

should be submitted on or before July 16, 2009.

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

Florence E. Harmon,
Deputy Secretary.

[FR Doc. E9-14972 Filed 6-24-09; 8:45 am]
BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-60139; File No. SR-NYSEAmex-2009-18]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by NYSE Amex LLC Amending NYSE Amex Equities Rule 124 To Clarify the Pricing Methodology for the Odd-Lot Portion of a Part of a Round-Lot Order; Clarify the Systems Capable of Accepting PRL Orders; and Clarify the Systems Capable of Accepting a Good ‘Til Cancelled Order During the Implementation of Exchange System Enhancements

June 18, 2009.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (the “Act”)² and Rule 19b-4 thereunder,³ notice is hereby given that, on June 8, 2009, NYSE Amex LLC (the “Exchange” or “NYSE Amex”) 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 self-regulatory organization. NYSE Amex filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act⁴ and Rule 19b-4(f)(6) thereunder,⁵ which renders it 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: (i) Amend NYSE Amex Equities Rule 124 (Odd-Lot Orders) to clarify the pricing methodology for the odd-lot portion of a part of a round-lot (“PRL”) order; (ii) clarify the systems capable of accepting PRL orders; and (iii) clarify the systems capable of accepting a Good ‘Til

Cancelled Order (“GTC”) during the implementation of Exchange system enhancements. The text of the proposed rule change is available at the Exchange, the Commission’s Public Reference Room, and <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

NYSE Amex LLC (“NYSE Amex” or “the Exchange”), formerly the American Stock Exchange LLC, proposes to: (i) Amend NYSE Amex Equities Rule 124 (Odd-Lot Orders) to clarify the pricing methodology for the odd-lot portion of a part of a round-lot (“PRL”) order; (ii) clarify the systems capable of accepting PRL orders; and (iii) clarify the systems capable of accepting a Good ‘Til Cancelled Order (“GTC”) during the implementation of Exchange system enhancements. The text of the proposed rule change is attached hereto as Exhibit 5.

The Exchange notes that parallel changes are proposed to be made to the rules of the New York Stock Exchange LLC (“NYSE”).⁶

I. Background

As described more fully in a related rule filing,⁷ NYSE Euronext acquired The Amex Membership Corporation (“AMC”) pursuant to an Agreement and Plan of Merger, dated January 17, 2008 (the “Merger”). In connection with the Merger, the Exchange’s predecessor, the American Stock Exchange LLC (“Amex”), a subsidiary of AMC, became a subsidiary of NYSE Euronext now called NYSE Amex LLC, and continues to operate as a national securities exchange registered under Section 6 of

the Securities Exchange Act of 1934, as amended (the “Act”).⁸ The effective date of the Merger was October 1, 2008.

In connection with the Merger, on December 1, 2008, the Exchange relocated all equities trading conducted on the Exchange legacy trading systems and facilities located at 86 Trinity Place, New York, New York, to trading systems and facilities located at 11 Wall Street, New York, New York (the “Equities Relocation”). The Exchange’s equity trading systems and facilities at 11 Wall Street (the “NYSE Amex Trading Systems”) are operated by the NYSE on behalf of the Exchange.⁹

As part of the Equities Relocation, NYSE Amex adopted NYSE Rules 1–1004, subject to such changes as necessary to apply the Rules to the Exchange, as the NYSE Amex Equities Rules to govern trading on the NYSE Amex Trading Systems.¹⁰ The NYSE Amex Equities Rules, which became operative on December 1, 2008, are substantially identical to the current NYSE Rules 1–1004 and the Exchange continues to update the NYSE Amex Equities Rules as necessary to conform with rule changes to corresponding NYSE Rules filed by the NYSE.

II. Background of NYSE Amex Equities Rule 124

Currently, odd-lot orders on the Exchange are processed and executed systemically by an Exchange system designated solely for odd-lot orders (the “Odd-lot System”).¹¹ The Odd-lot System executes all odd-lot orders against the Designated Market Maker (“DMM”) as the contra party.¹²

⁸ 15 U.S.C. 78f.

⁹ See Securities Exchange Act Release No. 58705 (October 1, 2008), 73 FR 58995 (October 8, 2008) (SR-Amex 2008-63) (approving the Equities Relocation).

¹⁰ See Securities Exchange Act Release No. 58705 (October 1, 2008), 73 FR 58995 (October 8, 2008) (SR-Amex 2008-63) (approving the Equities Relocation); Securities Exchange Act Release No. 58833 (October 22, 2008), 73 FR 64642 (October 30, 2008) (SR-NYSE-2008-106) and Securities Exchange Act Release No. 58839 (October 23, 2008), 73 FR 64645 (October 30, 2008) (SR-NYSEALTR-2008-03) (implementing the Bonds Relocation); Securities Exchange Act Release No. 59022 (November 26, 2008), 73 FR 73683 (December 3, 2008) (SR-NYSEALTR-2008-10) (adopting amendments to NYSE Amex Equities Rules to track changes to corresponding NYSE Rules); Securities Exchange Act Release No. 59027 (November 28, 2008), 73 FR 73681 (December 3, 2008) (SR-NYSEALTR-2008-11) (adopting amendments to Rule 62—NYSE Amex Equities to track changes to corresponding NYSE Rule 62).

¹¹ See NYSE Amex Equities Rule 124(a).

¹² *Id.* Odd-lot orders are in effect netted against one another and executed; however, since the DMM is buying the same amount that he or she is selling, there is no economic consequence to the DMM in this type of pairing-off of orders. Any imbalance of buy or sell odd-lot market orders are executed

¹⁹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

⁴ 15 U.S.C. 78s(b)(3)(A).

⁵ 17 CFR 240.19b-4(f)(6).

⁶ See SR-NYSE-2009-45 (filed June 8, 2009).

⁷ See Securities Exchange Act Release No. 58673 (September 29, 2008), 73 FR 57707 (October 3, 2008) (SR-NYSE-2008-60 and SR-Amex 2008-62) (approving the Merger).

Pursuant to NYSE Amex Equities Rule 124(c), after odd-lot market orders and marketable odd-lot limit orders are received by the Odd-lot System, they are automatically executed at the price of the next round-lot transaction in the subject security on the Exchange. Specifically, marketable odd-lot orders and marketable odd-lot limit orders are executed in time priority of receipt at the price of the next round-lot transaction, pursuant to the netting provision described in footnote 12. The imbalance of marketable odd-lot orders that do not receive an execution as a result of the netting provision are executed in time priority of receipt at the price of the National Best Bid or Offer ("NBBO"), subject to a volume limitation.¹³ Any imbalances of odd-lot limit orders that were non-marketable upon receipt that subsequently become marketable receive an execution at their *limit price*.¹⁴ Marketable odd-lot orders, which would otherwise receive a partial execution pursuant to the volume limitation, are executed in full.¹⁵

Any marketable odd-lot orders that do not receive an execution because of the volume limitation are executed, in time priority of receipt at the price of the next round-lot transaction, following pricing and execution procedures described above. Marketable odd-lot orders (including odd-lot limit orders that were non-marketable upon receipt and subsequently become marketable)

that remain unexecuted within 30 seconds of receipt will be executed, in time priority of receipt, at the price of the NBBO (or at its limit price if the order is a non-marketable odd-lot limit order upon receipt that has become marketable). These orders are also subject to the volume limitation.

Marketable odd-lot orders and non-marketable odd-lot limit orders that have become marketable and remain unexecuted prior to the close of trading shall be executed, in time priority of receipt at the price of the closing transaction, subject to the netting provision and a volume restriction which is not to exceed the size of the closing transaction.

PRL Pricing

The Exchange believes that the most appropriate way to execute odd-lot orders is to represent them in the round-lot auction market where they would interact with all other market interest and be priced in accordance with supply and demand dynamics. The Exchange is committed to the goal of integrating odd-lots into the round-lot market and eliminating the separate handling of odd-lot and PRL transactions. However, until the requisite technology changes can be completed, the Exchange is proposing these modifications in order to further streamline the handling performed by its current systems.

NYSE Amex Equities Rule 124 was amended as interim measures to accommodate the pricing and execution of odd-lot orders in a manner based on the prevailing market.¹⁶ Most recently, significant upgrades to the Exchange's technology¹⁷ made it possible for the Exchange systems that process orders sent to Display Book, the Exchange matching engine, to price odd-lot orders sent to the post that were consistent with the provisions of NYSE Amex Equities Rule 124(c) and (d).

On March 11, 2009, the Exchange filed a proposed rule change with the Commission to amend NYSE Amex Equities Rule 124.40 to allow the odd-lot portion of PRLs to be executed in the Odd-lot System pursuant to the pricing provisions of NYSE Amex Equities Rule 124.¹⁸ As modified, the odd-lot portion of the PRL retains the time stamp of its original entry as a PRL and is sequenced for execution based on the initial entry time of the PRL. Once all round lot components of the PRL are fully executed, the odd-lot portion of the order is executed at a price consistent with other odd-lot orders subject to the provisions of NYSE Amex Equities Rule 124(c) and (d).

Example: A marketable order to sell 399 shares of security XYZ is received by Exchange systems at 12:00:00. The 99 share portion of the order is eligible for execution only after the 300 share portion of the PRL order is sold. See table below.

Time of execution	Number of shares	Price of execution	Customer receives
12:00:01	100	\$30.22	Report of Execution 100 shares at a price of \$30.22.
12:01:00	100	30.21	Report of Execution 100 shares at a price of \$30.21.
12:01:47	100	30.22	Report of Execution 100 shares at a price of \$30.22.
12:01:48	99	¹⁹ 30.23	Report of Execution 99 shares at a price of \$30.23.

In the filing to amend the execution of PRL orders, the Exchange explained that the system enhancements to Display Book would be progressively implemented on a security by security basis. On March 16, 2009, the Exchange commenced migration of symbols to the enhanced systems. This migration is

against the DMM, up to the size of the round-lot transaction or the bid/offer size which ever is less.

¹³ The volume limitation in section (c) of the rule is defined as the lesser of either the number of shares in the last round-lot transaction or the number of shares available at the national best bid (in the case of an odd-lot order to sell), or the national best offer (in the case of an odd-lot order to buy).

¹⁴ Pursuant to NYSE Amex Equities Rule 124(d) odd-lot limit orders that are non-marketable upon receipt that become marketable are eligible to be netted and executed at the price of the next round-lot transaction. If an odd-lot limit order does not receive an execution pursuant to the netting provision, then the order is eligible to be executed,

ongoing and PRL orders submitted to the Display Book in those migrated symbols are executed as described above. The list of securities that are operating on the enhanced systems, are available on the Exchange's Web site at: http://www.nyse.com/attachment/SDBK_SecurityRolloutList.xls.

at its *limit price*, subject to the volume limitation of section (c) of the rule.

¹⁵ As with marketable odd-lot orders, non-marketable odd-lot limit orders which would otherwise receive a partial execution will be executed in full. A non-marketable odd-lot limit order that becomes marketable, that remains unexecuted within 30 seconds of receipt will be executed, in time priority of receipt, except that the order will be executed at its *limit price*.

¹⁶ See Securities Exchange Act Release No. 56551 (September 27, 2007), 73 FR 56415 (October 3, 2007) (SR-NYSE-2007-82); See also Securities Exchange Act Release No. 49536 (April 7, 2004), 69 FR 19890, 19893 (April 14, 2004) (SR-NYSE-2003-37); Securities Exchange Act Release No. 49745

Systems that process orders sent to the Exchange to be executed by a Floor broker, collectively called Exchange Floor broker systems, are also being upgraded to provide improved functionality. The Exchange Floor broker systems can be divided into two categories—booth systems (Broker

(May 20, 2004), 69 FR 29998 (May 26, 2004) (SR-NYSE-2003-37).

¹⁷ See Securities Exchange Act Release No. 58184 (July 17, 2008), 73 FR 42853 (July 23, 2008) (SR-NYSE-2008-46) (Key changes in this filing served to enhance the Exchange technology).

¹⁸ See Securities Exchange Act Release No. 59614 (March 20, 2009), 74 FR 13501 (March 27, 2009) (SR-NYSEALTR-2009-27).

¹⁹ This example assumes that the odd-lot portion of the PRL had priority of execution in the Odd-lot System because its original order entry time was 12:00:00.

Booth Support Systems or “BBSS”) and hand-held devices. As of yet, neither system has been provided with the newer PRL pricing functionality. As a result, PRLs sent to BBSS are processed pursuant to the prior provisions of NYSE Amex Equities Rule 124,

Supplemental Material .40, which requires the odd-lot portion of a PRL to be executed only where no round lot portion thereof is cancelled and at the same price of the last round lot execution that would complete the round lot portion of the PRL.

Example: An order to sell 399 shares of security XYZ is received by Exchange Floor broker systems at 12:00:00. The 99 share portion of the order is eligible for execution only after the 300 share portion of the PRL order is sold. See table below.

Time of execution	Number of shares	Price of execution	Customer receives
12:00:01	100	\$30.22	Report of Execution 100 shares at a price of \$30.22.
12:01:00	100	30.21	Report of Execution 100 shares at a price of \$30.22.
12:01:47	100	30.22	Report of Execution 199 shares at a price of \$30.22.
12:01:47	99	30.22	

Until such time as the Exchange Floor broker systems can be enhanced to execute PRL orders pursuant to NYSE Amex Equities Rule 124(c) and (d), the Exchange proposes to amend the provisions of NYSE Amex Equities Rule 124.40 to provide that the odd-lot portion of PRL orders transmitted to a Floor broker via the Floor broker booth system for execution will be executed at the same price of the last round lot execution that would complete the round lot portion of the PRL.

The Exchange anticipates that the enhancements to the Exchange Floor broker systems will be completed no later than the end of the fourth quarter of 2009.

Systems Capable of Accepting PRL and GTC Orders

During the implementation of the Exchange Floor broker system enhancements, any PRL orders and GTC orders sent to a Floor broker’s hand-held device will be rejected. Furthermore, GTC orders in symbols that have been migrated to the enhanced systems noted above will not be accepted in any broker system. PRL and GTC orders (in non-migrated symbols) must be transmitted to BBSS where the customer seeks to utilize a Floor broker’s business expertise in the execution of such orders. Once the full migration has been completed, GTC orders will not be accepted by broker systems or broker hand-held devices and PRL orders will not be accepted by broker hand-held devices. Therefore, the Exchange proposes to amend NYSE Amex Equities Rule 13 (Definitions of Orders) to state that GTC orders will not be accepted by broker hand-held devices or broker systems. Similarly, the Exchange proposes to amend NYSE Amex Equities Rule 124.40 to state that PRL orders will not be accepted by broker hand-held devices.

2. Statutory Basis

The basis under the Act for this proposed rule change is the requirement under Section 6(b)(5)²⁰ that an Exchange have rules that are designed 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. The instant proposal is in keeping with these principles in that it seeks to clarify and temporarily modify the Exchange’s pricing methodology for PRL orders to provide customers the benefit of the Floor broker’s business expertise while the Exchange completes required system enhancements.

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 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

No written comments were solicited or received with respect to the proposed rule change.

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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act²¹ and Rule 19b-4(f)(6) thereunder.²² Because the foregoing proposed rule change: (1) Does not significantly affect the protection of investors or the public interest; (2) impose any significant burden on competition; and (3) by its

terms does not become operative for 30 days of this filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act²³ and subparagraph (f)(6) of Rule 19b-4 thereunder.²⁴

A proposed rule change filed under Rule 19b-4(f)(6) does not normally become operative prior to 30 days after the date of filing.²⁵ However, Rule 19b-4(f)(6)(iii) permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has requested that the Commission waive the 30-day operative delay so that the proposal may become operative immediately upon filing.

The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest because the proposed rule change seeks to avoid investor confusion by clarifying the systems capable of executing PRL and GTC orders and the pricing methodology for such orders. Therefore, the Commission designates the proposed rule change operative upon filing.²⁶

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

²³ 15 U.S.C. 78s(b)(3)(A).

²⁴ 17 CFR 240.19b-4(f)(6).

²⁵ See *id.* In addition, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to provide the Commission with written notice of its 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.

²⁶ For purposes only of waiving the 30-day operative delay of this proposal, the Commission has considered the proposed rule’s impact on efficiency, competition and capital formation. 15 U.S.C. 78c(f).

²⁰ 15 U.S.C. 78f(b)(5).

²¹ 15 U.S.C. 78s(b)(3)(A).

²² 17 CFR 240.19b-4(f)(6).

necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance 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. Please include File Number SR-NYSEAmex-2009-18 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-2009-18. 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 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-NYSEAmex-2009-18 and should be submitted on or before July 16, 2009.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁷

Florence E. Harmon,

Deputy Secretary.

[FR Doc. E9-14957 Filed 6-24-09; 8:45 am]

BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-60143; File No. SR-OC-2009-02]

Self-Regulatory Organizations; One Chicago, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Widening the Bid/Ask Spread for Quoting Market-Makers

June 19, 2009.

Pursuant to Section 19(b)(7) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-7 under the Act² notice is hereby given that on June 9, 2009, One Chicago, LLC ("OneChicago" or "OCX") 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 prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons. OneChicago also has filed the proposed rule change with the Commodity Futures Trading Commission ("CFTC") under Section 5c(c) of the Commodity Exchange Act³ on June 9, 2009.

I. Self-Regulatory Organization's Description of the Proposed Rule Change

OneChicago is proposing to amend its Rule 515(n)(C)(1)(y) to change the quoting requirements for Market Makers. Additionally, OCX is proposing to amend its "Market Maker Registration Policy and Procedures" to reflect this amendment.

Presently a market-maker, when providing quotations, quotes with a maximum bid/ask spread of no more than the greater of \$0.20 (the "20 Cent Spread") or 150% of the bid/ask spread in the primary market for the security underlying each Contract (the "150% Spread"). The proposed rule change will raise the 20 Cent Spread to \$5. A copy of this filing is available on the Exchange's Web site at <http://www.onechicago.com>, at the Exchange's

principal office 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 those statements may be examined at the places specified in Item IV below. OneChicago 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 purpose of this proposed rule change is to modify the quoting requirements for OCX market makers. Presently a market-maker, when providing quotations, quotes with a maximum bid/ask spread of no more than the greater of the 20 Cent Spread or the 150% Spread. The proposed rule change will raise the 20 Cent Spread to \$5. Currently, the volatile market conditions have caused several OneChicago market makers to either stop quoting in a particular name or seek relief from OneChicago to widen their quotes to a competitive level, which could be \$5.

The proposed rule change would harmonize the maximum bid/ask spread requirements with those of the listed options exchanges, e.g. the Chicago Board Options Exchange (CBOE) and the International Securities Exchange (ISE). Both of those exchanges permit "bidding and offering so as to create differences of no more than \$5 between the bid and offering following the opening rotation * * *."

The Exchange believes that the 20 Cent Spread is no longer necessary or appropriate considering the increased volatility of the underlying securities. The Exchange further believes that the current 20 Cent Spread could have a negative effect on investors because market makers, rather than complying with these requirements, will stop quoting a security futures product altogether, leaving the investor with the possibility of an illiquid position. The Exchange has been able to mitigate this problem by granting "relief" from the 20 Cent Spread "during unusual market

²⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(7).

² 17 CFR 240.19b-7.

³ 7 U.S.C. 7a-2(c).