

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-55764; File No. SR-ISE-2007-18)

May 15, 2007

Self-Regulatory Organizations; International Securities Exchange, LLC.; Order Approving Proposed Rule Change Relating to Information Regarding Customer Interest on the Book

I. Introduction

On March 5, 2007, the International Securities Exchange, LLC (“ISE” 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 allow the ISE to make available to all ISE members information regarding the quantity of public customer contracts included in the ISE’s highest bid and lowest offer. The proposed rule change was published for comment in the Federal Register on April 12, 2007.³ The Commission received no comments regarding the proposal. This order approves the proposed rule change.

II. Description of the Proposal

Currently, the ISE provides information regarding the quantity of public customer contracts at the ISE’s best bid and best offer (“BBO”) only to Primary Market Makers (“PMMs”). The ISE proposes to adopt ISE Rule 713, Supplementary Material .04, to allow the ISE to make such information available to all ISE members. According to the ISE, the Chicago Board Options Exchange (“CBOE”) currently provides its members with information regarding customer interest at the CBOE’s BBO. The ISE believes that

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 55589 (April 5, 2007), 72 FR 18498.

it is necessary to provide its members with similar information to remain competitive with the CBOE. In addition, the ISE notes that the information would allow an ISE member to know the number of customer contracts it would need to satisfy before the member could cross a large block-sized order. The ISE believes that such information is particularly useful for members seeking to execute larger-sized orders through the ISE's block and facilitation mechanisms.⁴

In addition, the proposal corrects several cross-references in ISE Rule 713(a).

III. Discussion

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.⁵ Specifically, the Commission finds that the proposal is consistent with Section 6(b)(5) of the Act,⁶ which requires, among other things, that the rules of a national securities exchange be designed to prevent fraudulent and manipulative acts and practices, 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. Specifically, the proposal will allow the ISE to make available to all ISE members information regarding customer interest at the ISE's BBO that currently is available only to PMMs. In addition, the proposal will allow the ISE to provide its members with the same customer interest information that CBOE currently makes available to its members.

⁴ See ISE Rule 716.

⁵ In approving this proposed rule change the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁶ 15 U.S.C. 78f(b)(5).

IV. Conclusion

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,⁷ that the proposed rule change (SR-ISE-2007-18) is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁸

Florence E. Harmon
Deputy Secretary

⁷ 15 U.S.C. 78s(b)(2).

⁸ 17 CFR 200.30-3(a)(12).