

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-61068; File No. SR-CBOE-2009-089]

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing of a Proposed Rule Change Related to Stock-Option Orders

November 27, 2009.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (the "Act")² and Rule 19b-4 thereunder,³ notice is hereby given that, on November 18, 2009, the Chicago Board Options Exchange, Incorporated ("Exchange" or "CBOE") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. 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

The Exchange is proposing to amend its complex order RFR auction ("COA") as it applies to stock-option orders. The text of the proposed rule change is available on the Exchange's Web site (<http://www.cboe.org/Legal>), at the Office of the Secretary, CBOE and at the Commission.

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 self-regulatory organization 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 those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

Prior to routing to the complex order book ("COB") or once on PAR, eligible

complex orders may be subjected to an automated COA process where orders are exposed for price improvement. Currently, if a market order cannot be filled in whole or in a permissible ratio at the conclusion of COA, then the order (or any remaining balance) will route to PAR for manual handling.

The Exchange is proposing to revise the operation of COA as it relates to market stock-option orders that contain one or more option leg(s). The Exchange is proposing to revise the COA process so that, instead of routing to PAR for manual handling, the Exchange may determine on a class-by-class basis that any remaining balance of the option leg(s) will automatically route to CBOE's Hybrid System for processing as a simple market order(s) consistent with CBOE's order execution rules and any remaining balance of the stock leg will automatically route to the CBOE Stock Exchange ("CBSX"), CBOE's stock facility, for processing as a simple market order consistent with CBSX order execution rules.⁴ This change will assist in the automatic execution and processing of stock-option orders that are market orders.

2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Act⁵ in general and furthers the objectives of Section 6(b)(5) of the Act⁶ in particular in that it should promote just and equitable principles of trade, serve to remove impediments to and perfect the mechanism of a free and open market and a national market system, and protect investors and the public interest. The proposed rule change will assist in the automatic execution and processing of stock-option orders that are market orders.

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

CBOE does not believe that the proposed rule change will impose any burden on competition 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

No written comments were solicited or received with respect to the proposed rule change.

⁴ Pursuant to Rule 6.53C.01, any determination by the Exchange to route complex market orders in this manner will be announced to the membership via Regulatory Circular.

⁵ 15 U.S.C. 78f(b).

⁶ 15 U.S.C. 78f(b)(5).

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

Within 35 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) By order approve such proposed rule change, or

(B) Institute proceedings to determine whether the proposed rule change should be disapproved.

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-CBOE-2009-089 on the subject line.

Paper Comments

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-CBOE-2009-089. 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 Section, 100 F Street, NE., Washington, DC 20549-1090. Copies of the filing will

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

also be available for inspection and copying at the Exchange's principal office. 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-CBOE-2009-089 and should be submitted on or before December 28, 2009.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁷

Florence E. Harmon,

Deputy Secretary.

[FR Doc. E9-28891 Filed 12-3-09; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-61067; File No. SR-NYSE-2009-89]

Self-Regulatory Organizations; New York Stock Exchange LLC; Order Approving a Proposed Rule Change as Modified by Amendment No. 1 To Amend Certain Corporate Governance Requirements

November 25, 2009.

I. Introduction

On August 26, 2009, the New York Stock Exchange LLC ("NYSE" 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 certain of the Exchange's corporate governance requirements for listed companies. NYSE filed Amendment No. 1 to the proposed rule change on September 10, 2009. The proposal was published for comment in the **Federal Register** on September 17, 2009.³ The Commission received two comment letters on the proposal.⁴ This order approves the proposed rule change.

II. Description of the Proposed Rule Change

The Exchange proposes to amend Section 303A of its Listed Company Manual ("Manual"), which comprises the Exchange's corporate governance standards for listed companies, and to eliminate current Section 307.00, regarding related party transactions.⁵ The changes, which would take effect on January 1, 2010, include the following:

A. Corporate Governance Disclosures

1. Disclosures Required by Regulation S-K Under the Act

Section 303A of the Manual currently requires a listed company to disclose the identity of its independent directors, the basis upon which its board may determine that a director is independent, and—if it is a controlled company—any exemptions from the independence requirements upon which it has relied. Disclosures relating to the same aspects of a company's corporate governance are now required by Item 407 of the Commission's Regulation S-K.⁶ The proposal would eliminate each of the Exchange's requirements that is similar to a requirement of Item 407, and incorporate directly into Section 303A the applicable requirement of Item 407.⁷

2. Disclosures Regarding Required Web site Postings

A listed company is required by the NYSE standards to post the charters of its audit, compensation, and nominating/corporate governance committees, its corporate governance guidelines, and its code of business conduct and ethics on the company's Web site, and to state in its proxy statement or annual report that these documents are so posted. The proposal would add that the listed company's Web site address must be included,⁸ but would delete the current requirement for the company to state that the

documents are available in print to any shareholder who requests them.

3. Other Required Disclosures

Section 303A currently also requires various other disclosures to be made in the company's proxy statement or annual report.⁹ The Exchange proposes to allow a company alternatively to make these disclosures on its website.¹⁰ If a company chooses to do so, it would be required to disclose this in its proxy statement or annual report and provide the website address.

Section 303A.11 of the Manual currently requires a foreign private issuer to disclose any significant ways in which its corporate governance practices differ from those required of domestic companies under NYSE listing standards. Under the proposal, a foreign private issuer that is required to file an annual report on Form 20-F with the Commission would be required to include the statement of significant differences in that annual report.

The proposal also would eliminate the requirement in Section 303A.12(a) that a listed company disclose in its annual report (or on Form 10-K if the company does not prepare an annual report to shareholders) that its chief executive officer ("CEO") filed the certification regarding corporate governance required by the Exchange, and that the company complied with Commission certification requirements regarding public disclosure. The Exchange proposes to revise Section 303A.12(b) to provide that the CEO of a listed company must notify the Exchange in writing after any executive officer of the company becomes aware of any non-compliance with Section 303A, as opposed to requiring notification in the event of material non-compliance as provided by the current rule.

B. Transition Periods for Newly-Listed Companies

By way of background, NYSE's rules incorporate by reference Rule 10A-3 under the Act,¹¹ which requires a listed

⁵ The Exchange states that current Section 307 is duplicative of Section 314. Under the proposal, current Section 303A.14 would be re-designated as Section 307.

⁶ 17 CFR 229.407.

⁷ Section 303A also revises the requirements relating to reports by a company's audit and compensation committees that are required by the Commission and are to be included in the company's annual proxy statement or annual report. The proposed rule change would amend these requirements to reference the disclosures required by Item 407.

⁸ The proposal also would reorganize the website posting requirements in the rule text. Further, Section 303A.07 would state expressly that closed-end funds are not subject to the requirement to post their audit committee charters, consistent with current practice.

⁹ These disclosures concern contributions by the listed company to tax exempt organizations; executive sessions of non-management or independent directors; communication with the presiding director or the non-management or independent directors; and simultaneous service of an audit committee member on the audit committees of more than three public companies.

¹⁰ The proposed rule change would further provide that, if a listed company makes a required Section 303A disclosure in its proxy statement or annual report filed with the Commission, it may incorporate such disclosure by reference from another document that is filed with the Commission to the extent permitted by applicable Commission rules.

¹¹ 17 CFR 240.10A-3.

⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 60653 (September 11, 2009), 74 FR 47831 (September 17, 2009), 74 FR 48615 (September 23, 2009) ("Notice").

⁴ See letters to Elizabeth M. Murphy, Secretary, Commission, from Dorothy M. Donohue, Senior Associate Counsel, Investment Company Institute, dated October 8, 2009, and from Davis Polk & Wardwell LLP, dated October 9, 2009 ("Davis Polk Letter").