

SECURITIES AND EXCHANGE COMMISSION

[File No. 1-14625]

Issuer Delisting; Notice of Application of Host Marriott Corporation To Withdraw Its Common Stock, \$.01 Par Value and Purchase Share Rights for Series A Junior Participating Preferred Stock, \$.01 Par Value, From Listing and Registration on the Pacific Exchange, Inc.

March 9, 2006.

On March 3, 2006, Host Marriott Corporation, a Maryland corporation ("Issuer"), filed an application with the Securities and Exchange Commission ("Commission"), pursuant to Section 12(d) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 12d2-2(d) thereunder,² to withdraw its common stock, \$.01 par value, and purchase share rights for series A junior participating preferred stock, \$.01 par value (collectively "Securities"), from listing and registration on the Pacific Exchange, Inc. ("PCX").

The Board of Directors ("Board") approved resolutions on February 9, 2006, to delist the Securities from listing and registration on PCX. The Issuer stated that the following reasons factored into the Board's decision: (i) There is very little activity in the Securities on PCX; (ii) the low trading volume of the Securities on PCX does not justify the expense of continued listing, and such continued listing is considered by the Board to be a misuse of corporate resources; and (iii) the Securities are listed on the New York Stock Exchange, Inc. ("NYSE") and will continue to be listed on NYSE.

The Issuer stated in its application that it has complied with applicable rules of PCX by complying with all applicable laws in effect in the State of Maryland, the state in which it is incorporated, and by providing PCX with the required documents governing the withdrawal of securities from listing and registration on PCX.

The Issuer's application relates solely to the withdrawal of the Securities from listing on PCX and shall not affect their continued listing on NYSE, the Chicago Stock Exchange, Inc. ("CHX"),³ or their obligation to be registered under Section 12(b) of the Act.⁴

Any interested person may, on or before April 3, 2006, comment on the

facts bearing upon whether the application has been made in accordance with the rules of PCX, and what terms, if any, should be imposed by the Commission for the protection of investors. All comment letters may be submitted by either of the following methods:

Electronic Comments

- Send an e-mail to rule-comments@sec.gov. Please include the File Number 1-14625 or;

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 1-14625. This file number should be included on the subject line if e-mail is used. To help us 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/delist.shtml>). Comments are also available for public inspection and copying in the Commission's Public Reference Room. All comments received will be posted without change; we do not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.

The Commission, based on the information submitted to it, will issue an order granting the application after the date mentioned above, unless the Commission determines to order a hearing on the matter.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁵

Nancy M. Morris,

Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-53454; File No. SR-BSE-2006-01]

Self-Regulatory Organizations; Boston Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change and Amendment Nos. 1 and 2 Thereto To Establish Fees for Options on Certain Exchange Traded Funds

March 8, 2006.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on January 4, 2006, the Boston Stock Exchange, Inc. ("BSE" 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 prepared by the BSE. On February 1, 2006, the BSE filed Amendment No. 1 to the proposed rule change.³ On February 6, 2006, the BSE filed Amendment No. 2 to the proposed rule change.⁴ The BSE has designated this proposal as one establishing or changing a due, fee, or other charge imposed by the BSE under Section 19(b)(3)(A)(ii) of the Act,⁵ and Rule 19b-4(f)(2) thereunder,⁶ which renders the proposal effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

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

The Exchange proposes to amend the Fee Schedule of the BOX to establish fees for transactions in options on certain ETFs effected by a broker-dealer through its proprietary accounts. The text of the proposed rule change is below. Proposed new language is in

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Amendment No. 1 was withdrawn on February 2, 2006.

⁴ Amendment No. 2 made changes to the filing to supplement the names of certain of the underlying exchange traded funds ("ETFs") to reflect their full titles as used by their respective sponsors and clarified that (1) the fees will be charged only to Boston Options Exchange ("BOX") Participants, (2) the products in this filing constitute "Fund Shares" as defined in the BOX Rules, and (3) the surcharge fee for trading in options on the products in this filing is equal to the cost charged to BOX by the licensor in the associated licensing agreement. The changes in Amendment No. 2 do not affect the fees for transactions in options on the ETFs covered by this filing.

⁵ 15 U.S.C. 78s(b)(3)(A)(ii).

⁶ 17 CFR 240.19b-4(f)(2).

¹ 15 U.S.C. 78j(d).

² 17 CFR 240.12d2-2(d).

³ The Issuer filed an application with the Commission to withdraw the Securities from listing and registration on CHX on March 3, 2006. Notice of such application will be published separately.

⁴ 15 U.S.C. 78j(b).

⁵ 17 CFR 200.30-3(a)(1).

italics; proposed deletions are in [brackets].

Boston Options Exchange Facility Fee Schedule

[(as of October 2005)]

(as of January 2006)

Sec. 1 No Change.

Sec. 2 Trading Fees Broker Dealer
Proprietary Accounts

Subsections (a) and (b) No Change.

c. Plus, where applicable, any surcharge for options on ETFs that are passed through by BOX. The applicable surcharges are as follows:

(1) \$0.10 per contract for options on the ETF Nasdaq 100 ("QQQQs").

(2) \$0.10 per contract for options on the Standard & Poor's Depository Receipts (SPY).

(3) \$0.10 per contract for options on the iShares Nasdaq Biotechnology Index Fund (IBB).

(4) \$0.10 per contract for options on the iShares Russell 2000 Index Fund (IWM).

(5) \$0.10 per contract for options on the iShares Russell 2000 Growth Index Fund (IWO).

(6) \$0.09 per contract for options on the S&P Energy Select Sector SPDR Fund (XLE).

(7) \$0.09 per contract for options on the S&P Financial Select Sector SPDR Fund (XLF).

Sec. 3-6 No Change.

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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 BSE 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 IV below. The BSE 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

BSE is proposing to amend the BOX's Fee Schedule to establish surcharge fees for certain ETF option transactions effected through broker-dealer proprietary accounts. Currently, BOX assesses a surcharge fee for options on the ETF Nasdaq 100 ("QQQQ") that are effected through broker-dealer

proprietary accounts.⁷ BOX is proposing to establish similar surcharge fees for transactions in options on Standard & Poor's Depository Receipts ("SPY"), the iShares Nasdaq Biotechnology Index Fund ("IBB"), the iShares Russell 2000 Index Fund ("IWM"), the iShares Russell 2000 Growth Index Fund ("IWO"), the S&P Energy Select Sector SPDR Fund ("XLE"), and the S&P Financial Select Sector SPDR Fund ("XLF").⁸ The amount of the surcharge fee will vary, as specified in the Fee Schedule, depending on the ETF, and will range from nine (9) cents to ten (10) cents per contract. The Exchange believes the proposed rule change will further the Exchange's goal of introducing new products to the marketplace that are competitively priced.

The Exchange has entered into a license agreement with each ETF issuer in connection with the listing and trading of options on SPY, IBB, IWM, IWO, XLE, and XLF. As with licensed options on the QQQQ, the Exchange is adopting a surcharge fee for trading in these options to defray the licensing costs.⁹ The Exchange believes that charging the Participants that trade these instruments is the most equitable means of recovering the costs of the license.

⁷ BSE represents that fees will be charged only to BOX Participants. The Commission notes that, pursuant to Section 19(b)(1) of the Act and Rule 19b-4 thereunder, the BSE filed with the Commission a proposed rule change to enact various fees for the BOX facility, including a fee for trades executed via the InterMarket Linkage, which fee was approved on a pilot basis and which is "equivalent to the regular trading fee for Market Maker and broker-dealer accounts on BOX." See Securities Exchange Release Nos. 48787 (November 14, 2003), 68 FR 65477 (November 20, 2003) (SR-BSE-2003-17) (Notice of filing of proposed rule change); 49066 (January 13, 2004), 69 FR 2775 (January 20, 2004) (SR-BSE-2003-17) (Order approving the fee schedule and approving the Linkage fees on a pilot basis until January 31, 2004). Specifically, the Commission notes that, under this pilot program, inbound Principal and Principal as Agent orders sent to BOX via InterMarket Linkage are subject to a \$0.20 per contract fee and, where applicable, BOX passes-through a surcharge for options on certain ETFs. These pilot fees are currently set to expire on July 31, 2006. See Securities Exchange Release Nos. 49300 (February 23, 2004), 69 FR 9655 (March 1, 2004) (SR-BSE-2004-07) (extending the pilot until July 31, 2004); 50124 (July 30, 2004), 69 FR 47963 (August 6, 2004) (SR-BSE-2004-32) (extending the pilot until July 31, 2005); and 52147 (July 28, 2005), 70 FR 44706 (August 3, 2005) (SR-BSE-2005-28) (extending the pilot until July 31, 2006).

⁸ BSE represents that SPY, IBB, IWM, IWO, XLE, and XLF constitute "Fund Shares" as defined in Chapter IV, Section 3(i) of the BOX Rules.

⁹ The surcharge fee for trading in the options listed in Section 2(c) of the BOX Fee Schedule is equal to the cost charged to BOX by the licensor in the associated licensing agreement.

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 BOX Participants and other persons using its facilities.

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

The Exchange has neither solicited nor received comments on the proposed rule change.

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

The foregoing rule change, as amended, has become effective pursuant to Section 19(b)(3)(A) of the Act¹² and Rule 19b-4(f)(2)¹³ thereunder because it establishes or changes a due, fee, or other charge imposed by the Exchange. At any time within 60 days of the filing of such amended proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.¹⁴

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change, as amended, is consistent with the Act. Comments may be submitted by any of the following methods:

¹⁰ 15 U.S.C. 78f(b).

¹¹ 15 U.S.C. 78f(b)(4).

¹² 15 U.S.C. 78s(b)(3)(A).

¹³ 17 CFR 19b-4(f)(2).

¹⁴ The effective date of the original proposed rule is January 4, 2006. The effective date of Amendment No. 2 is February 6, 2006. For purposes of calculating the 60-day period within which the Commission may summarily abrogate the proposed rule change under Section 19(b)(3)(C) of the Act, the Commission considers the period to commence on February 6, 2006, the date on which the BSE submitted Amendment No. 2. See 15 U.S.C. 78s(b)(3)(C).

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 No. SR-BSE-2006-01 on the subject line.

Paper Comments

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, Station Place, 100 F Street, NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-BSE-2006-01. 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. Copies of the filing also will be available for inspection and copying at the principal office of the BSE. 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-2006-01 and should be submitted on or before April 5, 2006.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁵

Nancy M. Morris,
Secretary.

[FR Doc. E6-3697 Filed 3-14-06; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-53449; File No. SR-Phlx-2005-45]

**Self-Regulatory Organizations;
Philadelphia Stock Exchange, Inc.;
Order Approving Proposed Rule
Change and Notice of Filing and Order
Granting Accelerated Approval of
Amendment No. 1 Thereto Relating to
the Automatic Execution of Option
Transactions During Crossed Markets**

March 8, 2006.

I. Introduction

On July 12, 2005, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "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 relating to the automatic execution of options transactions during crossed markets. The proposed rule change was published for comment in the **Federal Register** on July 27, 2005.³ The Exchange filed Amendment No. 1 to this proposal on December 9, 2005.

The Commission received no comments regarding the proposal. This notice and order approve the proposed rule change and solicit comments from interested persons on Amendment No. 1, and approve Amendment No. 1 on an accelerated basis.

II. Description of the Proposal

Currently, Phlx Rule 1080(c)(iv)(A) states that an order otherwise eligible for automatic execution will instead be manually handled by the specialist when the Exchange's disseminated market is crossed or crosses the disseminated market of another options exchange.⁴ The proposed rule change would limit the specialist's manual handling of orders during crossed markets to situations where the market is crossed by more than one minimum trading increment (*i.e.*, 2.10 bid, 2 offer). The proposed rule would provide that an order otherwise eligible for automatic execution would instead be handled manually by the specialist when the Exchange's disseminated market is crossed by more than one minimum

trading increment, or crosses the disseminated market of another options exchange by more than one minimum trading increment. Thus, the effect of the proposal is that orders would be eligible for automatic execution when the Exchange's disseminated market is crossed or crosses another exchange's market by just one minimum trading increment (and where the Exchange's disseminated market is the NBBO).⁵

In Amendment No. 1, the Exchange proposes to amend Phlx Rule 1085, Order Protection, to provide a new exception to liability for the satisfaction of trade-throughs. Specifically, the Exchange proposes to add as a new exception to liability the situation when a trade-through is the result of an automatic execution when the Exchange's disseminated market is the NBBO and is crossed by not more than one minimum trading increment, or crosses the disseminated market of another options exchange by not more than one minimum trading increment.

Lastly, as a housekeeping matter, the Exchange proposes to delete Phlx Rule 1080(c)(iv)(G), a reference to an expired pilot program relating to the disengagement of AUTO-X for "non-Streaming Quote Options."⁶ There are no longer any non-Streaming Quote Options traded on the Exchange; therefore Phlx Rule 1080(c)(iv)(G) is no longer applicable.

III. Discussion

The Commission finds that the proposal is consistent with the requirements of the Act.⁷ In particular, the Commission finds that the proposed rule change furthers the objectives of Section 6(b)(5),⁸ in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, and to remove impediments to and perfect the

⁵ Orders otherwise eligible for automatic execution will instead be handled manually by the specialist when the Exchange's disseminated market is not the NBBO. See Exchange Rule 1080(c)(iv)(E). Therefore, for an order to be eligible for automatic execution during a crossed market, the Exchange's disseminated market must be the NBBO.

⁶ A "non-Streaming Quote Option" was previously defined as an option that is not traded on the Exchange's electronic trading platform for options, "Phlx XL." See Securities Exchange Act Release No. 50100 (July 27, 2004), 69 FR 46612 (August 3, 2004) (SR-hlx-2003-59). All options traded on the Exchange are now traded on Phlx XL.

⁷ In approving this rule, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁸ 15 U.S.C. 78f(b)(5).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Securities Exchange Act Release No. 52082 (July 20, 2005), 70 FR 43493.

⁴ Eligible orders are currently executed automatically on the Exchange during locked markets (*i.e.*, 2 bid, 2 offer). See Securities Exchange Act Release No. 47359 (February 12, 2003), 68 FR 8322 (February 20, 2003) (SR-Phlx-2003-03).

¹⁵ 17 CFR 200.30-3(a)(12).