

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information

Add Remove View

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

Add Remove View

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

Add Remove View

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

Add Remove View

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

Add Remove View

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

Add Remove View

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

Add Remove View

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.

Form 19b-4 Information

1. Text of Proposed Rule Change

(a) The Chicago Stock Exchange, Incorporated (the “CHX” or the “Exchange”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² proposes to amend its Schedule of Participant Fees and Assessments (the “Fee Schedule”), effective January 25, 2010, to provide for a cancellation fee for Participants entering and subsequently cancelling orders under certain circumstances.

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1. The text of the proposed change is set out below. New text is underlined and deletions are [bracketed].

PARTICIPANT FEES AND ASSESSMENTS

* * *

E. Transaction and Order Processing Fees

* * *

8. Order Cancellation Fee (Regular Trading Session only)

Effective January 25, 2010:

For all cancellation messages relating to orders in issues priced \$1.00/share or more submitted through a particular Account Symbol to the Matching System during the Regular Trading

\$0.01/order cancellation

¹ 15 U.S.C. 78s(b)(1)

² 17 CFR 240.19b-4

Session where the following ratio exceeds 100:

$$(W-Q)/E$$

“W” equals the number of Wide orders in issues priced \$1.00/share or more submitted in the Regular Trading Session by a Participant in a month. Wide orders are defined as those which are two (2) or more cents inferior to the relevant side of the NBBO (bid for buy orders; offer for sell orders) at the time the order is received by the Matching System.

“Q” equals the number of Quotable provide orders (which must be display-eligible) in issues priced \$1.00/share or more submitted in the Regular Trading Session by a Participant in a month. Quotable provide orders are defined as those which are priced at the relevant side of the NBBO up to (but not including) two (2) cents inferior to the relevant side of the NBBO at the time the order is received by the Matching System.

“E” equals the greater of (a) one (1) or (b) the total number of all provide orders (W and Q) submitted in the Regular Trading Session by a Participant and which are executed, in whole or in part, in the Matching System during the Regular Trading System (excluding cross transactions) in a month.

In addition, cancellations from “Immediate or Cancel” or “Fill or Kill” orders will not be counted towards the number of cancellations resulting in a fee charged to a Participant.

* * *

(b) Not applicable.

(c) Not applicable.

2. Procedures of Self-Regulatory Organization

These changes to the Fee Schedule were approved by the Exchange's Board of Directors on December 10, 2009.

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

(a) Purpose

Through this filing, the Exchange would amend its Fee Schedule, effective January 25, 2010, to impose a charge for order cancellations in issues priced \$1.00 per share or more submitted by Participants whose orders rarely are at or near the National Best Bid or Offering ("NBBO").³ The Exchange believes that the order cancellation fee will either incent Participants to submit orders which are closer to the NBBO or compensate the Exchange for the systems and operational costs and burdens associated with handling and recording orders which rarely execute.

In determining whether the order cancellation fee would be imposed upon a given Participant, the Exchange would utilize a formula which subtracts the number of Quotable or "Q" orders submitted by the Participant in the Regular Trading Session in a particular month from the number of Wide or "W" orders. Q orders are defined as provide orders in issues priced \$1.00 per share or more submitted by the Participant in the Regular Trading Session which are priced at the relevant side of the NBBO up to (but not

³ We are excluding orders and cancellations in issues priced under \$1 per share from this proposal as it does not appear that the activity in those issues gives rise to the same concerns as expressed herein for issues priced at or greater than \$1 per share.

including) two (2) cents inferior to the relevant side of the NBBO (bid for buy orders; offer for sell orders) at the time the order is received by the Matching System.⁴ W orders are defined as those submitted by the Participant in the Regular Trading Session in issues priced \$1.00 per share or more which are two (2) or more cents inferior to the relevant side of the NBBO at the time the order is received by the Matching System.⁵ The difference between these two values is then divided by “E,” which is defined as the greater of (a) one (1) or (b) the number of all provide orders (W and Q) which are submitted and executed (in whole or in part) in the Regular Trading Session (excluding cross transactions) within the Matching System during the calendar month in question by the Participant.⁶ If the remaining value is greater than 100, then the cancellation fee applies to the Participant for that month’s activity and the Participant would be assessed a fee of \$0.01 per order cancellation. If the value is 100 or less, the Participant would not be assessed any fee on its cancellation instructions.

The cancellation fee will be calculated and applied as to the Account Symbols maintained by each clearing Participant. Individual Account Symbols are assigned to each trading account maintained by a clearing Participant. Each clearing Participant which executes orders on the Exchange has at least one Account Symbol, while some

⁴ Provide orders are those which, for some period of time, reside in our Matching System prior to trade execution. They contrast with “take” orders, which interact with orders resting in our book.

⁵ As a result, W order can only be “provide” orders and never “takers” of liquidity residing in our Matching System.

⁶ Cancellations from “Immediate or Cancel” or “Fill or Kill” orders will not be counted towards the number of cancellations resulting in a fee charged to a Participant. In the event that a Participant has no executed provide orders in a month, we assume that E has a value of one (1) in order to avoid a mathematical error in applying the cancellation fee formula.

clearing Participants have multiple account symbols. Multiple accounts can be used by clearing Participants, for example, to segregate the order activity of different clients. Calculating and applying the cancellation fee by the Account Symbols maintained by the clearing Participant provides a more precise way of identifying the conduct and correspondent firms implicated by the proposed fee provisions.

The operation of this formula can be illustrated by the use of some examples. For Example 1, we assume that in a given month, a Participant firm submits 1,000,000 provide orders to our Matching System. Of this amount, 950,000 orders are two (2) cents or more inferior to the prevailing NBBO at the time when the Matching System received them, and would therefore be classified as Wide or W orders. The remaining 50,000 orders were priced at the NBBO or within two (2) cents at the time when the Matching System received them, and would therefore be classified as Quotable or Q orders. Of these 1,000,000 orders, we assume that a total of 10,000 orders are executed in whole or in part during the month.⁷ Finally, we assume that the Participant submits 1,000,000 cancellation instructions for the W and Q orders noted above during the month. Pursuant to the proposed formula, the difference between W and Q (950,000 less 50,000) would be 900,000. Dividing that figure by the number of orders which were executed (E or 10,000) gives us an amount of 90. Since that value is less than 100, no fee would be imposed on the cancellations.

For Example 2, we assume the same facts as above, with the exception that the Participant firm submits a total of 2,000,000 provide orders to our Matching System and

⁷ Since orders may be partially executed, the Participants may receive more trade executions than orders. The Exchange believes that the formula should be based upon the number of orders executed and not the number of trades reported.

1,950,000 of those orders are two (2) cents or more inferior to the prevailing NBBO at the time when the Matching System received them, and would therefore be classified as Wide or W orders. Pursuant to the proposed formula, the difference between W and Q (1,950,000 less 50,000) would be 1,900,000. Dividing that figure by the number of orders which were executed (E or 10,000) gives us an amount of 190. Since that value exceeds 100, a fee would be imposed on the cancellations associated with the orders. Multiplying the number of those cancellations (1,000,000) by the proposed rate would result in a monthly cancellation fee to the Participant of ten thousand dollars (\$10,000).

For the month of December 2009, CHX Participants entered in total 11,293,590 Wide (W) orders and 5,603,173 Quotable (Q) orders, of which 161,420 were executed in whole or in part (the "E" value under the proposal). Of the approximately 11.3 million W-type orders submitted in December, over 7.75 million of them were entered by a single CHX Participant firm. This same firm was responsible for the entry of 7,754,446 cancellation instructions in December, out of a total of 16,629,795 such instructions for all Participant firms, and it would have been assessed a cancellation fee pursuant to the proposal.

The purpose of this charge is to incent high-frequency trading Participants to submit orders which, when quoted, are at or close to the NBBO or, if their behavior remains unchanged, to compensate the Exchange for the processing and electronic storage costs associated with orders which "quote around" the NBBO and rarely execute. Under the proposed formula, the likelihood that the cancellation fee would be imposed increases the greater the number of Wide orders submitted by the Participant. The formula is designed to isolate a pattern of behavior in which a firm submits orders which

are quoted well outside the NBBO and frequently cancels and reenters such order to continuously stay outside the NBBO.⁸ Firms which submit a small number of Wide orders or which also submit a relatively significant number of Quotable orders are less likely to be impacted by the proposed fee. In addition, the likelihood that the cancellation fee will be assessed diminishes as the number of provide orders actually executed (E) increases.

The Exchange believes that there is relatively little benefit added to the national market system by the behavior impacted by the proposed cancellation fee. The processing of such orders and the associated cancellation instructions has the potential to impact our systems capacity and does result in increased order and market data storage costs. Because Wide orders are infrequently executed (which normally generates trading fee revenue for the Exchange), such orders are more expensive on a relative basis for the Exchange to receive and process. Moreover the presence of Wide orders in our book can make it more difficult to execute other, Reg NMS trade-through exempt orders, due to our normal price-time order priority provisions. By discouraging the frequent use of Wide orders, the Exchange believes that such trade-through exempt transactions can be more readily executed.

The Exchange proposes to implement the cancellation charge effective January 25, 2010. The formula by which the cancellation fee is derived shall be calculated for the

⁸ Although the Exchange is not privy to the trading strategies of the firms submitting large numbers of orders well outside the NBBO, it appears that they are hoping to benefit from Intermarket Sweep Order (“ISO”) satisfaction orders sent to the Exchange pursuant to the requirements of Regulation NMS when a trade through occurs on another trading center and the Wide orders are at the CHX BBO. Since the sending of ISO satisfaction orders is not required for non-Regular Trading Session activity, we are excluding such activity from the proposed fee.

remaining trading days in January and billed after the end of the month, and thereafter calculated for the entire month and billed after the end of that month.

(b) Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act⁹ in general, and furthers the objectives of Section 6(b)(4) of the Act¹⁰ in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among its members. Among other things, the Exchange believes that the cancellation fee described herein should help address the operational costs and burdens associated with the processing and storage of orders well outside the NBBO.

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

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

5. 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.

6. Extension of the Time Period for Commission Action

Not applicable.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

The proposed rule change is to take effect pursuant to Section 19(b)(3)(A)(ii) of the Act¹¹ and subparagraph (f)(2) of Rule 19b-4 thereunder¹² because it establishes or

⁹ 15 U.S.C. 78f.

¹⁰ 15 U.S.C. 78f(b)(4)

¹¹ 15 U.S.C. 78s(b)(3)(A)(ii)

changes a due, fee or other charge applicable only to a member imposed by the self-regulatory organization.

8. Proposed Rule Change Based on Rule of Another Self-Regulatory Organization or of the Commission

Not applicable.

9. Exhibits

Exhibit 1: The completed notice of the proposed rule change for publication in the Federal Register.

Exhibits 2-5: Not applicable.

¹² 17 CFR 240.19b-4(f)(2)

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-____; File No. SR-CHX-2010-02]
SELF-REGULATORY ORGANIZATIONS

Proposed Change by The Chicago Stock Exchange, Inc. to Implement a Cancellation Fee

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 January 13, 2010, the Chicago Stock Exchange, Inc. (“CHX” or “Exchange”) 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 Exchange. CHX has filed the proposal pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(2) thereunder,⁴ which renders the proposal effective upon filing with the Commission. 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 CHX proposes to amend its Schedule of Participant Fees and Assessments (the “Fee Schedule”), effective January 25, 2010, to implement a cancellation fee for Participants entering and subsequently cancelling orders under certain circumstances. The text of this proposed rule change is available on the Exchange’s website at

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(2).

http://www.chx.com/rules/proposed_rules.htm and in the Commission's Public Reference Room, 100 F Street, N.E., Washington, DC 20549.

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 CHX included statements concerning the purpose of and basis for the proposed rule changes and discussed any comments it received regarding the proposal. The text of these statements may be examined at the places specified in Item IV below. The CHX 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 Changes

1. Purpose

Through this filing, the Exchange would amend its Fee Schedule, effective January 25, 2010, to impose a charge for order cancellations in issues priced \$1.00 per share or more submitted by Participants whose orders rarely are at or near the National Best Bid or Offering ("NBBO").⁵ The Exchange believes that the order cancellation fee will either incent Participants to submit orders which are closer to the NBBO or compensate the Exchange for the systems and operational costs and burdens associated with handling and recording orders which rarely execute.

In determining whether the order cancellation fee would be imposed upon a given Participant, the Exchange would utilize a formula which subtracts the number of Quotable or "Q" orders submitted by the Participant in the Regular Trading Session in a

⁵ We are excluding orders and cancellations in issues priced under \$1 per share from this proposal as it does not appear that the activity in those issues gives rise to the same concerns as expressed herein for issues priced at or greater than \$1 per share.

particular month from the number of Wide or “W” orders. Q orders are defined as provide orders in issues priced \$1.00 per share or more submitted by the Participant in the Regular Trading Session which are priced at the relevant side of the NBBO up to (but not including) two (2) cents inferior to the relevant side of the NBBO (bid for buy orders; offer for sell orders) at the time the order is received by the Matching System.⁶ W orders are defined as those submitted by the Participant in the Regular Trading Session in issues priced \$1.00 per share or more which are two (2) or more cents inferior to the relevant side of the NBBO at the time the order is received by the Matching System.⁷ The difference between these two values is then divided by “E,” which is defined as the greater of (a) one (1) or (b) the number of all provide orders (W and Q) which are submitted and executed (in whole or in part) in the Regular Trading Session (excluding cross transactions) within the Matching System during the calendar month in question by the Participant.⁸ If the remaining value is greater than 100, then the cancellation fee applies to the Participant for that month’s activity and the Participant would be assessed a fee of \$0.01 per order cancellation. If the value is 100 or less, the Participant would not be assessed any fee on its cancellation instructions.

⁶ Provide orders are those which, for some period of time, reside in our Matching System prior to trade execution. They contrast with “take” orders, which interact with orders resting in our book.

⁷ As a result, W order can only be “provide” orders and never “takers” of liquidity residing in our Matching System.

⁸ Cancellations from “Immediate or Cancel” or “Fill or Kill” orders will not be counted towards the number of cancellations resulting in a fee charged to a Participant. In the event that a Participant has no executed provide orders in a month, we assume that E has a value of one (1) in order to avoid a mathematical error in applying the cancellation fee formula.

The cancellation fee will be calculated and applied as to the Account Symbols maintained by each clearing Participant. Individual Account Symbols are assigned to each trading account maintained by a clearing Participant. Each clearing Participant which executes orders on the Exchange has at least one Account Symbol, while some clearing Participants have multiple account symbols. Multiple accounts can be used by clearing Participants, for example, to segregate the order activity of different clients. Calculating and applying the cancellation fee by the Account Symbols maintained by the clearing Participant provides a more precise way of identifying the conduct and correspondent firms implicated by the proposed fee provisions.

The operation of this formula can be illustrated by the use of some examples. For Example 1, we assume that in a given month, a Participant firm submits 1,000,000 provide orders to our Matching System. Of this amount, 950,000 orders are two (2) cents or more inferior to the prevailing NBBO at the time when the Matching System received them, and would therefore be classified as Wide or W orders. The remaining 50,000 orders were priced at the NBBO or within two (2) cents at the time when the Matching System received them, and would therefore be classified as Quotable or Q orders. Of these 1,000,000 orders, we assume that a total of 10,000 orders are executed in whole or in part during the month.⁹ Finally, we assume that the Participant submits 1,000,000 cancellation instructions for the W and Q orders noted above during the month. Pursuant to the proposed formula, the difference between W and Q (950,000 less 50,000) would be 900,000. Dividing that figure by the number of orders which were executed (E or

⁹ Since orders may be partially executed, the Participants may receive more trade executions than orders. The Exchange believes that the formula should be based upon the number of orders executed and not the number of trades reported.

10,000) gives us an amount of 90. Since that value is less than 100, no fee would be imposed on the cancellations.

For Example 2, we assume the same facts as above, with the exception that the Participant firm submits a total of 2,000,000 provide orders to our Matching System and 1,950,000 of those orders are two (2) cents or more inferior to the prevailing NBBO at the time when the Matching System received them, and would therefore be classified as Wide or W orders. Pursuant to the proposed formula, the difference between W and Q (1,950,000 less 50,000) would be 1,900,000. Dividing that figure by the number of orders which were executed (E or 10,000) gives us an amount of 190. Since that value exceeds 100, a fee would be imposed on the cancellations associated with the orders. Multiplying the number of those cancellations (1,000,000) by the proposed rate would result in a monthly cancellation fee to the Participant of ten thousand dollars (\$10,000).

For the month of December 2009, CHX Participants entered in total 11,293,590 Wide (W) orders and 5,603,173 Quotable (Q) orders, of which 161,420 were executed in whole or in part (the "E" value under the proposal). Of the approximately 11.3 million W-type orders submitted in December, over 7.75 million of them were entered by a single CHX Participant firm. This same firm was responsible for the entry of 7,754,446 cancellation instructions in December, out of a total of 16,629,795 such instructions for all Participant firms, and it would have been assessed a cancellation fee pursuant to the proposal.

The purpose of this charge is to incent high-frequency trading Participants to submit orders which, when quoted, are at or close to the NBBO or, if their behavior remains unchanged, to compensate the Exchange for the processing and electronic

storage costs associated with orders which “quote around” the NBBO and rarely execute. Under the proposed formula, the likelihood that the cancellation fee would be imposed increases the greater the number of Wide orders submitted by the Participant. The formula is designed to isolate a pattern of behavior in which a firm submits orders which are quoted well outside the NBBO and frequently cancels and reenters such order to continuously stay outside the NBBO.¹⁰ Firms which submit a small number of Wide orders or which also submit a relatively significant number of Quotable orders are less likely to be impacted by the proposed fee. In addition, the likelihood that the cancellation fee will be assessed diminishes as the number of provide orders actually executed (E) increases.

The Exchange believes that there is relatively little benefit added to the national market system by the behavior impacted by the proposed cancellation fee. The processing of such orders and the associated cancellation instructions has the potential to impact our systems capacity and does result in increased order and market data storage costs. Because Wide orders are infrequently executed (which normally generates trading fee revenue for the Exchange), such orders are more expensive on a relative basis for the Exchange to receive and process. Moreover the presence of Wide orders in our book can make it more difficult to execute other, Reg NMS trade-through exempt orders, due to our normal price-time order priority provisions. By discouraging the frequent use of

¹⁰ Although the Exchange is not privy to the trading strategies of the firms submitting large numbers of orders well outside the NBBO, it appears that they are hoping to benefit from Intermarket Sweep Order (“ISO”) satisfaction orders sent to the Exchange pursuant to the requirements of Regulation NMS when a trade through occurs on another trading center and the Wide orders are at the CHX BBO. Since the sending of ISO satisfaction orders is not required for non-Regular Trading Session activity, we are excluding such activity from the proposed fee.

Wide orders, the Exchange believes that such trade-through exempt transactions can be more readily executed.

The Exchange proposes to implement the cancellation charge effective January 25, 2010. The formula by which the cancellation fee is derived shall be calculated for the remaining trading days in January and billed after the end of the month, and thereafter calculated for the entire month and billed after the end of that month.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act¹¹ in general, and furthers the objectives of Section 6(b)(4) of the Act¹² in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among its members. Among other things, the Exchange believes that the cancellation fee described herein should help address the operational costs and burdens associated with the processing and storage of orders well outside the NBBO.

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 Regarding the Proposed Rule Changes Received from Members, Participants or Others

No written comments were either solicited or received.

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

¹¹ 15 U.S.C. 78f.

¹² 15 U.S.C. 78f(b)(4)

The foregoing rule change has become effective pursuant to Section 19(B)(3)(A)(ii) of the Act¹³ and subparagraph (f)(2) of Rule 19b-4 thereunder¹⁴ because it establishes or changes a due, fee, or other charge applicable only to a member imposed by the self-regulatory organization. Accordingly, the proposal is effective upon Commission receipt of the filing. At any time within 60 days of the filing of such 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 purpose of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposal 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 No. SR-CHX-2010-02 on the subject line.

Paper Comments:

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

¹³ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁴ 17 CFR 240.19b-4(f)(2).

All submissions should refer to File No. SR-CHX-2010-02. 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 changes 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, N.E., Washington, DC 20549. Copies of such filing will also be available for inspection and copying at the principal office of the 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 No. SR-CHX-2010-02 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁵

Florence E. Harmon
Deputy Secretary

¹⁵ 17 CFR 200.30-3(a)(12).