

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. Please include File Number SR-NYSEAmex-2009-16 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-NYSEAmex-2009-16. 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 inspection and copying 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 publicly available. All submissions should refer to File Number SR-NYSEAmex-2009-16 and should be submitted on or before June 4, 2009.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁷

Florence E. Harmon,

Deputy Secretary.

[FR Doc. E9-11227 Filed 5-13-09; 8:45 am]

BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-59890; File No. SR-BATS-2009-010]

Self-Regulatory Organizations; BATS Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Related to Fees for Use of BATS Exchange, Inc.

May 7, 2009.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on April 30, 2009, BATS Exchange, Inc. ("BATS" 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. BATS has designated the proposed rule change as one establishing or changing a member due, fee, or other charge imposed by the Exchange under Section 19(b)(3)(A)(ii) of the Act³ and Rule 19b-4(f)(2) thereunder,⁴ which renders the proposed rule change 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 Exchange proposes to modify its fee schedule applicable to use of the Exchange. While changes to the fee schedule pursuant to this proposal will be effective upon filing, the changes will become operative on May 1, 2009.

The text of the proposed rule change is available at the Exchange's Web site at <http://www.batstrading.com>, at the principal office of the Exchange, and at the Commission's Public Reference Room.

⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴ 17 CFR 240.19b-4(f)(2).

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

The Exchange proposes to modify its fee schedule applicable to use of the Exchange effective May 1, 2009, in order to: (i) Charge a consistent fee of \$0.0025 per share for trades that remove liquidity in securities priced \$1.00 or above and provide a consistent rebate of \$0.0024 per share to Members who add displayed liquidity in securities priced \$1.00 or above; (ii) change the securities for which the Exchange does not pay a rebate for adding liquidity to all securities priced below \$1.00, rather than securities priced below \$5.00, and eliminate the rebate of \$0.0001 per share for trades that remove liquidity in securities priced below \$5.00; (iii) decrease the fee charged by the Exchange for its "CYCLE" routing strategy from \$0.0026 per share to \$0.0025 per share and modify the routing fee for securities priced below \$1.00; and (iv) change from a fee of \$0.0005 per share to a rebate of \$0.0001 per share for Modified Destination Specific Orders routed to a dark liquidity venue. Each of these proposed changes is described in further detail below.

(i) Fees and Rebates for Securities Priced \$1.00 or Above

The Exchange currently charges a fee of \$0.0025 per share for trades that remove liquidity in securities priced \$5.00 or above, and proposes to change this fee so that it instead applies to trades that remove liquidity in securities priced \$1.00 or above.

The Exchange currently provides rebates for securities priced \$5.00 or above of \$0.0023 per share to Members who add displayed liquidity in Tape A and C securities, and \$0.0028 per share to Members who add displayed in Tape B securities. The Exchange proposes to

change this structure so that it instead provides a consistent rebate of \$0.0024 per share to Members who add displayed liquidity in all securities priced \$1.00 or above. The Exchange does not propose to change the rebate provided for non-displayed liquidity added to the BATS Book, which is currently \$0.0020 per share for Tapes A, B, and C. However, because the rebate for displayed liquidity, as proposed, will now apply to all securities rather than having a different rebate for Tape B securities, the Exchange proposes eliminating the reference to Tapes A, B, and C in connection with non-displayed liquidity as such reference is no longer necessary.

(ii) Securities Priced Below \$1.00

Currently, the Exchange does not pay a rebate to Members who add liquidity in securities priced below \$5.00. The Exchange proposes to increase the number of securities to which a rebate applies by changing to a no-rebate structure for liquidity adders in securities priced below \$1.00. The Exchange also proposes to eliminate the rebate of \$0.0001 per share for trades that remove liquidity in securities priced below \$5.00, and instead, to allow Members to remove liquidity in securities priced below \$1.00 without a charge.

(iii) Standard Routing Fee and Routing Fee for Securities Priced Below \$1.00

The Exchange proposes to decrease the fee charged by the Exchange for its CYCLE routing strategy⁵ from \$0.0026 per share to \$0.0025 per share. To be consistent with this change, the Exchange proposes to charge 0.25%, rather than 0.26%, of the total dollar value of the execution for any security (all Tapes) priced under \$1.00 per share that is routed away from the Exchange.

(iv) Dark Scan Rebate

Finally, the Exchange proposes to change its fee structure for Modified Destination Specific Orders routed to a dark liquidity venue (referred to by the Exchange as "Dark Scan"). Rather than charging a fee for Dark Scan orders, which is currently \$0.0005, the Exchange proposes to provide a rebate of \$0.0001. Because this change is a change from a fee to a rebate, the Exchange proposes changing the heading of the applicable section to

⁵ The CYCLE routing strategy routes orders to any market center or execution venue other than a dark liquidity pool. Orders are routed to dark liquidity pools through the Exchange's DART routing strategy. Orders executed through DART cost \$0.0020 per share, which the Exchange has not proposed to change at this time.

"Other Non-Standard Routing Options," rather than referring to "Other Non-Standard Routing Charges".

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6 of the Act.⁶ Specifically, the Exchange believes that the proposed rule change is consistent with Section 6(b)(4) of the Act,⁷ in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and other persons using any facility or system which the Exchange operates or controls. The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive. The Exchange believes that its fees and rebates are competitive with those charged by other venues and that the changes it has proposed will simplify the Exchange's pricing model. Finally, the Exchange believes that the proposed rates are equitable in that they apply uniformly to all Members.

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

The Exchange does not believe that the proposed rule change imposes any burden on competition.

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.

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

The foregoing proposed rule change has been designated as a fee change pursuant to Section 19(b)(3)(A)(ii) of the Act⁸ and Rule 19b-4(f)(2) thereunder,⁹ because it establishes or changes a due, fee or other charge imposed on members by the Exchange. Accordingly, the proposal is effective upon filing with the Commission.

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate 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 proposal 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. Please include File No. SR-BATS-2009-010 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 No. SR-BATS-2009-010. 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 changes 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 inspection and copying 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 BATS. 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 No. SR-BATS-2009-010 and should be submitted on or before June 4, 2009.

⁶ 15 U.S.C. 78f.

⁷ 15 U.S.C. 78f(b)(4).

⁸ 15 U.S.C. 78s(b)(3)(A)(ii).

⁹ 17 CFR 240.19b-4(f)(2).

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

Florence E. Harmon,

Deputy Secretary.

[FR Doc. E9-11264 Filed 5-13-09; 8:45 am]

BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-59885; File No. SR-FINRA-2009-015]

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing of Proposed Rule Change Relating to Expedited Administration of Promissory Note Cases

May 7, 2009.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on April 17, 2009, Financial Industry Regulatory Authority, Inc. ("FINRA") (f/k/a National Association of Securities Dealers, Inc. ("NASD")) filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which items have been substantially prepared by FINRA. 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

FINRA is proposing to adopt Rule 13806 of the Code of Arbitration Procedure for Industry Disputes ("Industry Code"), to establish procedures to expedite the administration of arbitrations in which a member's only claim is that an associated person failed to pay money owed on a promissory note; and to amend Rules 13214 and 13600 of the Industry Code to make conforming changes. The text of the proposed rule change is available on FINRA's Web site at <http://www.finra.org>, at the principal office of FINRA 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, FINRA 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. FINRA 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

FINRA is proposing to amend the Industry Code to establish new procedures to expedite the administration of promissory note cases. Proposed new Rule 13806 would apply to arbitrations solely involving a member's claim that an associated person failed to pay money owed on a promissory note. In order to proceed under the new rule, a claimant would not be permitted to include any additional allegations in the Statement of Claim. FINRA is also proposing to amend Rules 13214 and 13600 of the Industry Code to make conforming changes.

In the absence of additional allegations by members or associated persons, promissory note cases involve straightforward contracts with few documents being entered into evidence. The new procedures would streamline the process for promissory note cases and reduce expenses for the parties while maintaining the procedural safeguards in the Industry Code for the associated person against whom a member asserts a claim.

Specifically, under the proposed procedures:

- Parties would choose a single public arbitrator from the roster of arbitrators approved to hear statutory discrimination claims,³ unless an associated person files a counterclaim or third party claim of more than \$100,000, exclusive of interest or expenses, or the counterclaim or third party claim is unspecified or does not request money damages.⁴ FINRA believes that the

³ See Rule 13802(c)(3). These specially qualified arbitrators are attorneys familiar with employment law who have at least ten years of legal experience. In addition, a chair or single arbitrator may not have represented primarily the views of employers or of employees within the last five years. Primarily means 50 percent or more of the arbitrator's business or professional activities within the last five years.

⁴ The \$100,000 threshold was chosen because FINRA recently raised the threshold for a single chair-qualified arbitrator in all cases to \$100,000. Under the rule change, if the amount of a claim is more than \$100,000, exclusive of interest and expenses, or is unspecified, or if the claim does not

arbitrators on this roster would be especially suited to resolve these disputes because of the depth of their experience and their familiarity with employment law;

- If the associated person does not file an answer, simplified discovery procedures would apply⁵ and, regardless of the amount in controversy, the single arbitrator would render an award based on the pleadings and other materials submitted by the parties. The arbitrator would be paid an honorarium of \$125 for each arbitration resolved in this manner;⁶

- If the associated person files an answer (but does not seek any additional relief or assert any counterclaims or third party claims), regular discovery procedures would apply⁷ and, regardless of the amount in controversy, the single arbitrator would hold a hearing; and

- If the associated person files a counterclaim or third party claim, then regular discovery procedures would apply and panel composition would be based on the amount of the counterclaim or third party claim. If the counterclaim and/or third party claim is not more than \$100,000, exclusive of interest and expenses, the Director⁸ would appoint a single public arbitrator from the roster of arbitrators approved to hear statutory discrimination claims. If the counterclaim and/or third party claim is more than \$100,000, exclusive of interest and expenses, then the Director would appoint a three-arbitrator panel. The Director would appoint one public arbitrator from the roster of arbitrators approved to hear statutory discrimination claims who would serve as chairperson, one arbitrator from the public roster, and one arbitrator from the non-public roster. If the counterclaim or third party claim is filed after a single arbitrator is appointed, and a three-arbitrator panel is required, the Director would retain

request money damages, the panel will consist of three arbitrators, unless the parties agree in writing to one arbitrator. See Exchange Act Release No. 59340 (February 2, 2009), 74 FR 6335 (February 6, 2009) (SR-FINRA-2008-047).

⁵ Rule 13800(d) (Simplified Arbitration—Discovery and Additional Evidence) provides for limited discovery in arbitrations involving \$25,000 or less, exclusive of interest and expenses.

⁶ In simplified arbitration proceedings administered under Rules 12800 and 13800 (Simplified Arbitration), the arbitrator honorarium is \$125. The honorarium under proposed Rule 13806 is intended to be consistent with these rules.

⁷ The 13500 series of rules would provide for prehearing procedures and discovery in these cases.

⁸ Rule 13100(k) defines the term "Director" to mean the "Director of FINRA Dispute Resolution. Unless the Code provides that the Director may not delegate a specific function, the term includes FINRA staff to whom the Director has delegated authority."

¹⁰ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.