

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-54107; File No. SR-CHX-2006-18)

July 6, 2006

Self-Regulatory Organization; Chicago Stock Exchange, Inc.; Order Approving Proposed Rule Change Amending a Notice Provision Relating to the Renewal of Trading Permits

On May 10, 2006, 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”)¹ and Rule 19b-4 thereunder,² a proposed rule change to amend the 60-day notice requirement to cancel trading permits for 2006. The proposed rule change was published for comment in the Federal Register on June 1, 2006.³ The Commission received no comments regarding the proposal.

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.⁴ In particular, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,⁵ which requires that the rules of the an exchange be 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 securities system, and, in general, to protect investors and the public interest.

CHX Article II, Rule 3, requires Participants to provide CHX with 60-days notice to cancel a trading permit. The Exchange proposes in Interpretation and Policy .01 to CHX Article

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 53859 (May 24, 2006), 71 FR 31241.

⁴ In approving this proposed rule change, the Commission has considered the proposed rule’s impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

⁵ 15 U.S.C. 78f(b)(5).

II, Rule 3, to allow a Participant to cancel a trading permit in 2006 if the Participant provided notice to CHX at any time during the 60 days preceding February 9, 2006. According to CHX, CHX Article II, Rule 3, caused some confusion among its Participants. The Commission therefore finds that the proposed rule change is an appropriate one time relief to allow CHX Participants to cancel their trading permits.

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,⁶ that the proposed rule change (SR-CHX-2006-18) be, and it hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁷

Nancy M. Morris
Secretary

⁶ 15 U.S.C. 78s(b)(2).

⁷ 17 CFR 200.30-3(a)(12).