

- The Exchange shall enter into a plan pursuant to Rule 17d-2 under the Exchange Act with a non-affiliated self-regulatory organization ("SRO") to relieve the Exchange of regulatory responsibilities for BATS Trading with respect to rules that are common rules between the Exchange and the non-affiliated SRO, and enter into a regulatory contract ("Regulatory Contract") with a non-affiliated SRO to perform regulatory responsibilities for BATS Trading for unique Exchange rules.

- The Regulatory Contract shall require the Exchange to provide the non-affiliated SRO with information, in an easily accessible manner, regarding all exception reports, alerts, complaints, trading errors, cancellations, investigations, and enforcement matters (collectively "Exceptions") in which BATS Trading is identified as a participant that has potentially violated Exchange or Commission Rules, and shall require that the non-affiliated SRO provide a report, at least quarterly, to the Exchange quantifying all Exceptions in which BATS Trading is identified as a participant that has potentially violated Exchange or Commission Rules.

- The Exchange, on behalf of the Corporation, shall establish and maintain procedures and internal controls reasonably designed to ensure that BATS Trading does not develop or implement changes to its system on the basis of non-public information regarding planned changes to Exchange systems, obtained as a result of its affiliation with the Exchange, until such information is available generally to similarly situated member organizations of the Exchange in connection with the provision of inbound order routing to the Exchange.

- The Exchange may furnish to BATS Trading the same information on the same terms that the Exchange makes available in the normal course of business to any other member organization.

The Exchange believes that by meeting the above-listed conditions it has set up mechanisms that protect the independence of the Exchange's regulatory responsibility with respect to BATS Trading, and has demonstrated that BATS Trading cannot use any information that it may have because of its affiliation with the Exchange to its advantage.<sup>15</sup>

In the past, the Commission has expressed concern that the affiliation of an exchange with one of its members raises potential conflicts of interest, and

the potential for unfair competitive advantage.<sup>16</sup> Although the Commission continues to be concerned about potential unfair competition and conflicts of interest between an exchange's self-regulatory obligations and its commercial interest when the exchange is affiliated with one of its members, for the reasons discussed below, the Commission believes that it is consistent with the Act to permit BATS Trading, in its capacity as a facility of BATS-Y, to provide inbound routing to the Exchange on a permanent basis instead of a pilot basis, subject to the other conditions described above.

The Exchange has proposed four ongoing conditions applicable to BATS Trading's inbound routing activities in its capacity as a facility of BATS-Y, which are enumerated above. The Commission believes that these conditions mitigate its concerns about potential conflicts of interest and unfair competitive advantage. In particular, the Commission believes that a non-affiliated SRO's oversight of BATS Trading,<sup>17</sup> combined with a non-affiliated SRO's monitoring of BATS Trading's compliance with the Exchange's rules and quarterly reporting to the Exchange, will help to protect the independence of the Exchange's regulatory responsibilities with respect to BATS Trading.

## V. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>18</sup> that the proposed rule change (SR-BATS-2012-013) be, and hereby is, approved.

<sup>16</sup> See, e.g., Securities Exchange Act Release Nos. 54170 (July 18, 2006), 71 FR 42149 (July 25, 2006) (SR-NASDAQ-2006-006) (order approving Nasdaq's proposal to adopt Nasdaq Rule 2140, restricting affiliations between Nasdaq and its members); 53382 (February 27, 2006), 71 FR 11251 (March 6, 2006) (SR-NYSE-2005-77) (order approving the combination of the New York Stock Exchange, Inc. and Archipelago Holdings, Inc.); 58673 (September 29, 2008), 73 FR 57707 (October 8, 2008) (SR-Amex-2008-62) (order approving the combination of NYSE Euronext and the American Stock Exchange LLC); 59135 (December 22, 2008), 73 FR 79954 (December 30, 2008) (SR-ISE-2009-85) (order approving the purchase by ISE Holdings of an ownership interest in DirectEdge Holdings LLC); and 59281 (January 22, 2009), 74 FR 5014 (January 28, 2009) (SR-NYSE-2008-120) (order approving a joint venture between NYSE and BIDS Holdings L.P.).

<sup>17</sup> This oversight will be accomplished through a 17d-2 Agreement. See Inbound Router Notice, 75 FR at 57097.

<sup>18</sup> 15 U.S.C. 78s(b)(2).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>19</sup>

Kevin M. O'Neill,

Deputy Secretary.

[FR Doc. 2012-9342 Filed 4-17-12; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-66789; File No. SR-ISE-2012-30]

### Self-Regulatory Organizations; International Securities Exchange, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Increasing Certain Rebates and Taker Fees for Complex Orders in Options on the SPDR® S&P500® ETF Trust

April 12, 2012.

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 April 10, 2012, the International Securities Exchange, LLC (the "Exchange" or the "ISE") filed with the Securities and Exchange Commission (the "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 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 ISE proposes to increase certain rebates and taker fees for complex orders in options on the SPDR® S&P500® ETF Trust ("SPY"). The text of the proposed rule change is available on the Exchange's Web site (<http://www.ise.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 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.

<sup>19</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>15</sup> See *id.*

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 Exchange currently assesses per contract transaction charges and credits to market participants that add or remove liquidity from the Exchange ("maker/taker fees") in a number of options classes (the "Select Symbols").<sup>3</sup> The Exchange's maker/taker fees are applicable to regular and complex orders executed in the Select Symbols. The maker/taker fees for complex orders in the Select Symbols also apply to all symbols that are in the Penny Pilot program.<sup>4</sup> The Exchange also currently assesses maker/taker fees for complex orders in symbols that are in the Penny Pilot program but are not a Select Symbol ("Non-Select Penny Pilot Symbols")<sup>5</sup> and for complex orders in all symbols that are not in the Penny Pilot Program ("Non-Penny Pilot Symbols").<sup>6</sup> Maker/taker fees (and rebates) for complex orders are assessed on the following order-type categories: ISE Market Maker,<sup>7</sup> Market Maker Plus,<sup>8</sup>

<sup>3</sup> Options classes subject to maker/taker fees are identified by their ticker symbol on the Exchange's Schedule of Fees.

<sup>4</sup> See Exchange Act Release Nos. 65021 (August 3, 2011), 76 FR 48933 (August 9, 2011) (SR-ISE-2011-45); and 65550 (October 13, 2011), 76 FR 64984 (October 19, 2011) (SR-ISE-2011-65).

<sup>5</sup> See Exchange Act Release No. 65724 (November 10, 2011), 76 FR 71413 (November 17, 2011) (SR-ISE-2011-72).

<sup>6</sup> See Exchange Act Release Nos. 66084 (January 3, 2012), 77 FR 1103 (January 9, 2012) (SR-ISE-2011-84); and 66392 (February 14, 2012), 77 FR 10016 (February 21, 2012) (SR-ISE-2012-06).

<sup>7</sup> The term "Market Makers" refers to "Competitive Market Makers" and "Primary Market Makers" collectively. See ISE Rule 100(a)(25).

<sup>8</sup> A Market Maker Plus is an ISE Market Maker who is on the National Best Bid or National Best Offer 80% of the time for series trading between \$0.03 and \$5.00 (for options whose underlying stock's previous trading day's last sale price was less than or equal to \$100) and between \$0.10 and \$5.00 (for options whose underlying stock's previous trading day's last sale price was greater than \$100) in premium in each of the front two expiration months and 80% of the time for series trading between \$0.03 and \$5.00 (for options whose underlying stock's previous trading day's last sale price was less than or equal to \$100) and between \$0.10 and \$5.00 (for options whose underlying stock's previous trading day's last sale price was greater than \$100) in premium across all expiration months in order to receive the rebate. The Exchange determines whether a Market Maker qualifies as a Market Maker Plus at the end of each month by looking back at each Market Maker's quoting statistics during that month. If at the end of the month, a Market Maker meets the Exchange's stated criteria, the Exchange rebates \$0.10 per contract for transactions executed by that Market Maker during

Firm Proprietary, Customer (Professional)<sup>9</sup>, Non-ISE Market Maker<sup>10</sup>, and Priority Customer.<sup>11</sup> The Exchange is proposing to increase certain rebate amounts and taker fees for complex orders in options on only one Select Symbol—SPY—as follows.

In the Select Symbols, the Exchange currently provides a base rebate of \$0.32 per contract, per leg, for Priority Customer complex orders when these orders trade with non-Priority Customer complex orders in the complex orderbook. Additionally, Members can earn a higher rebate amount by achieving certain average daily volume (ADV) thresholds on a month-to-month basis. In order to enhance the Exchange's competitive position and to incentivize Members to increase the amount of Priority Customer complex orders for options on SPY that they send to the Exchange, the Exchange is proposing to increase the base amount of the rebate for options on SPY to \$0.33 per contract. Additionally, the Exchange is proposing to increase the amount of that rebate even further, on a month-by-month and Member-by-Member basis, if such Member achieves a certain ADV of Priority Customer complex order contracts executed during the calendar month, as follows: If the Member achieves an ADV of 75,000 Priority Customer complex order contracts, the rebate amount for such SPY option contracts shall be \$0.34 (currently \$0.33) per contract per leg; if the Member achieves an ADV of 125,000 Priority Customer complex order contracts, the rebate amount for such SPY option contracts shall be \$0.35 (currently \$0.34) per contract per leg. The highest SPY rebate amount achieved by the Member for the current calendar month shall apply retroactively to all Priority Customer complex order SPY contracts that trade with non-Priority Customer complex orders in the complex orderbook executed by the Member during such calendar month.

Further, the Exchange currently provides a rebate of \$0.06 per contract, per leg, for Priority Customer complex

that month. The Exchange provides Market Makers a report on a daily basis with quoting statistics so that Market Makers can determine whether or not they are meeting the Exchange's stated criteria.

<sup>9</sup> A Customer (Professional) is a person who is not a broker/dealer and is not a Priority Customer.

<sup>10</sup> A Non-ISE Market Maker, or Far Away Market Maker ("FARMM"), is a market maker as defined in Section 3(a)(38) of the Act, registered in the same options class on another options exchange.

<sup>11</sup> A Priority Customer is defined in ISE Rule 100(a)(37A) as a person or entity that is not a broker/dealer in securities, and does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s).

orders when these orders trade against quotes or orders in the regular orderbook. In order to enhance the Exchange's competitive position and to incentivize Members to increase the amount of Priority Customer complex orders for options on SPY that they send to the Exchange, the Exchange is proposing to increase the rebate to \$0.07 per contract, per leg, for Priority Customer complex orders for options on SPY, regardless of size, when these orders trade against quotes or orders in the regular orderbook.

Finally, for complex orders in the Select Symbols (including SPY), the Exchange currently charges a "taker" fee of: (i) \$0.34 Per contract for ISE Market Maker, Market Maker Plus, Firm Proprietary and Customer (Professional) orders; and (ii) \$0.38 per contract for Non-ISE Market Maker orders. Priority Customer orders are not charged a "taker" fee for complex orders in the Select Symbols. The Exchange now proposes to increase the "taker" fee for complex orders in SPY to (i) \$0.35 per contract for ISE Market Maker, Market Maker Plus, Firm Proprietary and Customer (Professional) orders; and (ii) \$0.39 for Non-ISE Market Maker orders. The Exchange is not proposing to change the "maker" fees in SPY.

Additionally, ISE Market Makers who remove liquidity in SPY from the complex order book by trading with Priority Customer orders that are preferenced to them are currently charged \$0.32 per contract. The Exchange now proposes to increase to \$0.33 per contract the amount charged to ISE Market Makers who remove liquidity in SPY from the complex order book by trading with Priority Customer orders that are preferenced to them.

Since the rate changes to the Schedule of Fees pursuant to this proposal will be effective upon filing, for the transactions occurring in April 2012 prior to the effective date of this filing members will be assessed the rates in effect immediately prior to those proposed by this filing. For transactions occurring in April 2012 on and after the effective date of this filing, members will be assessed the rates proposed by this filing.

2. Statutory Basis

The Exchange believes that its proposal to amend its Schedule of Fees is consistent with Section 6(b) of the Act<sup>12</sup> in general, and furthers the objectives of Section 6(b)(4) of the Act<sup>13</sup> in particular, in that it is an equitable allocation of reasonable dues, fees and

<sup>12</sup> 15 U.S.C. 78f(b).

<sup>13</sup> 15 U.S.C. 78f(b)(4).

other charges among Exchange members and other persons using its facilities. The impact of the proposal upon the net fees paid by a particular market participant will depend on a number of variables, most important of which will be its propensity to interact with and respond to certain types of orders.

The Exchange believes that it is reasonable and equitable to provide rebates for Priority Customer complex orders when these orders trade with Non-Priority Customer complex orders in the complex order book because paying a rebate would continue to attract additional order flow to the Exchange and create liquidity in the symbols that are subject to the rebate, which the Exchange believes ultimately will benefit all market participants who trade on ISE. The Exchange already provides these types of rebates, and is now merely proposing to increase the rebate amount with respect to the SPY product only. The Exchange believes that the proposed rebates are competitive with rebates provided by other exchanges and are therefore reasonable and equitably allocated to those members that direct orders to the Exchange rather than to a competing exchange.

The Exchange also believes that it is reasonable and equitable to provide rebates for Priority Customer complex orders when these orders trade against quotes or orders in the regular orderbook because paying a rebate, in those instances, would also attract additional order flow to the Exchange.

The Exchange believes that its proposal to increase to \$0.35 per contract (from \$0.34 per contract) the "taker" fee for ISE Market Maker, Market Maker Plus, Firm Proprietary and Customer (Professional) orders, and to increase to \$0.39 per contract (from \$0.38 per contract) for Non-ISE Market Maker orders, in SPY is reasonable because the fee is within the range of fees assessed by other exchanges employing similar pricing schemes and in some cases, is lower than the fees assessed by other exchanges. In addition, the Exchange believes that charging Non-ISE Market Maker orders a higher rate than the fee charged to ISE Market Maker, Market Maker Plus, Firm Proprietary and Customer (Professional) orders is appropriate and not unfairly discriminatory because Non-ISE Market Makers are not subject to many of the non-transaction based fees that these other categories of membership are subject to, e.g., membership fees, access fees, API/Session fees, market data fees, etc. Therefore, it is appropriate and not unfairly discriminatory to assess a higher transaction fee on Non-ISE

Market Makers because the Exchange incurs costs associated with these types of orders that are not recovered by non-transaction based fees paid by members.

The complex order pricing employed by the Exchange has proven to be an effective pricing mechanism and attractive to Exchange participants and their customers. The Exchange believes that increasing its complex order rebates will attract additional complex order business.

The Exchange further believes that the Exchange's complex order rebates and its maker/taker fees are not unfairly discriminatory because those structures are consistent with fee structures that exist today at other options exchanges. Additionally, the Exchange believes that the proposed fees and rebates are fair, equitable and not unfairly discriminatory because the proposed fees and rebates are consistent with price differentiation that exists today at other option exchanges. The Exchange operates in a highly competitive market in which market participants can readily direct order flow to another exchange if they deem fee levels at a particular exchange to be excessive. With this proposed rebate change, the Exchange believes it remains an attractive venue for market participants to trade complex orders.

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

The proposed rule change does not 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 on the Proposed Rule Change Received From Members, Participants, or Others*

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any unsolicited written comments from members or other interested parties.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.<sup>14</sup> At any time within 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. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

#### **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 email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-ISE-2012-30 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-ISE-2012-30. This file number should be included on the subject line if email 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-ISE-2012-30 and should be submitted on or before May 9, 2012.

<sup>14</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

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

**Kevin M. O'Neill,**  
Deputy Secretary.

[FR Doc. 2012-9282 Filed 4-17-12; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-66795; File No. SR-NYSEAmex-2012-21]

### Self-Regulatory Organizations; NYSE Amex LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Adopt Recent Changes to FINRA Rules 7440 and 7450, and To Adopt Recent Changes to FINRA Rule 5320 by Amending Supplementary Material .02 to NYSE Amex Equities Rule 5320 To Require that Member Organizations Report to the Order Audit Trail System Information Barriers Put Into Place by the Member Organization in Reliance on Supplementary Material .02 to NYSE Amex Equities Rule 5320

April 12, 2012.

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 April 2, 2012, NYSE Amex LLC ("Exchange" or "NYSE Amex") 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 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 (i) to adopt recent changes to Financial Industry Regulatory Authority, Inc. ("FINRA") Rules 7440 and 7450, which the Exchange has incorporated by reference in its own rules, and (ii) adopt recent changes to FINRA Rule 5320 by amending Supplementary Material .02 to NYSE Amex Equities Rule 5320 to require that member organizations report to the Order Audit Trail System ("OATS") information barriers put into place by the member organization in reliance on Supplementary Material .02 to NYSE Amex Equities Rule 5320. The text of the proposed rule change is

available at the Exchange, the Commission's Public Reference Room, the Commission's Web site at [www.sec.gov](http://www.sec.gov), and [www.nyse.com](http://www.nyse.com).

#### 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 (i) adopt recent changes to FINRA Rules 7440 and 7450, which the Exchange has incorporated by reference in its own rules, and (ii) adopt recent changes to FINRA Rule 5320 by amending Supplementary Material .02 to NYSE Amex Equities Rule 5320 to require that member organizations report to OATS information barriers put into place by the member organizations in reliance on Supplementary Material .02 to NYSE Amex Equities Rule 5320.<sup>3</sup>

FINRA recently received Commission approval of changes to the order recording and transmission requirements of the OATS rules in FINRA Rules 7440 and 7450.<sup>4</sup> First, FINRA amended FINRA Rule 7440 to require FINRA members relying on the no-knowledge exception in Supplementary Material .02 to FINRA Rule 5320 (Prohibition Against Trading Ahead of Customer Orders) to report information to OATS regarding the information barriers adopted by the member in reliance on the exception—FINRA also added this requirement under Supplementary Material .02 to FINRA Rule 5320. Second, FINRA amended FINRA Rule 7440 to extend, to all OATS-eligible securities, the existing requirement to reflect on OATS reports a customer's instruction regarding display of the customer's limit orders—

the requirement previously applied only to limit orders involving NMS stocks. Finally, FINRA amended FINRA Rule 7450 to codify the specific time by which OATS reports must be transmitted to FINRA.

The Exchange recently adopted the NYSE Amex Equities Rule 7400 Series, which consists of NYSE Amex Equities Rules 7410 through 7470 and is based substantially on the FINRA Rule 7400 Series.<sup>5</sup> In this regard, NYSE Amex Equities Rules 7440 and 7450 incorporate by reference the order data recording and transmission requirements of FINRA Rules 7440 and 7450, respectively, by requiring member organizations and associated persons to comply with FINRA Rules 7440 and 7450 as if those rules were part of the Exchange's rules. Accordingly, the Exchange hereby proposes to adopt the changes to FINRA Rules 7440 and 7450 that were approved pursuant to SR-FINRA-2011-063.<sup>6</sup>

The Exchange also recently adopted NYSE Amex Equities Rule 5320, which is substantially the same as FINRA Rule 5320 and prohibits trading ahead of customer orders with certain exceptions, including large order and institutional account exceptions, a no-knowledge exception, a riskless principal exception, an intermarket sweep order exception, and odd lot and bona fide error transaction exceptions.<sup>7</sup> The Exchange hereby proposes to adopt as Supplementary Material .02(b) to NYSE Amex Equities Rule 5320 the same language that was approved pursuant to SR-FINRA-2011-063 as Supplementary Material .02(c) to FINRA Rule 5320.<sup>8</sup> Specifically, if a member organization implements and utilizes appropriate information barriers in reliance on the no-knowledge exception

<sup>5</sup> See Securities Exchange Act Release No. 65524 (October 7, 2011), 76 FR 64151 (October 17, 2011) (SR-NYSEAmex-2011-74).

<sup>6</sup> The Exchange notes that the approved changes to FINRA Rules 7440 and 7450 that the Exchange proposes to adopt would be applicable only to Exchange member organization [sic] that are also FINRA members. In particular, the changes relate to cross-references to FINRA Rule 5320, and for the Exchange, to NYSE Amex Equities Rule 5320, which is not applicable to Proprietary Trading Firms, as defined in NYSE Amex Equities Rule 7410(p), because they do not have customers and therefore do not need to maintain information barriers.

<sup>7</sup> See Securities Exchange Act Release No. 65165 (August 18, 2011), 76 FR 53009 (August 24, 2011) (SR-NYSEAmex-2011-59).

<sup>8</sup> For consistency with Exchange rules, the Exchange proposes to change references from "members" in Supplementary Material .02(c) to FINRA Rule 5320 to "member organizations" in proposed Supplementary Material .02(b) to NYSE Amex Equities Rule 5320. The Exchange also proposes to designate the existing text of Supplementary Material .02 to NYSE Amex Equities Rule 5320 as paragraph (a) thereto.

<sup>15</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> The Exchange's affiliate, the New York Stock Exchange LLC, has filed a substantially similar rule filing. See SR-NYSE-2012-09 filed April 2, 2012.

<sup>4</sup> See Securities Exchange Act Release No. 66021 (December 21, 2011), 76 FR 81551 (December 28, 2011) (SR-FINRA-2011-63) [sic].