE joined the Linkage Plan. See Securities Exchange Act Release Nos. 43573 (November 16, 2000), 65 FR 70851 (November 28, 2000); 43574 (November 16, 2000), 65 FR 70850 (November 28, 2000); and 49198 (February 5, 2004), 69 FR 7029 (February 12, 2004).

⁵ See <http://www.amex.com>, <http://www.bostonstock.com>, <http://www.cboe.com>, <http://www.iseoptions.com>, <http://www.nyse.com>, and <http://www.phlx.com>.

The Exchanges propose to reduce certain “turn-around” times in the Linkage to 3 seconds. Specifically, if a member⁶ of an Exchange does not receive a response to its Linkage Order⁷ within 3 seconds, that member would be able to reject any response purporting to be an execution received thereafter. The member would also be able to trade through the Exchange that failed to respond within 3 seconds after receiving that order and, if the Exchange that sent the Linkage Order cancels such response, the member would be required to cancel any purported trade resulting from that order. The Exchanges state that, as they have become more automated, experience with Linkage indicates that reducing the turn-around time to 3 seconds is expected to facilitate speedy executions of orders while not adversely affecting the ability of members to make markets on their Exchanges. The Exchanges submitted the proposed rule changes in conjunction with Joint Amendment No. 25 to the Linkage Plan.⁸

2. Statutory Basis

The Exchanges believe the proposed rule changes are consistent with the Act and the rules and regulations under the Act applicable to national securities exchanges and, in particular, the requirements of Section 6(b) of the Act.⁹ Specifically, the Exchanges believe the proposed rule changes are consistent with the requirements of Section 6(b)(5) of the Act¹⁰ that the rules of

⁶ The term “member,” as used herein, includes NYSE Arca OTP Holders and OTP Firms and Boston Options Exchange (“BOX”) Options Participants. See NYSE Arca Rules 1.1(q) and 1.1(r) and Chapter 1, Sec. 1(a)(40) of BOX Rules, respectively.

⁷ See Section 2(16) of the Linkage Plan. For the purposes of these proposed rule changes only, references to “Linkage Orders” herein pertain to Principal Acting as Agent (“P/A”) Order and Principal Orders. See Section 2(16)(a) and (b) of the Linkage Plan, respectively, for definitions of “P/A Order” and “Principal Order.”

⁸ Joint Amendment No. 25 to the Linkage Plan became summarily effective for a period not to exceed 120 days on December 4, 2007. See supra note 3.

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

an exchange be designed to prevent fraudulent and manipulative acts, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

B. Self-Regulatory Organizations' Statement on Burden on Competition

The Exchanges believe that the proposed rule changes would impose no burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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

The Exchanges have neither solicited nor received comments on these proposals.

III. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule changes are 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 Numbers SR-Amex-2007-124; SR-BSE-2007-50; SR-CBOE-2007-144; SR-ISE-2007-108; SR-NYSEArca-2007-116; SR-Phlx-2007-88 in 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.

All submissions should refer to File Numbers SR-Amex-2007-124; SR-BSE-2007-50; SR-CBOE-2007-144; SR-ISE-2007-108; SR-NYSEArca-2007-116; SR-Phlx-2007-88. These file

numbers 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 Section, 100 F Street, NE, Washington, DC 20549-1090 on 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 Exchanges. 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 Numbers SR-Amex-2007-124; SR-BSE-2007-50; SR-CBOE-2007-144; SR-ISE-2007-108; SR-NYSEArca-2007-116; SR-Phlx-2007-88 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

IV. Commission's Findings and Order Granting Accelerated Approval of Proposed Rule Changes

After careful consideration, the Commission finds that the proposed rule changes are consistent with the requirements of the Act and the rules and regulations thereunder, applicable to national securities exchanges.¹¹ In particular, the Commission finds that the proposals are

¹¹ In approving these proposed rule changes, the Commission has considered their impact on efficiency, competition, and capital formation. See U.S.C. 78c(f).

consistent with the provisions of Section 6(b)(5) of the Act¹² in that they are designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and in general, to protect investors and the public interest. The Commission believes that reducing the time required by an Exchange to respond to a Linkage Order and reducing the amount of time a member sending a Linkage Order must wait before trading through a nonresponsive Exchange should facilitate the more timely execution of orders across the Exchanges.

The Commission also finds good cause, pursuant to Section 19(b)(2) of the Act¹³ for approving the proposal prior to the thirtieth day after the date of publication of the notice of the filing thereof in the Federal Register. Granting accelerated approval would facilitate the implementation of these changes in conjunction with the implementation of Joint Amendment No. 25 to the Linkage Plan.¹⁴

¹² 15 U.S.C. 78f(b)(5).

¹³ 15 U.S.C. 78s(b)(2).

¹⁴ See supra note 8.

V. Conclusion

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (SR-Amex-2007-124), as amended, and proposed rule changes (SR-BSE-2007-50; SR-CBOE-2007-144; SR-ISE-2007-108; SR-NYSEArca-2007-116; SR-Phlx-2007-88) are hereby approved on an accelerated basis.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁵

Florence E. Harmon
Deputy Secretary

¹⁵ 17 CFR 200.30-3(a)(12).