

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-56611; File No. SR-CHX-2007-19)

October 4, 2007

Self-Regulatory Organizations; Chicago Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Relating to a New Book Feed Product

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 27, 2007, the Chicago Stock Exchange, Inc. (“CHX” 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 CHX. 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

Through this filing, the Exchange proposes to distribute a new Book Feed product and to amend its Fee Schedule to confirm that it will not charge a fee for the distribution of this product. The text of this proposed rule change is available on the Exchange’s Web site at http://www.chx.com/rules/proposed_rules.htm, at the CHX’s Office of the Secretary, and at the Commission’s Public Reference Room.

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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 Change

1. Purpose

Through this filing, the Exchange proposes to distribute a new Book Feed product and to amend its Fee Schedule to confirm that it will not charge a fee for the distribution of this product.³ This product currently is slated to be available on or before October 31, 2007.

Through the Book Feed, the Exchange would disseminate a real-time stream of data that includes, among other things, all visible orders submitted to the Exchange's Matching System, as well as any changes to those orders.⁴ The Book Feed would also contain information about trades that occur on the Exchange. This data would be available to any person or entity, either through a direct feed from the Exchange or through a company or vendor that provides the data to others.⁵ The Book Feed would

³ The Exchange does not currently plan to charge a fee for the distribution of this data, but may choose to do so in the future. Any decision to charge a fee for the Book Feed data would be reflected in a filing submitted to the Commission as required by Rule 19b-4 of the Act.

⁴ Undisplayed orders and the undisplayed portions of reserve size orders would not be disseminated through the Book Feed; however, any odd lot orders (which are not expressly identified as "undisplayed") would be disseminated through the Book Feed.

⁵ Each person or entity that requests the data directly from the Exchange would be required to sign an appropriate agreement with the Exchange; if the recipient of the data (the "vendor") disseminates the data to another person or entity (the "subscriber"), the subscriber would be required to sign a subscriber agreement

include basic information about each order, including the size and price of the order; whether it was an order to buy or sell; its time of receipt; and the identity of the participant firm that submitted the order.⁶

The Exchange believes that, by making this Book Feed available, it would enhance market transparency and foster competition among markets.⁷ Other self-regulatory organizations currently distribute similar data feeds.⁸

2. Statutory Basis

The CHX believes the proposal is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange,

with the vendor. Each of these agreements would contain provisions substantially similar to those used by the securities information processors for the distribution of market data.

⁶ A participant firm could choose, either on a firm-wide or order-by-order basis, to have its identity kept confidential in the order information that is distributed in the Book Feed. The Exchange plans to have the ability to remove a participant firm's identity on the data, at the firm's request, on or before October 31, 2007; alternatively, beginning on or about November 15, 2007, the firm could append a special indicator to the order confirming its choice to remain anonymous in the Book Feed.

⁷ Within the Exchange's systems, the data that would be disseminated as part of the Book Feed would leave the Matching System immediately following the best bids, offers and last sales that are being sent to the securities information processors ("SIPs"). The Exchange would not use any technology that is designed to make the Book Feed data available from the Matching System earlier than the best bids, offers and last sales are available to the SIPs.

⁸ See filings relating to the New York Stock Exchange's OpenBook service (including Securities Exchange Act Release Nos. 44138 (December 7, 2001), 66 FR 64895 (December 14, 2001) and 53585 (March 31, 2006), 71 FR 17934 (April 7, 2006)); NYSE Arca's ArcaBook data, Securities Exchange Act Release No. 54597 (October 12, 2006), 71 FR 62029 (October 20, 2006)(confirming that the ArcaBook data currently is disseminated without charge); and the Philadelphia Stock Exchange's data display in its new XLE system, Securities Exchange Act Release No. 54538 (September 28, 2006), 71 FR 59184 (October 6, 2006).

and, in particular, with the requirements of Section 6(b).⁹ The proposed rule change is consistent with Section 6(b)(4) of the Act in that it provides for the equitable allocation of reasonable dues, fees and other charges among its members. The proposed rule change is consistent with Section 6(b)(5) of the Act because it would promote just and equitable principles of trade, remove impediments to, and perfect the mechanism of, a free and open market and a national market system, and, in general, protect investors and the public interest by allowing the Exchange distribute a Book Feed much like those already distributed by other markets.

B. Self-Regulatory Organization's Statement on Burden on Competition

CHX 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 on the Proposed Rule Change Received from Members, Participants, or Others

The Exchange neither solicited nor received comments on the proposal.

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

Because the foregoing rule does not (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest, provided that the Exchange has given the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change or such shorter time as designated by the

⁹ 15 U.S.C. 78(f)(b).

Commission,¹⁰ the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act¹¹ and Rule 19b-4(f)(6) thereunder.¹²

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.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-CHX-2007-19 on 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 Number SR-CHX-2007-19. 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

¹⁰ The Exchange has fulfilled this requirement.

¹¹ 15 U.S.C. 78s(b)(3)(A).

¹² 17 CFR 240.19b-4(f)(6).

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, 100 F Street, NE, Washington, DC 20549, on official 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 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 Number SR-CHX-2007-19 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹³

Nancy M. Morris
Secretary

¹³ 17 CFR 200.30-3(a)(12).