

is proposing to amend the BOX Fee Schedule, effective June 2, 2008, pending Commission approval.

2. Statutory Basis

The Exchange believes that the proposal is consistent with the requirements of Section 6(b) of the Act,¹⁰ in general, and Section 6(b)(4) of the Act,¹¹ in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons using its facilities for the purpose of executing Linkage Orders that are routed to the Exchange from other market centers.

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

The Exchange 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

Written comments on the proposed rule change were neither solicited nor received.

III. 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-BSE-2008-32 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549-1090.
- All submissions should refer to File Number SR-BSE-2008-32. 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 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 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange. 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-BSE-2008-32 and should be submitted on or before June 27, 2008.

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

After careful consideration, 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 exchange¹² and, in particular, with the requirements of Section 6(b) of the Act.¹³ In particular, the Commission finds that the Exchange's proposal is consistent with Section 6(b)(4) of the Act,¹⁴ which requires that the rules of the Exchange provide for the equitable allocation of reasonable dues, fees, and other charges among its members and other persons using its facilities. The Commission notes that this proposal conforms Linkages Fees with those fees charged on other broker-dealer executions.

The Exchange requests that the Commission approve the proposed rule change on an accelerated basis pursuant to Section 19(b)(2) of the Act.¹⁵ The Commission finds good cause, pursuant to Section 19(b)(2)(B) of the Act,¹⁶ for approving the proposed rule change prior to the 30th day after the date of publication of the notice of the filing thereof in the **Federal Register**. An

¹² In approving this rule, the Commission notes that it has considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

¹³ 15 U.S.C. 78f(b).

¹⁴ 15 U.S.C. 78f(b)(4).

¹⁵ 15 U.S.C. 78s(b)(2).

¹⁶ 15 U.S.C. 78s(b)(2)(B).

accelerated approval will allow the Exchange to immediately implement a lower fee for market participants executing certain Linkage Orders on the Exchange.

V. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act¹⁷ that the proposed rule change (SR-BSE-2008-32), is hereby approved on an accelerated basis.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁸

Florence E. Harmon,

Acting Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-57884; File No. SR-CHX-2008-07]

Self-Regulatory Organizations; Chicago Stock Exchange, Inc.; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change to Trade Shares of 12 Funds of the ProShares Trust Pursuant to Unlisted Trading Privileges

May 30, 2008.

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 May 15, 2008, 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 Exchange. This order provides notice of the proposed rule change and approves the proposal on an accelerated basis.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to trade shares ("Shares") of the following 12 funds of the ProShares Trust (f/k/a xtraShares Trust) ("Trust") pursuant to unlisted trading privileges ("UTP"): (1) Ultra S&P 500 ProShares (f/k/a Ultra 500 Fund); (2) Ultra QQQ ProShares (f/k/a Ultra 100 Fund); (3) Ultra Dow 30 ProShares (f/k/a Ultra 30 Fund); (4) Ultra Mid-Cap 400 ProShares (f/k/a Ultra Mid-Cap 400 Fund); (5) Short S&P

¹⁷ 15 U.S.C. 78s(b)(2).

¹⁸ 15 U.S.C. 78s(b)(2)(B).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

¹⁰ 15 U.S.C. 78f(b).

¹¹ 15 U.S.C. 78f(b)(4).

500 ProShares (f/k/a Short 500 Fund); (6) Short QQQ ProShares (f/k/a Short 100 Fund); (7) Short Dow 30 ProShares (f/k/a Short 30 Fund); (8) Short Mid-Cap 400 ProShares (f/k/a Short Mid-Cap 400 Fund); (9) UltraShort S&P 500 ProShares (f/k/a Ultra Short 500 Fund); (10) UltraShort QQQ ProShares (f/k/a Ultra Short 100 Fund); (11) UltraShort Dow 30 ProShares (f/k/a Ultra Short 30 Fund); and (12) UltraShort Mid-Cap 400 ProShares (Ultra Short Mid-Cap 400 Fund) (collectively, "Funds"). The text of this proposed rule change is available on the Exchange's Web site at http://www.chx.com/content/Participant_Information/Rules_Filings.html, at the Exchange's principal office, 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 Exchange included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item III below. The Exchange 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

The Exchange proposes to trade pursuant to UTP the Shares of the Funds, which are "investment company units" under CHX Article 22, Rule 24 ("Rule 24").³ The Shares seek to provide investment results that exceed the daily performance of a specified stock index by a specified percentage, or that seek to provide investment results that correspond to the inverse or opposite of the index's daily performance or twice the inverse or opposite (–200%) of the index's daily performance. The Commission previously approved the original listing and trading of the Shares of the 12 Funds on the American Stock

Exchange LLC ("Amex").⁴ In addition, the Funds are currently trading pursuant to UTP on NYSE Arca, Inc.⁵

Four of the Funds—the Ultra S&P 500 ProShares, Ultra QQQ ProShares, Ultra Dow 30 ProShares, and Ultra Mid-Cap 400 ProShares ("Bullish Funds")—seek daily investment results, before fees and expenses, that correspond to twice (200%) the daily performance of the Standard & Poor's 500® Index ("S&P 500"), the Nasdaq-100® Index ("Nasdaq 100"), the Dow Jones Industrial AverageSM ("DJIA"), and the S&P MidCap400TM Index ("S&P MidCap"), respectively. Each such index is referred to herein individually as an "Underlying Index" or "Index" and collectively as "Underlying Indexes."⁶ Any such Fund, if successful in meeting its objective, should gain, on a percentage basis, approximately twice as much as the Fund's Underlying Index when the prices of the securities in such Index increase on a given day, and should lose approximately twice as much when such prices decline on a given day.

In addition, four Funds—the Short S&P 500 ProShares, Short QQQ ProShares, Short Dow 30 ProShares, and Short Mid-Cap 400 ProShares ("Initial Bearish Funds")—seek daily investment results, before fees and expenses, which correspond to the inverse or opposite of the daily performance (–100%) of the S&P 500, Nasdaq 100, DJIA, and S&P MidCap, respectively. If one such Fund is successful in meeting its objective,

the net asset value ("NAV") of shares of the Fund should increase approximately as much, on a percentage basis, as the respective Underlying Index decreases when the prices of the securities in the Index decline on a given day; or should decrease approximately as much, on a percentage basis, as the respective Index gains when the prices of the securities in the index rise on a given day.

The remaining four Funds—the UltraShort S&P 500 ProShares, UltraShort QQQ ProShares, UltraShort Dow 30 ProShares, and UltraShort Mid-Cap 400 ProShares (the "Additional Bearish Funds")—seek daily investment results, before fees and expenses, that correspond to twice (or two times) the inverse or opposite (–200%) of the daily performance of the S&P 500, Nasdaq 100, DJIA, and S&P MidCap, respectively. If one such Fund is successful in meeting its objective, the NAV of the Shares of the Fund should increase approximately twice as much, on a percentage basis, as the respective Underlying Index loses when the prices of the securities in the Index decline on a given day; or should decrease approximately twice as much as the respective Underlying Index gains when the prices of the securities in the Index rise on a given day. The "Initial Bearish Funds" and the "Additional Bearish Funds" are referred to herein collectively as "Bearish Funds."

Each Share represents a beneficial ownership interest in the net assets of the corresponding Fund, less expenses. Each Bullish Fund generally will hold at least 80% of its assets in the component equity securities of the relevant Underlying Index ("Equity Securities"). The remainder of assets will be devoted to Financial Instruments (as defined below) that are intended to create the additional needed exposure to such Underlying Index necessary to pursue the Fund's investment objective. A Bearish Fund will not invest directly in the component securities of the relevant Underlying Index, but instead, will create short exposure to such Index. At least 80% of the value of the portfolio of each Bearish Fund will be devoted to Financial Instruments (defined below), debt instruments, and money market securities and repurchase agreements ("Money Market Instruments"). The financial instruments to be held by any of the Bullish or Bearish Funds may include stock index futures contracts; options on futures contracts; options on securities and indices; equity caps, collars, and floors; swap agreements; forward contracts; repurchase agreements and reverse repurchase agreements ("Financial Instruments");

³ CHX Rule 24(A)(1)(a) allows the listing and trading of investment company units issued by a registered investment company that holds securities comprising, or otherwise based on or representing an interest in, an index of portfolio or securities. The Exchange represents that the Shares qualify under CHX Rule 24 because they are being registered under the Investment Company Act of 1940 ("1940 Act") and are "otherwise based on" an index.

⁴ See Securities Exchange Act Release No. 52553 (October 3, 2005), 70 FR 59100 (October 11, 2005) (SR-Amex-2004-62) ("Amex Order I") (approving the listing and trading on Amex of the following eight Funds: Ultra 500 Fund, Ultra 100 Fund, Ultra 30 Fund, Ultra Mid-Cap 400 Fund, Short 500 Fund, Short 100 Fund, Short 30 Fund, and Short Mid-Cap 400 Fund); Securities Exchange Act Release No. 52197 (August 2, 2005), 70 FR 46228 (August 9, 2005) (SR-Amex-2004-62) ("Amex Notice"). See also Securities Exchange Act Release No. 54040 (June 23, 2006) (SR-Amex-2006-41) ("Amex Order II", together with Amex Order I and Amex Notice, "Amex Releases") (approving the listing and trading on Amex of the following four funds: Ultra Short 500 Fund, Ultra Short 100 Fund, Ultra Short 30 Fund, and Ultra Short Mid-Cap 400 Fund).

⁵ See Securities Exchange Act Release No. 54026 (June 21, 2006), 71 FR 36850 (June 28, 2006) (SR-PCX-2005-115) (order approving the trading pursuant to UTP of the Ultra 500 Fund, Ultra 100 Fund, Ultra 30 Fund, Ultra Mid-Cap 400 Fund, Short 500 Fund, Short 100 Fund, Short 30 Fund, and Short Mid-Cap 400 Fund); Securities Exchange Act Release No. 54045 (June 26, 2006), 71 FR 37971 (July 3, 2006) (SR-PCX-2005-115) (order approving the trading of the Ultra Short 500 Fund, Ultra Short 100 Fund, Ultra Short 30 Fund, and Ultra Short Mid-Cap 400 Fund).

⁶ Exchange-traded funds based on the Underlying Indexes are traded on several exchanges, including the CHX. The Statement of Additional Information ("SAI") of each Fund discloses that such Fund reserves the right to substitute a different Underlying Index under certain circumstances.

and Money Market Instruments. ProShare Advisors LLC is the investment adviser ("Advisor") to each Fund.

(a) *The Shares*. A description of the Trust, the operation of the Funds, and the creation and redemption process for the Shares is set forth in the Amex Releases. To summarize, issuances of Shares will be made only in aggregations of at least 75,000 Shares or multiples thereof ("Creation Units"). Each Fund will issue and redeem the Creation Units on a continuous basis, by or through participants that have entered into participant agreements (each, an "Authorized Participant") with the distributor.

The NAV per Share of each Fund is computed by dividing the value of the net assets of such Fund (*i.e.*, the value of its total assets less total liabilities) by its total number of Shares outstanding. The NAV of each Fund is calculated by the accounting agent for the Fund and determined each business day at the close of regular trading of the New York Stock Exchange (ordinarily 4 p.m. Eastern Time ("ET")).

(b) *Dissemination of Information About the Shares and the Underlying Indexes*. The Trust's or Advisor's Web site, which is and will be publicly accessible at no charge (and to which the Exchange will provide a hyperlink on its Web site), will contain the following information for each Fund's Shares: (1) The prior business day's closing NAV, the reported closing price, and a calculation of the premium or discount of such price in relation to the closing NAV; (2) data for a period covering at least the four previous calendar quarters (or the life of a Fund, if shorter) indicating how frequently each Fund's Shares traded at a premium or discount to NAV based on the reported closing price and NAV, and the magnitude of such premiums and discounts; (3) its prospectus and Product Description; and (4) other quantitative information such as daily trading volume.

Amex represented that it will disseminate for each Fund on a daily basis by means of Consolidated Tape Association ("CTA") and CQ High Speed Lines information with respect to an Indicative Intra-Day Value ("IIV") (discussed below), recent NAV, shares outstanding, estimated cash amount, and total cash amount per Creation Unit. Quotations for and last-sale information regarding the Shares are disseminated through the facilities of the Consolidated Tape Association and Consolidated Quotation System. Amex also represented that it will make available on its Web site ([http://](http://www.amex.com)

www.amex.com) daily trading volume, closing price, the NAV, and final dividend amounts, if any, to be paid for each Fund. The closing prices of the Shares are readily available from exchanges, automated quotation systems, published or other public sources, or on-line information services such as Bloomberg or Reuters.

Each Fund's total portfolio composition will be disclosed on the Web site of the trust (<http://www.profund.com>). The Trust expects that Web site disclosure of portfolio holdings will be made daily and will include, as applicable, the names and number of shares held of each specific Equity Security, the specific types of Financial Instruments and characteristics of such instruments, cash equivalents, and amount of cash held in the portfolio of each Fund.⁷

The daily closing index value and the percentage change in the daily closing index value for each Underlying Index will be publicly available on various Web sites (*e.g.*, <http://www.bloomberg.com>).⁸ The value of each Underlying Index will be updated intra-day on a real time basis as its individual component securities change in price. These intra-day values of each Underlying Index will be disseminated every 15 seconds throughout the trading day by the Amex or another organization authorized by the relevant Underlying Index provider.

To provide updated information relating to each Fund, Amex will disseminate through the facilities of the CTA from 9:30 a.m. ET to 4:15 p.m. ET: (1) Continuously, the market value of a Share; and (2) every 15 seconds, a calculation of the IIV as calculated by a third-party calculator. Comparing these two figures helps an investor to determine whether, and to what extent, the Shares may be selling at a premium or a discount to NAV. The IIV is designed to provide investors with a reference value that can be used in connection with other related market information. The IIV may not reflect the

value of all securities included in the Underlying Index or the precise composition of the current portfolio of securities held by each Fund at a particular point in time. Therefore, the IIV should not be viewed as a real-time update of the NAV of a particular Fund, which is calculated only once a day.

(c) *UTP Trading Criteria*. The Exchange represents that it would immediately halt trading the Shares during the listing market's trading hours if: (1) The listing market stops trading the Shares because of a regulatory halt similar to a halt based on CHX Article 20, Rule 2 or a halt because the IIV or the value of the applicable Underlying Index is no longer widely disseminated; (2) the listing market delists the Shares; or (3) in the situations described in "Trading Rules" below. Additionally, the Exchange may cease trading the Shares if such other event shall occur or condition exists which in the opinion of the Exchange makes further dealings on the Exchange inadvisable.

The Exchange also represents that it would immediately halt trading the Shares of a Fund upon notification by the listing market that the NAV is not being disseminated to all market participants at the same time. The Exchange would resume trading only when trading in the Shares resumes on the listing market.

(d) *Other Trading Rules*. The Exchange deems the Shares to be equity securities, thus rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities. Shares will trade on CHX during both its regular trading session (from 8:30 a.m. to 3 p.m. (Central Time ("CT")) and during its late trading session (from 3 p.m. to 4 p.m. CT), even if the IIV is not disseminated from 3:14 to 4 p.m. CT.⁹ The Exchange has appropriate rules to facilitate transactions in the Shares during all trading sessions.

With respect to trading halts, the Exchange may consider all relevant factors in exercising its discretion to halt or suspend trading in the Shares of a Fund. Trading may be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in the Shares inadvisable. These may include: (1) The extent to which

⁷ The same portfolio information (including accrued expenses and dividends) will be provided on the public Web site as well as in the IIV File and PCF File provided to Authorized Participants. The format of the public Web site disclosure and the IIV and PCF Files will differ because the public Web site will list all portfolio holdings, whereas the IIV and PCF Files provide the portfolio holdings in a different format appropriate for Authorized Participants, *i.e.*, the exact components of a Creation Unit.

⁸ Data regarding each Underlying Index are also available from the respective index provider to subscribers. Several independent data vendors also package and disseminate index data in various value-added formats (including vendors displaying both securities and index levels and vendors displaying index levels only).

⁹ Because NSCC does not disseminate the new basket amount to market participants until approximately 6 p.m. to 7 p.m. ET, an updated IIV is not possible to calculate during the Exchange's late trading session. Currently the official index sponsors for the Funds' indexes do not calculate updated index values during the Exchange's late trading session; however, if the index sponsors did so in the future, the Exchange would not trade this product unless such official index value is widely disseminated.

trading is not occurring in the securities comprising an Underlying Index and/or the Financial Instruments of a Fund, or (2) whether other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present. In addition, trading in Shares will be subject to trading halts caused by extraordinary market volatility pursuant to the Exchange's "circuit breaker" rule or by the halt or suspension of trading of the underlying securities.

Shares will be deemed "NMS stocks" and therefore will be subject to, among other things, Rule 611 of Regulation NMS under the Act ("Order Protection Rule").

(e) *Surveillance.* The Exchange intends to utilize its existing surveillance procedures applicable to Investment Company Units to monitor trading in the Shares. The Exchange represents that these procedures are adequate to monitor Exchange trading of the Shares and to deter and detect violations of Exchange rules.

The Exchange's current trading surveillance focuses on detecting securities trading on the Exchange outside their normal patterns. When such situations are detected, surveillance analysis follows and investigations are opened, where appropriate, to review the behavior of all relevant parties for all relevant trading violations.

(f) *Information Bulletin.* Prior to the commencement of trading, the Exchange will inform its Participants in an Information Bulletin of the special characteristics and risks associated with trading the Shares. Specifically, the Information Bulletin will discuss the following: (1) The procedures for purchases and redemptions of Shares in Creation Unit Aggregations (and that Shares are not individually redeemable); (2) CHX Rules 11 and 16, which impose a suitability obligation and a duty of due diligence on Participants to learn the essential facts relating to every customer prior to trading the Shares; (3) how information regarding the IIV is disseminated; (4) the requirement that Participants deliver a prospectus to investors purchasing newly issued Shares prior to or concurrently with the confirmation of a transaction; and (5) trading information.

The Information Bulletin also will advise Participants, prior to the commencement of trading, of the prospectus delivery requirements applicable to the Funds.¹⁰ The

Exchange notes that investors purchasing Shares directly from the Trust will receive a prospectus. Participants purchasing Shares from the Trust for resale to investors will deliver a prospectus to such investors. The Information Bulletin will also discuss any relief, if granted, by the Commission or the staff from any rules under the Act. In addition, the Information Bulletin will reference that the Trust is subject to various fees and expenses described in the Registration Statement. The Information Bulletin will also disclose that the NAV for the Shares will be calculated shortly after 4 p.m. ET each trading day.

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, and, in particular, with the requirements of Section 6(b).¹¹ 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 CHX participants to trade these products.

In addition, the Exchange believes that the proposal is consistent with Rule 12f-5 under the Act¹² because it deems the Shares to be equity securities, thus rendering the Shares subject to the Exchange's existing rules governing the trading of equity securities.

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

The Exchange does not believe that the proposed rule changes will impose any burden on competition.

the secondary market unaccompanied by a statutory prospectus when prospectus delivery is not required by the Securities Act of 1933. See ProShares Trust, *et al.*, Investment Company Act Release Nos. 27323 (May 18, 2006) (notice) and 27394 (June 13, 2006) (order), as subsequently amended by ProShares Trust, *et al.*, Investment Company Act Release Nos. 27609 (December 22, 2006) (notice) and 27666 (January 18, 2007) (order). Under the orders, certain investors will receive a product description ("Product Description") describing the Trust, the Funds, and the Shares. This Product Description will contain information about the Shares that is tailored to meet the needs of investors purchasing the Shares in the secondary market.

¹¹ 15 U.S.C. 78(f)(b).

¹² 17 CFR 240.12f-5.

C. Self-Regulatory Organization's Statement on Comments Regarding the Proposed Rule Changes Received From Members, Participants or Others

No written comments were either solicited or received.

III. 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-2008-07 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549.

All submissions should refer to File Number SR-CHX-2008-07. 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 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 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of 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-2008-07 and should be submitted on or before June 27, 2008.

¹⁰ The Commission issued an exemptive order pursuant to, among other things, Section 24(d) of the 1940 Act that permits dealers to sell Shares in

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

After careful review, 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.¹³ In particular, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,¹⁴ which requires that an exchange have rules designed, among other things, 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 this proposal should benefit investors by increasing competition among markets that trade the Shares.

In addition, the Commission finds that the proposal is consistent with Section 12(f) of the Act,¹⁵ which permits an exchange to trade, pursuant to UTP, a security that is listed and registered on another exchange.¹⁶ The Commission notes that it previously approved the listing and trading of the Shares on Amex.¹⁷ The Commission also finds that the proposal is consistent with Rule 12f-5 under the Act,¹⁸ which provides that an exchange shall not extend UTP to a security unless the exchange has in effect a rule or rules providing for transactions in the class or type of security to which the exchange extends UTP. The Exchange has represented that it meets this requirement because it deems the Shares to be equity securities, thus rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities.

The Commission further believes that the proposal is consistent with Section 11A(a)(1)(C)(iii) of the Act,¹⁹ which sets forth Congress' finding that it is in the

public interest and appropriate for the protection of investors and the maintenance of fair and orderly markets to assure the availability to brokers, dealers, and investors of information with respect to quotations for and transactions in securities. Quotations for and last-sale information regarding the Shares are disseminated through the facilities of the CTA and the Consolidated Quotation System. Furthermore, the IIV, updated to reflect changes in currency exchange rates, will be calculated by Amex and publicly disseminated on a 15-second delayed basis from 8:30 a.m. to 3:14 p.m. CT. As mentioned above, Amex's Web site provides various information about the value of the Shares, such as the prior business day's closing NAV, the reported closing price, and the daily trading volume.

The Commission also believes that the Exchange's trading halt procedures are reasonably designed to prevent trading in the Shares when transparency is impaired. CHX has represented that if the listing market halts trading when the IIV is not being calculated or disseminated, the Exchange would halt trading in the Shares until trading resumes on the listing market.

The Commission notes that, if the Shares should be delisted by the listing exchange, the Exchange would no longer have authority to trade the Shares pursuant to this order.

In support of this proposal, the Exchange has made the following representations:

1. The Exchange's surveillance procedures are adequate to properly monitor Exchange trading of the Shares in all trading sessions and to deter and detect violations of Exchange rules.
2. Prior to the commencement of trading, the Exchange would inform its Participants in an Information Bulletin of the special characteristics and risks associated with trading the Shares.
3. Prior to the commencement of trading, the Exchange would inform its Participants in an Information Bulletin of the requirement that Participants deliver a prospectus or Product Description to investors purchasing newly issued Shares prior to or concurrently with the confirmation of a transaction.

This approval order is based on the Exchange's representations.

The Commission finds good cause for approving this proposal before the thirtieth day after the publication of notice thereof in the **Federal Register**. As noted previously, the Commission previously found that the listing and trading of the Shares on other exchanges

is consistent with the Act.²⁰ The Commission presently is not aware of any regulatory issue that should cause it to revisit those findings or would preclude the trading of the Shares on the Exchange pursuant to UTP. Therefore, accelerating approval of this proposal should benefit investors by creating, without undue delay, additional competition in the market for the Shares.

V. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,²¹ that the proposed rule change (SR-CHX-2008-07) be, and it hereby is, approved on an accelerated basis.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²²

Florence E. Harmon,
Acting Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-57901; File Nos. SR-DTC-2007-14 and SR-NSCC-2007-14]

Self-Regulatory Organizations; the Depository Trust Company and National Securities Clearing Corporation; Order Approving Proposed Rule Changes, as Amended, To Provide for the Settlement of Institutional Transactions in Conjunction With Each Other Through a Service Called ID Net

June 2, 2008.

I. Introduction

October 15, 2007, The Depository Trust Company ("DTC") and the National Securities Clearing Corporation ("NSCC") each filed with the Securities and Exchange Commission ("Commission") and on December 20, 2007, and on February 25, 2008, each amended their proposed rule changes pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act").¹ Notice of the proposal was published in the **Federal Register** on April 2, 2008.² The Commission received no comment letters in response to the proposed rule changes. For the reasons discussed below, the

¹³ In approving this rule change, the Commission notes that it has considered the proposal's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

¹⁴ 15 U.S.C. 78f(b)(5).

¹⁵ 15 U.S.C. 78l(f).

¹⁶ Section 12(a) of the Act, 15 U.S.C. 78l(a), generally prohibits a broker-dealer from trading a security on a national securities exchange unless the security is registered on that exchange pursuant to Section 12 of the Act. Section 12(f) of the Act excludes from this restriction trading in any security to which an exchange "extends UTP." When an exchange extends UTP to a security, it allows its members to trade the security as if it were listed and registered on the exchange even though it is not so listed and registered.

¹⁷ See *supra* notes 4 and 5.

¹⁸ 17 CFR 240.12f-5.

¹⁹ 15 U.S.C. 78k-1(a)(1)(C)(iii).

²⁰ See *supra* notes 4 and 5.

²¹ 15 U.S.C. 78s(b)(2).

²² 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² Securities Exchange Act Release No. 57573 (March 27, 2008), 73 FR 18019 (SR-DTC-2007-14 and SR-NSCC-2007-14).