

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>12</sup>

**Florence E. Harmon,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-63405; File No. SR-NSX-2010-15]

### Self-Regulatory Organizations; National Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Effectuate an Amendment to Bylaws of NSX Holdings, Inc.

December 1, 2010.

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 November 19, 2010, National Stock Exchange, Inc. filed with the Securities and Exchange Commission ("Commission") the proposed rule change, as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comment on the proposed rule change from interested persons.

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

National Stock Exchange, Inc. ("NSX" or "Exchange") is proposing to effectuate an amendment to the bylaws of its parent holding company, NSX Holdings, Inc., to extend the expiration date, from December 31, 2010 to December 31, 2015, of a right of first refusal in the bylaws covering the transfer of Holdings shares.

The text of the proposed rule change is available on the Exchange's Web site at <http://www.nsx.com>, at the principal office of the Exchange, 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 Exchange 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 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 Statutory Basis for, the Proposed Rule Change

##### 1. Purpose

With this rule change, the Exchange is proposing to effectuate an amendment to the bylaws of its parent holding company, NSX Holdings, Inc. ("Holdings"), to extend the expiration date of a right of first refusal regarding the transfer of Holdings shares from December 31, 2010 until December 31, 2015.

Holdings is the sole stockholder of the Exchange. Holdings is a privately-held company and there is no public market for its shares. Pursuant to section 9.6 of Holdings' bylaws, shares of Holdings may not be sold, transferred, assigned, pledged or otherwise disposed of without complying with transfer restrictions contained in Holdings' charter and bylaws. The bylaws generally provide that stockholders may not transfer less than 1,000 shares in any one transfer, unless the stockholder is transferring all of the Holdings shares it owns. The bylaws also grant Holdings a right of first refusal to acquire shares a stockholder intends to sell or transfer. This right of first refusal does not apply (a) if the transferee is an affiliate of the transferor, (b) if the transferee is already a stockholder of Holdings, (c) if the transfer is by bequest, operation of law or judicial decree upon the death, legal disability, bankruptcy, or divorce/annulment/dissolution of marriage of a stockholder, or (d) after December 31, 2010.<sup>3</sup>

On October 6, 2010, the Holdings Board of Directors approved, subject to any required Securities and Exchange Commission ("Commission") approval, an amendment to Holdings' bylaws to extend the expiration date for the right of first refusal referenced above from December 31, 2010 until December 31, 2015. Accordingly, the instant rule filing proposes to effectuate an amendment to Holdings' bylaws that

<sup>3</sup> Shares of Holdings have not been registered under the Securities Act of 1933 or any state securities laws. As a result, they may be transferred only pursuant to an effective registration statement, or upon delivery to Holdings of an opinion of counsel that the transfer is exempt from such registration requirements and the delivery of documentation necessary to demonstrate that the transfer is exempt. Stockholders who wish to sell or transfer shares, or who have questions concerning sale or transfer restrictions, are encouraged to consult their legal counsel.

would extend the right of first refusal until December 31, 2015.

##### 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6(b) of the Act,<sup>4</sup> in general, and Section 6(b)(4) of the Act,<sup>5</sup> in particular, in that it is designed, among other things, to promote clarity, transparency and full disclosure, in so doing, to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Moreover, the proposed rule change is not discriminatory in that it affects only the rights of Holdings shareholders; qualification of, and trading privileges resulting from, ETP Holder status is unrelated to and independent of a person's or entity's status as a Holdings shareholder.

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

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

#### 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 written comments on the proposed rule change.

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

The proposed rule change will not be operative until 30 days after the date of filing (or such shorter time as the Commission may designate) pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>6</sup> and subparagraph (f)(6) of Rule 19b-4<sup>7</sup> thereunder, because the proposal is "non-controversial" and: (1) Does not significantly affect the protection of investors or the public interest; (2) does not impose any significant burden on competition; and (3) does not become operative for 30 days from the date of filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest; *provided* that the self-regulatory organization has given the

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

<sup>5</sup> 15 U.S.C. 78f(b)(4).

<sup>6</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>7</sup> 17 CFR 240.19b-4.

<sup>12</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.

Commission written notice of its intent to file the proposed rule change at least five business days prior to the filing date of the proposed rule change.<sup>8</sup> Pursuant to Rule 19b-4(f)(6)(iii) under the Act,<sup>9</sup> the Commission may designate a shorter time period if such action is consistent with the protection of investors and the public interest. At any time within sixty (60) days of the filing of such 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 No. SR-NSX-2010-15 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-NSX-2010-15. 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. Copies of such filing also will be available for inspection and copying at the principal office of the NSX. 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-NSX-2010-15 and should be submitted by December 29, 2010.

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

**Florence E. Harmon,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-63416; File No. SR-BX-2010-083]

### Self-Regulatory Organizations; NASDAQ OMX BX, Inc.; Notice of Filing of Proposed Rule Change Relating to The Price Improvement Period To Permit an Initiating Participant To Designate a PIP Surrender Quantity

December 2, 2010.

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 November 24, 2010, NASDAQ OMX BX, Inc. (the "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule from interested persons.

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

The Exchange proposes to amend Chapter V, Section 18 (The Price Improvement Period ("PIP")) of the Rules of the Boston Options Exchange Group, LLC ("BOX") to permit an Options Participant initiating a PIP to designate a PIP Surrender Quantity. The text of the proposed rule change is available from the principal office of the Exchange, on the Exchange's Web site at <http://nasdaqomxbx.cchwallstreet.com/>

<http://www.sec.gov/>, at the Commission's Public Reference Room, and on the Commission's Web site at <http://www.sec.gov/>.

#### 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 these statements may be examined at the places specified in Item IV below. The self-regulatory organization 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 proposed rule change will amend Chapter V, Section 18 (The Price Improvement Period ("PIP")) of the BOX Rules to permit an Options Participant initiating a PIP ("Initiating Participant"), at its option, to designate a lower amount for which it will retain certain priority and trade allocation privileges upon the conclusion of the PIP auction than the forty percent (40%) of the PIP Order to which the Initiating Participant is entitled as set forth in Chapter V, Sections 18(f)(i) and (f)(ii) of the BOX Rules. In certain instances, Chapter V, Sections 18(f)(i) and (f)(ii) of the BOX Rules allow an Initiating Participant to retain priority and trade allocation privileges for 40% of the size of a PIP Order upon conclusion of the PIP. This proposal will permit an Initiating Participant, when starting a PIP, to submit the Primary Improvement Order to BOX with a designation to identify the total size of the PIP Order that the Initiating Participant is willing to "surrender" to other PIP Participants ("PIP Surrender Quantity"), resulting in the Initiating Participant potentially being allocated less than the forty percent (40%) to which it may be entitled. For example, when an Initiating Participant submits a PIP Order and a Primary Improvement Order for 100 contracts and a PIP Surrender Quantity of 70 contracts, the Initiating Participant is designating that it is willing to surrender seventy percent (70%) of the PIP Order to other PIP Participants. Therefore, the Initiating Participant is only retaining priority to thirty percent (30%) of the PIP Order,

<sup>8</sup> As required under Rule 19b-4(f)(6)(iii), NSX provided the Commission with written notice of its intent to file the proposed rule change at least five business days prior to the filing date.

<sup>9</sup> 17 CFR 19b-4(f)(6)(iii).

<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.