

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 10:00 a.m. and 3:00 p.m. Copies of the 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-NSX-2012-05 and should be submitted on or before May 31, 2012.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁴

Kevin M. O'Neill,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-66928; File Nos. SR-NYSE-2011-55; SR-NYSEAmex-2011-84]

Self-Regulatory Organizations; New York Stock Exchange LLC; NYSE Amex LLC; Notice of Designation of Longer Period for Commission Action on Proceedings To Determine Whether To Disapprove Proposed Rule Changes, as Modified by Amendments Nos. 1 and 2, Adopting NYSE Rule 107C To Establish a Retail Liquidity Program for NYSE-Listed Securities on a Pilot Basis Until 12 Months From Implementation Date, and Adopting NYSE Amex Rule 107C To Establish a Retail Liquidity Program for NYSE Amex Equities Traded Securities on a Pilot Basis Until 12 Months From Implementation Date

May 4, 2012.

On October 19, 2011, New York Stock Exchange LLC ("NYSE") and NYSE Amex LLC ("NYSE Amex") and together with NYSE, the "Exchanges" each filed with the Securities and Exchange Commission ("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 to establish a Retail Liquidity Program ("Program") on a pilot basis for a period of one year from the date of implementation, if approved. The proposed rule changes were published for comment in the **Federal Register** on November 9, 2011.³

The Commission received 28 comments on the NYSE proposal⁴ and

four comments on the NYSE Amex proposal.⁵ On December 19, 2011, the Commission extended the time for Commission action on the proposed rule changes until February 7, 2012.⁶ In connection with the proposals, the Exchanges requested exemptive relief from Rule 612(c) of Regulation NMS,⁷ which prohibits a national securities exchange from accepting or ranking certain orders based on an increment smaller than the minimum pricing increment.⁸ The Exchanges submitted a consolidated response letter on January 3, 2012.⁹ On January 17, 2012, the Exchanges each filed Partial Amendment No. 1 to their proposals.¹⁰

CFA Institute, dated November 30, 2011 ("CFA Letter I"); David Green, Bright Trading, dated November 30, 2011 ("Green Letter"); Robert Bright, Chief Executive Officer, and Dennis Dick, CFA, Market Structure Consultant, Bright Trading LLC, dated November 30, 2011 ("Bright Trading Letter"); Bodil Jelsness, dated November 30, 2011 ("Jelsness Letter"); Christopher Nagy, Managing Director, Order Routing and Market Data Strategy, TD Ameritrade, dated November 30, 2011 ("TD Ameritrade Letter"); Laura Kenney, dated November 30, 2011 ("Kenney Letter"); Suhas Daftuar, Hudson River Trading LLC, dated November 30, 2011 ("Hudson River Trading Letter"); Bosier Parsons, Bright Trading LLC, dated November 30, 2011 ("Parsons Letter"); Mike Stewart, Head of Global Equities, UBS, dated November 30, 2011 ("UBS Letter"); Dr. Larry Padén, Bright Trading, dated December 1, 2011 ("Padén Letter"); Thomas Dercks, dated December 1, 2011 ("Dercks Letter"); Eric Swanson, Secretary, BATS Global Markets, Inc., dated December 6, 2011 ("BATS Letter"); Ann Vlcek, Director and Associate General Counsel, Securities Industry and Financial Markets Association, dated December 7, 2011 ("SIFMA Letter I"); and Al Patten, dated December 29, 2011 ("Patten Letter").

⁵ See Knight Letter I; CFA Letter I; TD Ameritrade Letter; and letter to the Commission from Shannon Jennwein, dated November 30, 2011 ("Jennwein Letter").

⁶ See Securities Exchange Act Release No. 66003, 76 FR 80445 (December 23, 2011).

⁷ 17 CFR 242.612(c).

⁸ See Letter from Janet M. McGinness, Senior Vice President-Legal and Corporate Secretary, Office of the General Counsel, NYSE Euronext to Elizabeth M. Murphy, Secretary, Commission, dated October 19, 2011. The Exchanges amended the exemptive relief request on January 13, 2012. See Letter from Janet M. McGinness, Senior Vice President-Legal and Corporate Secretary, Office of the General Counsel, NYSE Euronext to Elizabeth M. Murphy, Secretary, Commission, dated January 13, 2012.

⁹ See Letter to the Commission from Janet McGinness, Senior Vice President, Legal & Corporate Secretary, Legal & Government Affairs, NYSE Euronext, dated January 3, 2012 ("Exchanges' Response Letter I").

¹⁰ In Amendment No. 1, the Exchanges propose to modify the proposals as follows: (1) To state that Retail Member Organizations may receive free executions for their retail orders and the fees and credits for liquidity providers and Retail Member Organizations would be determined based on experience with the Retail Liquidity Program in the first several months; (2) to correct a typographical error referring to the amount of minimum price improvement on a 500 share order; (3) to indicate the Retail Liquidity Identifier would be initially available on each Exchange's proprietary data feeds, and would be later available on the public market

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release Nos. 65671 (November 2, 2011), 76 FR 69774 (SR-NYSE Amex-2011-84); and 65672 (November 2, 2011), 76 FR 69788 (SR-NYSE-2011-55).

⁴ See Letters to the Commission from Sal Arnuk, Joe Saluzzi and Paul Zajac, Themis Trading LLC, dated October 17, 2011 ("Themis Letter"); Garret Cook, dated November 4, 2011 ("Cook Letter"); James Johannes, dated November 27, 2011 ("Johannes Letter"); Ken Voorhies, dated November 28, 2011 ("Voorhies Letter"); William Wuepper, dated November 28, 2011 ("Wuepper Letter"); A. Joseph, dated November 28, 2011 ("Joseph Letter"); Leonard Amoroso, General Counsel, Knight Capital, Inc., dated November 28, 2011 ("Knight Letter I"); Kevin Basic, dated November 28, 2011 ("Basic Letter"); J. Fournier, dated November 28, 2011 ("Fournier Letter"); Ullrich Fischer, CTO, PairCo, dated November 28, 2011 ("PairCo Letter"); James Angel, Associate Professor of Finance, McDonough School of Business, Georgetown University, dated November 28, 2011 ("Angel Letter"); Jordan Wollin, dated November 29, 2011 ("Wollin Letter"); Aaron Schafter, President, Great Mountain Capital Management LLC, dated November 29, 2011 ("Great Mountain Capital Letter"); Wayne Koch, Trader, Bright Trading, dated November 29, 2011 ("Koch Letter"); Kurt Schact, CFA, Managing Director, and James Allen, CFA, Head, Capital Markets Policy,

¹⁴ 17 CFR 200.30-3(a)(12).

On February 7, 2012, the Commission instituted proceedings to determine whether to disapprove the proposed rule changes, as modified by Amendments No. 1.¹¹ On February 16, 2012, the Exchanges each filed Partial Amendment No. 2 to their proposals, which the Commission published for comment in the **Federal Register** on March 1, 2012 (“Notice of Partial Amendment No. 2”).¹² In response to the Order Instituting Proceedings and the Notice of Partial Amendment No. 2, the Commission received four additional comment letters on the proposals.¹³ On March 20, 2012, the Exchanges submitted a consolidated rebuttal letter in response to the Order Instituting Proceedings.¹⁴ Additionally, on April 10, 2012, the Exchanges submitted a consolidated response to the comments concerning Partial Amendments No. 2.¹⁵

Section 19(b)(2) of the Act¹⁶ provides that, after initiating disapproval proceedings, the Commission shall issue an order approving or disapproving the proposed rule changes not later than 180 days after the date of publication of notice of their filing. The Commission may extend the period for issuing an order approving or disapproving the proposed rule changes, however, by up to 60 days if the Commission determines that a longer period is appropriate and publishes the reasons for such determination. In this case, the proposed rule changes were published for notice and comment in the **Federal Register** on November 9, 2011; May 7,

2012, is 180 days from that date, and July 6, 2012, is 240 days from that date.

The Commission finds it appropriate to designate a longer period within which to issue an order approving or disapproving the proposed rule changes so that it has sufficient time to consider the Program and the issues that commenters have raised concerning the Program. Specifically, as the Commission noted in the Order Instituting Proceedings, the Program raises several notable issues, including whether the Program is consistent with the Sub-Penny Rule and with the Quote Rule. The Commission’s resolution of these issues could have an impact on overall market structure. As a result, the Commission continues to consider whether the proposed rule changes are consistent with these particular Regulation NMS Rules and with the Act.

Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,¹⁷ designates July 6, 2012, as the date by which the Commission shall either approve or disapprove the proposed rule changes (File Nos. SR–NYSE–2011–55 and SR–NYSEAmex–2011–84).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁸

Kevin M. O’Neill,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–66927; File No. SR–MSRB–2011–09]

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Order Approving Proposed Rule Change, as Modified by Amendment No. 2, Consisting of Interpretive Notice Concerning the Application of MSRB Rule G–17 to Underwriters of Municipal Securities

May 4, 2012.

I. Introduction

On August 22, 2011, the Municipal Securities Rulemaking Board (“MSRB” or “Board”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Exchange Act” or “Act”)¹ and Rule 19b–4 thereunder,² a proposed rule

change consisting of an interpretive notice concerning the application of MSRB Rule G–17 (Conduct of Municipal Securities and Municipal Advisory Activities) to underwriters of municipal securities (“Interpretive Notice”). The proposed rule change was published for comment in the **Federal Register** on September 9, 2011.³ The Commission received five comment letters on the proposed rule change.⁴ On October 11, 2011, the MSRB extended the time period for Commission action to December 7, 2011. On November 3, 2011, the MSRB filed Amendment No. 1 to the proposed rule change. On November 10, 2011, the MSRB withdrew Amendment No. 1, responded to comments,⁵ and filed Amendment No. 2 to the proposed rule change. The proposed rule change, as modified by Amendment No. 2, was published for comment in the **Federal Register** on November 21, 2011.⁶ The Commission received eight comment letters on the proposed rule change, as modified by Amendment No. 2, and a second response from the MSRB.⁷ On December 6, 2011, the MSRB extended the time period for Commission action to

³ See Securities Exchange Act Release No. 65263 (September 6, 2011), 76 FR 55989 (“Original Notice of Filing”).

⁴ See letters from Joy A. Howard, Principal, WM Financial Strategies, dated September 30, 2011 (“WM Letter I”); Mike Nicholas, Chief Executive Officer, Bond Dealers of America, dated September 30, 2010 (“BDA Letter I”); Colette J. Irwin-Knott, CIPFA, President, National Association of Independent Public Finance Advisors, dated September 30, 2011 (“NAIPFA Letter I”); Leslie M. Norwood, Managing Director and Associate General Counsel, Securities Industry and Financial Markets Association, dated September 30, 2011 (“SIFMA Letter I”); and Susan Gaffney, Director, Federal Liaison Center, Government Finance Officers Association, dated October 3, 2011 (“GFOA Letter I”).

⁵ See letter from Margaret C. Henry, General Counsel, Market Regulation, MSRB, dated November 10, 2011 (“Response Letter I”).

⁶ See Securities Exchange Act Release No. 65749 (November 15, 2011), 76 FR 72013 (“Amended Notice of Filing”).

⁷ See letters from Colette J. Irwin-Knott, CIPFA, President, National Association of Independent Public Finance Advisors, dated November 30, 2011 (“NAIPFA Letter II”); E. John White, Chief Executive Officer, Public Financial Management, Inc., dated November 30, 2011 (“PFM Letter I”); Leslie M. Norwood, Managing Director and Associate General Counsel, Securities Industry and Financial Markets Association, dated November 30, 2011 (“SIFMA Letter II”); Joy A. Howard, Principal, WM Financial Strategies, dated November 30, 2011 (“WM Letter II”); Michael Nicholas, CEO, Bond Dealers of America, dated December 1, 2011 (“BDA Letter II”); Susan Gaffney, Director, Federal Liaison Center, Government Finance Officers Association, dated December 1, 2011 (“GFOA Letter II”); Robert Doty, AGFS, dated December 1, 2011 (“AGFS Letter”); and Peter C. Orr, CFA, President, Intuitive Analytics LLC, dated December 7, 2011 (“IA Letter”). See letter from Margaret C. Henry, General Counsel, Market Regulation, MSRB, dated December 7, 2011 (“Response Letter II”).

data stream; and (4) to limit the Retail Liquidity Program to securities that trade at prices equal to or greater than \$1 per share.

¹¹ See Securities Exchange Act Release No. 66346, 77 FR 7628 (February 13, 2012) (“Order Instituting Proceedings”).

¹² See Securities Exchange Act Release No. 66464 (February 24, 2012), 77 FR 12629.

¹³ See Letters to the Commission from Leonard Amoruso, General Counsel, Knight Capital, Inc., dated March 7, 2012 (“Knight Letter II”); Kurt Schact, CFA, Managing Director, Rhodri Preece, CFA, Director, Capital Markets Policy, and James Allen, CFA, Head, Capital Markets Policy, CFA Institute, dated March 21, 2012 (“CFA Letter II”); Ann Vlcek, Director and Associate General Counsel, Securities Industry and Financial Markets Association, dated March 23, 2012 (“SIFMA Letter II”); and Jim Toes, President and CEO, and Jennifer Green Setzenfand, Chairman, Security Traders Association, dated April 26, 2012.

¹⁴ See Letter to the Commission from Janet McGinnis, Senior Vice President, Legal & Corporate Secretary, Legal & Government Affairs, NYSE Euronext, dated March 20, 2012 (“Exchanges’ Response Letter II”).

¹⁵ See Letter to the Commission from Janet McGinnis, Senior Vice President, Legal & Corporate Secretary, Legal & Government Affairs, NYSE Euronext, dated April 10, 2012 (“Exchanges’ Response Letter III”).

¹⁶ 15 U.S.C. 78s(b)(2).

¹⁷ 15 U.S.C. 78s(b)(2).

¹⁸ 17 CFR 200.30–3(a)(57).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.