

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- 58687; File No. SR-BSE-2008-42)

September 30, 2008

Self-Regulatory Organizations; Boston Stock Exchange, Inc.; Order Granting Approval of a Proposed Rule Change Relating to the Appointment of Market Makers on the Boston Options Exchange Facility

On August 19, 2008, the Boston Stock Exchange, Inc. (“BSE” 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 modify the rules of the Boston Options Exchange Group, LLC (“BOX”) to: (i) clarify that a Market Maker seeking to withdraw from a particular appointment will be required to provide BOX with at least three business days’ written notice of such withdrawal regardless of how long the Market Maker held such appointment, by removing conflicting language in BOX Rule 4(f) of Chapter VI that requires Market Makers to maintain active markets in all classes in which the Market Maker is appointed for a period of at least six months; and (ii) revise the formatting of Supplementary Material to Chapter VI, Section 5(c)(ii) of the BOX rules.

The proposed rule change was published for comment in the Federal Register on August 28, 2008.³ The Commission received no comments on 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 exchange⁴

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 58408 (August 22, 2008), 73 FR 50845.

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

and, in particular, the requirements of Section 6 of the Act⁵ and the rules and regulations thereunder. Specifically, the Commission finds that the proposal is consistent with Section 6(b)(5) of the Act,⁶ in that the proposal is designed to promote just and equitable principles of trade and remove impediments to and perfect the mechanism of a free and open market and a national market system. The Commission believes that the proposed rule change will eliminate ambiguity within BOX's rules and provide greater clarity concerning Market Maker appointments and requests to withdraw from such appointments.

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,⁷ that the proposed rule change (File No. SR-BSE-2008-42) be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁸

Florence E. Harmon
Acting Secretary

⁵ 15 U.S.C. 78f.

⁶ 15 U.S.C. 78f(b)(5).

⁷ 15 U.S.C. 78s(b)(2).

⁸ 17 CFR 200.30-3(a)(12).