

subscribers equally based on the number of ports subscribed. The proposed fees will cover the costs associated with separately offering the service, responding to customer requests, configuring Exchange systems, programming to user specifications, and administering the service, among other things, and may provide the Exchange with a profit to the extent costs are covered.

The Exchange also believes that the proposed rule change is consistent with the provisions of Section 6(b)(5) of the Act<sup>9</sup> because it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, and to remove impediments to and perfect the mechanism of a free and open market and a national market system. PRM is designed to assist member firms in avoiding entry of erroneous orders by screening out those that exceed pre-determined limits, which otherwise may harm both the member firm and the quality of the markets. As such, PRM is an important compliance tool that members may use to help maintain the regulatory integrity of the markets.

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

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.

#### *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.

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

Because the foregoing proposed rule change does not significantly affect the protection of investors or the public interest, does not impose any significant burden on competition, and, by its terms, does not become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>10</sup> and Rule 19b-4(f)(6) thereunder.<sup>11</sup>

The Exchange has requested that the Commission waive the 30-day operative delay. The Commission believes that waiver of the operative delay is consistent with the protection of investors and the public interest. Such a waiver will allow the Exchange to offer the PRM service, which a member may use as a tool that could assist compliance with certain regulatory obligations and enhance market integrity, as soon as possible. Accordingly, the Commission designates the proposal operative upon filing.<sup>12</sup>

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-Phlx-2011-115 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-Phlx-2011-115. 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

Commission written notice of the Exchange's intent to file the proposed rule change, along with a brief description and text of 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. The Exchange has satisfied this requirement.

<sup>12</sup> For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

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 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-Phlx-2011-115 and should be submitted on or before September 16, 2011.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>13</sup>

**Elizabeth M. Murphy,**  
Secretary.

[FR Doc. 2011-21852 Filed 8-25-11; 8:45 am]

**BILLING CODE 8011-01-P**

## **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-65177; File No. SR-BX-2011-058]

### **Self-Regulatory Organizations; NASDAQ OMX BX, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Extending the Pilot Period for BOX To Receive Inbound Routes of Orders From NOS**

August 19, 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 August 15, 2011, 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 Exchange. The Commission is publishing this notice to solicit

<sup>9</sup> 15 U.S.C. 78f(b)(5).

<sup>10</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>11</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires the Exchange to give the

<sup>13</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.

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 Exchange submits this proposed rule change to extend the pilot period of the Exchange's prior approval for the Boston Options Exchange ("BOX") to accept inbound routes by NASDAQ Options Services, LLC ("NOS") of Nasdaq Options Market ("NOM") Exchange Direct Orders without checking the NOM book and 2) [sic] NOM non-System securities, including Exchange Direct Orders.<sup>3</sup>

### **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 aspects of such statements.

#### *A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change*

##### **1. Purpose**

Currently, NOS is the approved outbound routing facility of the NASDAQ Stock Market (the "NASDAQ Exchange") for NOM, providing outbound routing from NOM to other market centers.<sup>4</sup> The Exchange and the

NASDAQ Exchange have previously adopted rules to permit BOX to receive inbound routes of certain option orders, specifically (1) Exchange Direct Orders without checking the NOM book prior to routing, and (2) NOM non-system securities, by NOS on a pilot basis.<sup>5</sup> The Exchange specifically has adopted a rule to prevent potential information advantages resulting from the affiliation between BOX and NOS, as related to NOS's authority to route orders from NOM to BOX.<sup>6</sup> NOS's authority to route these orders to BOX is subject to a pilot period ending on August 16, 2011.<sup>7</sup> The Exchange hereby seeks to extend the previously approved pilot period (with the attendant obligations and conditions) to permit BOX to accept inbound routes of (1) exchange Direct Orders without checking the NOM book and (2) NOM non-System securities, including Exchange Direct Orders that NOS routes from NOM for an additional 30 days, through September 15, 2011. The Exchange is also seeking permanent approval of the BOX and NOS inbound routing relationship.<sup>8</sup>

##### **2. Statutory Basis**

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,<sup>9</sup> in general, and with Section 6(b)(5) of the Act,<sup>10</sup> in particular, in that the proposal is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, 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. Specifically, the proposed rule change would permit inbound routing of certain orders from NOM to BOX through NOS in a manner consistent with prior approvals and established protections. The Exchange believes that extending the previously approved pilot period for thirty days is a sufficient length to permit both the Exchange and the Commission to assess the impact of the Exchange's authority to permit BOX to receive direct inbound routes of certain option orders via NOS (including the attendant obligations and conditions), while the Commission evaluates the pending proposal to make the pilot permanent.<sup>11</sup>

#### *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 not necessary or appropriate in furtherance of the 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 either solicited or received.

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

Because the foregoing proposed rule change does not significantly affect the protection of investors or the public interest, does not impose any significant burden on competition, and, by its terms, does not become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>12</sup> and Rule 19b-4(f)(6) thereunder.<sup>13</sup>

The Exchange has requested that the Commission waive the 30-day operative delay. The Exchange believes that the proposed rule change does not significantly affect the protection of investors or the public interest because it seeks to extend for a limited period a currently operating pilot program so as

<sup>3</sup> Pursuant to chapter VI, Section 1(b) of the NOM Rules, "System Securities" are all options that are currently trading on NOM pursuant to chapter IV of the NOM rules. All other options are "Non-System Securities." Pursuant to chapter VI, Section 1(e)(7) of the NOM Rules, Exchange Direct Orders are orders that route directly to other Options Markets on an immediate-or-cancel basis without checking the NOM book for liquidity.

<sup>4</sup> NOM Rule chapter VI, Section 11(c). Under NOM Rule chapter VI, Section 11(c): (1) NOM routes orders in options via NOS, which serves as the sole "routing facility" of NOM; (2) the sole function of the routing facility is to route orders in options to away markets pursuant to NOM rules, solely on behalf of NOM; (3) NOS is a member of an unaffiliated self-regulatory organization, which is the designated examining authority for the broker-dealer; (4) the routing facility is subject to regulation as a facility of the NASDAQ Exchange, including the requirement to file proposed rule changes under Section 19 of the Act; (5) use of NOS to route order to other market centers is optional; (6) NOM must establish and maintain procedures and internal controls reasonably designed to adequately restrict the flow of confidential and

proprietary information between the NASDAQ Exchange and its facilities (including the routing facility), and any other entity; and (7) the books, records, premises, officers, directors, agents, and employees of the routing facility, as a facility of the NASDAQ Exchange, shall be subject at all times to inspection and copying by the NASDAQ Exchange and the Commission.

<sup>5</sup> See Securities Exchange Act Release Nos. 60349 (July 20, 2009), 74 FR 37071 (July 27, 2009) (SR-BX-2009-035); 60354 (July 21, 2009), 74 FR 37074 (July 27, 2009) (SR-NASDAQ-2009-065); 62555 (July 22, 2010), 75 FR 44835 (July 29, 2010) (SR-BX-2010-051); 63364 (November 23, 2010), 75 FR 74121 (November 30, 2010) (SR-BX-2010-078); 64530 (May 20, 2011), 76 FR 30746 (May 26, 2011) (SR-BX-2011-027).

<sup>6</sup> See chapter XXXIX, Section 2(c) of the Grandfathered Rules of the Exchange.

<sup>7</sup> See Securities Exchange Act Release No. 64530 (May 20, 2011), 76 FR 30746 (May 26, 2011) (SR-BX-2011-027).

<sup>8</sup> See Securities Exchange Act Release No. 64896 (July 15, 2011), 76 FR 30476 (July 21, 2011) (SR-BX-2011-045).

<sup>9</sup> 15 U.S.C. 78f.

<sup>10</sup> 15 U.S.C. 78f(b)(5).

<sup>11</sup> See supra at note 8.

<sup>12</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>13</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires the Exchange to give the Commission written notice of the Exchange's intent to file the proposed rule change, along with a brief description and text of 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. The Exchange has satisfied this requirement.

to allow the Exchange and Commission to assess whether to make the pilot permanent in accordance with its attendant obligations and conditions.<sup>14</sup> The Commission believes that waiver of the operative delay is consistent with the protection of investors and the public interest because such waiver would allow the pilot period to be extended without undue delay through September 15, 2011 while the Exchange's proposal to make the pilot permanent is under consideration. Therefore, the Commission designates the proposal operative upon filing.<sup>15</sup>

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-BX-2011-058 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-BX-2011-058. 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 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-BX-2011-058 and should be submitted on or before September 16, 2011.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>16</sup>

Elizabeth M. Murphy,

Secretary.

[FR Doc. 2011-21857 Filed 8-25-11; 8:45 am]

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#### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-65185; File No. SR-NYSEArca-2011-61]

#### **Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of Proposed Rule Change Amending NYSE Arca Equities Rule 7.45(c)(2) To Make Permanent the Pilot Program That Permits the Exchange To Accept Inbound Orders Routed by Archipelago Securities LLC in Its Capacity as a Facility of Affiliated Exchanges and To Clarify the Text of NYSE Arca Equities Rule 7.45(c)(1)(B) to More Accurately Reflect the Regulatory Services Agreement Between the Exchange and the Financial Industry Regulatory Authority**

August 22, 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 August 18, 2011, NYSE Arca, Inc. ("NYSE Arca" or the "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 the Exchange. 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 Exchange proposes to amend NYSE Arca Equities Rule 7.45(c)(2) to make permanent the pilot program that permits the Exchange to accept inbound orders routed by Archipelago Securities LLC ("Arca Securities") in its capacity as a facility of affiliated exchanges (with the attendant obligations and conditions) and to clarify the text of NYSE Arca Equities Rule 7.45(c)(1)(B) to more accurately reflect the regulatory services agreement ("RSA") between the Exchange and the Financial Industry Regulatory Authority ("FINRA"). The text of the proposed rule change is available at the Exchange, at the Exchange's Web site at <http://www.nyse.com>, at the Commission's Public Reference Room, and at 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 those 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**

The Exchange proposes to amend NYSE Arca Equities Rule 7.45(c)(2) to make permanent the pilot program that permits the Exchange to accept inbound orders routed by Arca Securities in its capacity as a facility of affiliated exchanges (with the attendant obligations and conditions) and to clarify the text of NYSE Arca Equities Rule 7.45(c)(1)(B) to more accurately reflect the RSA between the Exchange and FINRA.<sup>3</sup>

<sup>3</sup> The change to the rule text to more accurately reflect the RSA between the Exchange and FINRA

Continued

<sup>14</sup> See SR-BX-2011-058, Item 7.

<sup>15</sup> For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>16</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.