

Proposed Rule Change by Chicago Stock Exchange
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial <input type="checkbox"/>	Amendment <input checked="" type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) <input checked="" type="checkbox"/>	Section 19(b)(3)(A) <input type="checkbox"/>	Section 19(b)(3)(B) <input type="checkbox"/>
Pilot <input type="checkbox"/>			Rule		
Extension of Time Period for Commission Action <input type="checkbox"/>		Date Expires <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)	

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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Description
Provide a brief description of the proposed rule change (limit 250 characters).

Contact Information
Provide the name, telephone number and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the proposed rule change.

First Name	<input type="text" value="Ellen"/>	Last Name	<input type="text" value="Neely"/>
Title	<input type="text" value="President & General Counsel"/>		
E-mail	<input type="text" value="eneely@chx.com"/>		
Telephone	<input type="text" value="(312) 663-2496"/>	Fax	<input type="text" value="(312) 663-2231"/>

Signature
Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date

By

(Name)

(Title)

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

Form 19b-4 Information

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

Partial Amendment to CHX-2005-06

The Chicago Stock Exchange (the “CHX” or the “Exchange”) seeks to amend the proposed rule text set out in Article VII, Rule 2(a)(1) to (a) confirm that the Exchange may not suspend, on an emergency basis, the access of an associated person that has failed to perform its contracts or is in such financial or operational condition that it cannot be permitted to continue in business with safety to its customers or creditors or otherwise; and (b) modify text that could be read to suggest that an associated person (specifically, someone who is not a participant) can hold a trading permit; The Exchange believes that the first of these changes is appropriate to conform to the requirements of Section 6(d)(3)(B) of the Exchange Act. The Exchange believes that the second of these changes is appropriate to clarify that, in the Exchange’s Rules, that any person who holds a trading permit is an Exchange participant.

Finally, the Exchange seeks to amend this submission to confirm that the Exchange understands that the deletion of the word “material” in this provision will not allow it to take emergency action unless the Exchange believes that the rule violation suggests that a participant is in such financial or operational difficulty that the participant cannot be permitted to continue to do business as a participant with safety to investors, creditors, other participants or the Exchange.

Deleted text is shown with a ~~double strike through~~;
additional text is shown in *bold italics*

ARTICLE VII

* * *

Emergency Suspension

RULE 2. (a) (1) _____ Whenever it shall appear to the Chief Regulatory [Executive] Officer (after such verification and with such opportunity for comment by the Participant as the circumstances reasonably permit) that a Participant or, with respect to paragraph (ii) below, any associated person thereof (i) has failed to perform his or its contracts or is insolvent or is in such financial or operational condition or otherwise conducting his or its business in such a manner that he or it cannot be permitted to continue in business with safety to his or its customers or creditors or to the Exchange, including but not limited to, the reasonable belief that the Participant ~~or any associated person thereof~~ is violating and will continue to violate any [material] provision of the Rules of the Exchange, [or] the federal securities laws (or rules promulgated thereunder) or any condition or restriction imposed pursuant to the provisions of Article XI, Rule 3(d) or Article XI, Rule 8(a) or (ii) has been and is expelled or suspended from any self-regulatory organization or barred or suspended from being associated with a member of any self-regulatory organization, the Chief Regulatory [Executive] Officer may suspend such Participant’s Trading Permit ~~or the Trading Permit of such associated person~~ or limit or prohibit such Participant[’s] or

associated person with respect to access to services offered by the Exchange, and if so suspended or limited or prohibited, prompt notice of such suspension, limitation or prohibition shall be given to all Participants and the written statement described below shall be provided to the person affected by the suspension, limitation or prohibition. Unless the Chief Regulatory [Executive] Officer shall determine after further inquiry that lifting the suspension, limitation or prohibition without further proceedings is appropriate, such suspension, limitation or prohibition shall continue until the Participant's Trading Permit or the access of the associated person ~~or the Trading Permit of such associated person~~ is reinstated or terminated pursuant to the provisions of Rule 3 of this Article or unless otherwise determined pursuant to Rule 2(b) of this Article.

* * *

As a result of these changes, the text of Article VII, Rule 2(a)(1) is replaced in its entirety with the following text:

ARTICLE VII

* * *

Emergency Suspension

RULE 2. (a) (1) _____ Whenever it shall appear to the Chief Regulatory [Executive] Officer (after such verification and with such opportunity for comment by the Participant as the circumstances reasonably permit) that a Participant or, with respect to paragraph (ii) below, any associated person thereof (i) has failed to perform his or its contracts or is insolvent or is in such financial or operational condition or otherwise conducting his or its business in such a manner that he or it cannot be permitted to continue in business with safety to his or its customers or creditors or to the Exchange, including but not limited to, the reasonable belief that the Participant is violating and will continue to violate any [material] provision of the Rules of the Exchange, [or] the federal securities laws (or rules promulgated thereunder) or any condition or restriction imposed pursuant to the provisions of Article XI, Rule 3(d) or Article XI, Rule 8(a) or (ii) has been and is expelled or suspended from any self-regulatory organization or barred or suspended from being associated with a member of any self-regulatory organization, the Chief Regulatory [Executive] Officer may suspend such Participant's Trading Permit or limit or prohibit such Participant[s] or associated person with respect to access to services offered by the Exchange, and if so suspended or limited or prohibited, prompt notice of such suspension, limitation or prohibition shall be given to all Participants and the written statement described below shall be provided to the person affected by the suspension, limitation or prohibition. Unless the Chief Regulatory [Executive] Officer shall determine after further inquiry that lifting the suspension, limitation or prohibition without further proceedings is appropriate, such suspension, limitation or prohibition shall continue until the Participant's Trading Permit or the access of the associated person is reinstated or terminated pursuant to the provisions of Rule 3 of this Article or unless otherwise determined pursuant to Rule 2(b) of this Article.

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