

away market routing fee. Currently the fee is set at \$0.10 per executed contract or share equivalent. The Exchange is proposing to reduce the fee to \$0.05 per executed contract or share equivalent effective March 1, 2011.

The second purpose of this proposed rule change is to extend the waiver of the PULSe Routing Intermediary fee. Currently the Exchange has waived the Routing Intermediary fee through March 31, 2011. The Exchange is proposing to extend this waiver through June 30, 2011. Thus this fee will be assessed beginning July 1, 2011.

## 2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Act,<sup>6</sup> in general, and furthers the objectives of Section 6(b)(4) of the Act,<sup>7</sup> in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among C2 Permit Holders in that the same fees and fee waivers are applicable to all Permit Holders that use the PULSe workstation.

### 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 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.

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

The proposed rule change is designated by the Exchange as establishing or changing a due, fee, or other charge, thereby qualifying for effectiveness on filing pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>8</sup> and subparagraph (f)(2) of Rule 19b-4<sup>9</sup> thereunder.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend 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.

## 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](mailto:rule-comments@sec.gov). Please include File Number SR-C2-2011-009 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-C2-2011-009. 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 Web site viewing and printing 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-C2-2011-009 and should be submitted on or before March 30, 2011.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>10</sup>

Cathy H. Ahn,  
Deputy Secretary.

[FR Doc. 2011-5278 Filed 3-8-11; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-64022; File No. SR-MSRB-2011-02]

### Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing and Immediate Effectiveness of Rule Change Consisting of Amendments to MSRB Rule A-3, on Membership on the Board

March 3, 2011.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on February 18, 2011, the Municipal Securities Rulemaking Board ("Board" or "MSRB") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the MSRB. The MSRB has filed the proposal as a "non-controversial" rule change pursuant to Section 19(b)(3)(A)(iii),<sup>3</sup> and Rule 19b-4(f)(6) thereunder,<sup>4</sup> 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 MSRB is filing with the SEC a proposed rule change consisting of amendments to MSRB Rule A-3, on membership on the Board.

The text of the proposed rule change is available on the MSRB's Web site at <http://www.msrb.org/Rules-and-Interpretations/SEC-Filings/2011-Filings.aspx>, at the MSRB'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 MSRB included statements concerning

<sup>6</sup> 15 U.S.C. 78f(b).

<sup>7</sup> 15 U.S.C. 78f(b)(4).

<sup>8</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>9</sup> 17 CFR 240.19b-4(f)(2).

<sup>10</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>4</sup> 17 CFR 240.19b-4(f)(6).

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 Board 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 purpose of the proposed rule change is to make changes to MSRB Rule A-3(i) as are necessary and appropriate to retain a 21 member Board of Directors, including 11 public members and 10 regulated representatives, consistent with current MSRB transitional Rule A-3(i) and the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Public Law 111-203, 124 Stat. 1376 (2010) (the "Dodd-Frank Act").<sup>5</sup> Transitional Rule A-3(i), adopted on September 30, 2010 to comply with the Board composition requirements of Section 975 of the Dodd-Frank Act, established a two-year transition period for achieving a permanent Board structure under the new composition requirements of the Dodd-Frank Act and envisioned a series of further amendments to the rule during the transition period in furtherance thereof. The transitional period commenced on October 1, 2010 and concludes on September 30, 2012. The proposed rule change consists of amendments to MSRB Rule A-3(i) to provide for a three-year term for the class of five Board members—two public and three representing MSRB regulated entities—who will commence service on October 1, 2011. The amendments to Rule A-3(i) provide that the next class of Board members will consist of two public members and three members representing any category of regulated entity, including broker-dealers, bank dealers, and municipal advisors. The rule change further provides that the new class of five members of the Board of Directors will serve a three-year term.

The rule would state explicitly that five new members would be elected to the Board of Directors, although implicit in the rule, since five Board members are retiring as of September 30, 2010, and the MSRB must maintain a Board of Directors of 21 members during the transitional period. Further, the rule

would state explicitly that two of the five new members would be public directors and three would be representative of MSRB regulated entities. While also implicit in Rule A-3(i), the rule change would make clear that the three industry positions may be filled by representatives of broker-dealers, bank dealers or municipal advisors, since the retiring industry members are representative of broker-dealers or bank dealers. Finally, the rule change would provide that the new class of five directors would have a three-year term. While the directors have historically served three-year terms, the most recent Board class, elected at the start of the transitional period, was elected for a two-year term.

Thus, this proposed rule change is intended to establish a three-year term for the five new Board members who will commence service on October 1, 2011, consistent with Section 15B(b)(1) of the Securities Exchange Act of 1934 and prior Board practice. The proposed rule change would amend MSRB Rule A-3(i) in order to provide for the election of a new five member class for a three-year term commencing on October 1, 2011. Of the five new members, two would be members of the public and three would be regulated representatives who are representative of and associated with brokers, dealers, municipal securities dealers or municipal advisors.

**2. Statutory Basis**

The MSRB has adopted the proposed rule change pursuant to Section 15B(b)(2)(B)<sup>6</sup> of the Act, which provides that the MSRB's rules shall:

establish fair procedures for the nomination and election of members of the Board and assure fair representation in such nominations and elections of public representatives, broker dealer representatives, bank representatives, and advisor representatives.

The MSRB believes that the proposed rule change is consistent with the Act, as amended by the Dodd-Frank Act, in that it would provide for the maintenance of a 21 member Board with a majority of public members and have fair representation of broker-dealers, bank dealers, and municipal advisors, consistent with MSRB Rule A-3(i) as approved by the SEC.

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

The MSRB 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, since it is solely concerned with the administration of the MSRB and, in any event, provides for fair representation on the Board of public representatives, broker dealer representatives, bank dealer representatives and municipal advisor representatives.

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

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

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

The MSRB represented that the proposed rule change qualifies for immediate effectiveness pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>7</sup> because it: (i) Does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) does not become operative for 30 days after filing or such shorter time as the Commission may designate consistent with the protection of investors and the public interest.<sup>8</sup> The MSRB provided the required written notice of its intention to file the proposed rule change to the Commission on February 10, 2011, and the proposed rule change will become operative on April 1, 2011, which is more than 30 days after the filing of the proposed rule change.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend 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.<sup>9</sup>

**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:

<sup>7</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>8</sup> In addition, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission.

<sup>9</sup> See Section 19(b)(3)(C) of the Act, 15 U.S.C. 78s(b)(3)(C).

<sup>5</sup> See Exchange Act Release No. 63025 (Sep. 30, 2010), 75 FR 61806 (Oct. 6, 2010).

<sup>6</sup> 15 U.S.C. 78o-4(b)(2)(B)

*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](mailto:rule-comments@sec.gov). Please include File Number SR-MSRB-2011-02 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-MSRB-2011-02. 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 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 website viewing and printing 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 MSRB's offices. 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-MSRB-2011-02 and should be submitted on or before March 30, 2011.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>10</sup>

**Cathy H. Ahn,**

*Deputy Secretary.*

[FR Doc. 2011-5279 Filed 3-8-11; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-64032; File No. SR-NASDAQ-2011-029]

### Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Modify the Minor Rules Violation Plan of the Nasdaq Options Market With Respect to Standardized Options

March 4, 2011.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on February 18, 2011, The NASDAQ Stock Market LLC ("NASDAQ" 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 NASDAQ. 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 the Substance of the Proposed Rule Change

NASDAQ proposes to modify the Minor Rules Violation Plan with respect to standardized options as set forth in Chapter X, Section 7 of the Nasdaq Options Market ("NOM") rules.

The text of the proposed rule change is available at <http://nasdaq.cchwallstreet.com/>, at NASDAQ's principal office, on the Commission's Web site at <http://www.sec.gov>, 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, NASDAQ 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. NASDAQ 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 Minor Rules Violation Plan ("MRVP") fosters compliance with applicable rules and also helps to reduce the number and extent of rule violations committed by Options Participants and associated persons. The MRVP is particularly useful in reducing both the number and extent of rule violations because the text of the rule, located at Chapter X, Section 7, enables staff to promptly impose a limited but meaningful financial penalty soon after the violations are detected. The prompt imposition of a financial penalty helps to quickly educate and improve the conduct of Options Participants and associated persons that have engaged in inadvertent or otherwise minor violations of the Exchange's rules, particularly those parties who may not pay attention to mere warnings that they are violating Exchange rules. By promptly imposing a meaningful financial penalty for such violations, the MRVP focuses on correcting conduct before it gives rise to more serious enforcement action.

The Exchange believes its proposal places the Exchange on par with all other options exchanges. Currently, all options exchanges have entered into a plan pursuant to Rule 17d-2 of the Act (the "Plan") to agree to allocate regulatory responsibility for certain rules common to all options exchanges. Adding the proposed rules to the Exchange's minor rule plan promotes consistency with the minor rule violations plans of the other exchanges, particularly with respect to rule [sic] that are classified as common rules pursuant to the Plan.

In light of recent amendments to Exchange rules, the Exchange is proposing to make amendments to the MRVP as described in greater detail below. While the MRVP will continue to be used for inadvertent and occasional rule violations, serious violations of Exchange rules will continue to be addressed through formal enforcement action.<sup>3</sup>

#### LOPR Reporting and Position Limit Violations

Proposed new subsection (d) of Chapter X, Section 7 will govern minor violations of the rules regarding Large Option Position Report ("LOPR") Reporting and Position Limits as set forth in Chapter III, Sections 7-10. This

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19-b4.

<sup>3</sup> See Exchange Section 9200 Series Rules.

<sup>10</sup> 17 CFR 200.30-3(a)(12).