The Exchange has proposed four ongoing conditions applicable to NOS's routing activities, 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 FINRA's oversight of NOS,[26] combined with FINRA's monitoring of NOS's compliance with the Exchange's rules and quarterly reporting to Phlx's CRO, will help to protect the independence of the Exchange's regulatory responsibilities with respect to NOS.

V. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,[27] that the proposed rule change (SR–Phlx–2011–111) be, and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[28]

Elizabeth M. Murphy,

Secretary.

[FR Doc. 2011–25193 Filed 9–29–11; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–65400; File No. SR–NYSEArca–2011–53]

Self-Regulatory Organizations; NYSE Arca, Inc.; Order Granting Approval of a Proposed Rule Change To Reflect a Change to the Benchmark Index Applicable to the Russell Equity ETF

September 26, 2011.

I. Introduction

On August 3, 2011, NYSE Arca, Inc. (''NYSE Arca'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission''), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'') [1] and Rule 19b–4 thereunder,[2] a proposed rule change to reflect a change to the benchmark index applicable to the Russell Equity ETF (''Fund,'' formerly known as the ''One Fund''). The proposed rule change was published for comment in the **Federal Register** on August 24, 2011.[3] The Commission received no comments on the proposal. This order grants approval of the proposed rule change.

II. Description of the Proposed Rule Change

The Commission previously approved the listing and trading on the Exchange of shares (''Shares'') of ''One Fund,'' a series of U.S. One Trust, under NYSE Arca Equities Rule 8.600, which governs the listing and trading of Managed Fund Shares.[4] On February 23, 2011, Frank Russell Company (''Russell'') acquired U.S. One, Inc., the previous investment adviser for the Fund, and the Fund's investment adviser became Russell Investment Management Company (''Adviser'').[5] In addition, as of April 15, 2011, the name of ''One Fund'' was changed to Russell Equity ETF, and the name of U.S. One Trust was changed to Russell Exchange Traded Funds Trust (''Trust''). Further, on or about May 2, 2011, the custodian, transfer agent, and administrator for the Fund changed from The Bank of New York to State Street Bank and Trust Company. These administrative changes were implemented as a result of the acquisition by Russell of U.S. One, Inc. The Exchange states that the shareholders of the Fund were notified of the changes to the Fund's name, the Trust's name, the Fund's investment adviser, and the custodian, transfer agent, and administrator in the updated Fund prospectus, dated April 29, 2011, included in the Fund's annual prospectus mailing to shareholders.[6] In this proposed rule change, the Exchange proposes to reflect a change to the benchmark index applicable to the Fund.[7]

As a result of the acquisition of U.S. One, Inc. by Russell, the Fund seeks to change its underlying benchmark to the Russell Developed Large Cap Index (''Index'') from the Fund's current benchmark, the S&P 500 Index.[8] The Index offers investors access to the large-cap segment of the developed equity universe representing approximately 75.4% of the global equity market. The Index includes the largest securities in the Russell Developed Index. As of May 31, 2010, the Index included 2,372 securities in 25 developed countries, with a market capitalization ranging from $238 billion to $1.3 billion; the weighted average market capitalization of Index components was $54.7 billion; and the largest three Index securities and associated Index weights were Exxon Mobil (1.58%); Apple Inc. (1.17%); and Chevron Corp. (0.79%). The current benchmark, the S&P 500 Index, includes 500 leading companies in leading industries of the U.S. economy, capturing 75% coverage of U.S. equities. It focuses on large capitalization securities and represents approximately 75% of the U.S. market capitalization. A committee determines the securities included based on a set of published guidelines. The Index includes the Russell 1000®, which represents 90% of U.S. market capitalization. It also includes an additional 1,372 securities which, as of May 31, 2010, were listed in other developed countries. The Adviser represents that the investment objective of the Fund has not changed, the Index more accurately represents the investment strategy of the Fund, and the change to the Fund's benchmark will not impact the investment objective or

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OMX BX, Inc.'s pilot program permitting Boston Options Exchange to accept inbound routes by NOS of (1) NOM Exchange Direct Orders without checking the NOM book prior to routing, and (2) NOM non-system securities orders, including Exchange Direct Orders that NOS routes from NOM. *See* Securities Exchange Act Release No. 65199 (August 25, 2011), 76 FR 54277 (August 31, 2011) (SR–BX–2011–045).

[26] This oversight will be accomplished through the Regulatory Contract between the Exchange and FINRA, and, as applicable, a 17d–2 Agreement.

[27] 15 U.S.C. 78s(b)(2).

[28] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] *See* Securities Exchange Act Release No. 65161 (August 18, 2011), 76 FR 53004 (''Notice'').

[4] *See* Securities Exchange Act Release No. 61843 (April 5, 2010), 75 FR 18558 (April 12, 2010) (SR–NYSEArca–2010–12) (''One Fund Order''). *See also* Securities Exchange Act Release No. 61689 (March 11, 2010), 75 FR 13181 (March 18, 2010) (SR–NYSEArca–2010–12) (''One Fund Notice,'' and together with the One Fund Order, collectively, the ''One Fund Release'').

[5] The Exchange represents that the Adviser is affiliated with multiple broker-dealers and has implemented a ''fire wall'' with respect to such broker-dealers regarding access to information concerning the composition and/or changes to the Fund's portfolio, and will continue to be in compliance with Commentary .06 to NYSE Arca Equities Rule 8.600. In the event (a) the Adviser or any sub-adviser becomes newly affiliated with a broker-dealer, or (b) any new adviser or sub-adviser becomes affiliated with a broker-dealer, it will implement a fire wall with respect to such broker-dealer regarding access to information concerning the composition and/or changes to the portfolio, and will be subject to procedures designed to prevent the use and dissemination of material non-public information regarding such portfolio.

[6] *See* Post-Effective Amendment No. 5 to Form N–1A for the Trust, dated April 29, 2011 (File Nos. 333–160877; 811–22320) (''Registration Statement''). In addition, the Commission has issued an order granting certain exemptive relief to the Trust under the Investment Company Act of 1940 (''1940 Act''). *See* Investment Company Act Release No. 29164 (March 1, 2010) (File No. 812–13815 and 812–13658–01) (''Exemptive Order'').

[7] The Adviser represents that, for one year following implementation of the change to the benchmark index, materials issued by the Fund relating to Fund performance, including materials posted on the Fund's Web site (*http://www.russelletfs.com*), will reference both the current benchmark and the new benchmark index, in accordance with Item 27(b)(7) of Form N–1A under the 1940 Act. The Adviser represents that the benchmark index change will be referenced on Russell's Web site, and that the quarterly fact sheet for the Fund, available on the Fund's Web site, will reference the current benchmark and the new benchmark index for one year.

[8] The change to the Fund's benchmark Index will be effective upon filing with the Commission of an amendment to the Trust's Registration Statement.

the principal investment strategies for the Fund.

The Adviser has represented that it believes the Index is an appropriate broad-based benchmark index for the Fund and the Fund's investment objective. As represented in the One Fund Release, the Fund's investment objective is to seek long-term capital appreciation by investing at least 80% of its total assets in exchange-traded funds (''Underlying ETFs'') that track various securities indices comprised of large, mid, and small capitalization companies in the United States, Europe, and Asia, as well as other developed and emerging markets. As stated in the One Fund Release, the Adviser intends to hold Underlying ETFs that hold equity securities of large, mid, and small capitalization companies in the United States, as well as other developed countries and developing countries, and that give the Fund exposure to most major developed and developing markets around the world.[9] Thus, whereas the S&P 500 Index mostly reflects U.S.-based companies, the Index includes a broader range of issuers from both the domestic and international markets, and such range is consistent with, and should better reflect, the Fund's investment objective. The Exchange further states that, except for the changes noted above, all other representations made in the One Fund Release remain unchanged.

[9] The Adviser employs an asset allocation strategy focused on increasing shareholder return and reducing risk through exposure to a variety of domestic and foreign market segments. The Adviser's asset allocation strategy pre-determines a target mix of investment types for the Fund to achieve its investment objective and then implements the strategy by selecting securities that best represent each of the desired investment types. The strategy also calls for periodic review of the Fund's holdings as markets rise and fall to ensure that the portfolio adheres to the target mix and indicates purchases and sales necessary to return to the target mix. The Adviser selects Underlying ETFs based on their ability to accurately represent the underlying stock market to which the Adviser seeks exposure for the Fund, and seeks to construct a portfolio that will outperform its benchmark. Additionally, the Adviser seeks to maintain a low after-tax cost structure for the Fund and, therefore, also evaluates ETFs based on their underlying costs. The Adviser employs a buy and hold strategy, meaning that it buys and holds securities for a long period of time, with minimal portfolio turnover. The Fund, using a buy and hold strategy, seeks to achieve its investment objective through investment in Underlying ETFs that track certain securities indices. While the Fund intends to primarily invest in Underlying ETFs that hold equity securities, the Adviser may also invest in Underlying ETFs that may hold U.S. and foreign government debt and investment grade corporate bonds. According to the Registration Statement, the Fund does not invest in derivatives. *See* One Fund Release, *supra* note 4.

III. Discussion and Commission's Findings

The Commission has carefully reviewed the proposed rule change and finds that it is consistent with the requirements of Section 6 of the Act and the rules and regulations thereunder applicable to a national securities exchange.[10] In particular, the Commission finds that the proposal is consistent with Section 6(b)(5) of the Act,[11] which requires, among other things, that the Exchange's rules be 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, 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 Commission notes that the Fund's benchmark Index will continue to be a broad-based index of large capitalization companies. The Index represents approximately 75.4% of the global equity market and includes the largest securities in the Russell Developed Large Cap Index. The Fund's investment objective continues to seek long-term capital appreciation by investing at least 80% of its total assets in Underlying ETFs that are listed and traded on a national securities exchange and that track various securities indices comprised of large, mid, and small capitalization companies in the United States, Europe, and Asia, as well as other developed and emerging markets. The Index includes a broad range of issuers from both the domestic and international markets, and the Commission believes that such range is consistent with the Fund's existing investment objective. In addition, the Adviser represents that the investment objective of the Fund has not changed, and the change to the Fund's benchmark will not impact the investment objective or the principal investment strategies for the Fund. Further, the Adviser has represented that the change to the Fund's benchmark will not impact shareholders of the Fund. Importantly, the Exchange states that, except for the changes noted above, all other representations made in the One Fund Release remain unchanged and that the Fund will continue to comply with all initial and continued listing requirements under NYSE Arca Equities Rule 8.600. The Commission notes that the value of the new benchmark Index will continue to be calculated and disseminated in a manner consistent with the representations in the One Fund Release relating to the previous benchmark index.

[10] In approving this proposed rule change the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. *See* 15 U.S.C. 78c(f).

[11] 17 U.S.C. 78f(b)(5).

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,[12] that the proposed rule change (SR–NYSEArca–2010–53) be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[13]

Elizabeth M. Murphy,

Secretary.

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[12] 15 U.S.C. 78s(b)(2).

[13] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–65398; File No. SR–MSRB–2011–15]

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Withdrawal of Proposed Interpretive Notice Concerning the Application of Rule G–17 to Municipal Advisors

September 26, 2011.

On August 24, 2011, the Municipal Securities Rulemaking Board (the ''MSRB'') filed with the Securities and Exchange Commission (the ''Commission'') a proposed rule change pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 [1] and Rule 19b–4 thereunder,[2] consisting of a proposed interpretive notice concerning the application of MSRB Rule G–17 to municipal advisors. Notice of the proposed rule change was published in the **Federal Register** on September 14, 2011.[3] The Commission received no comments on the proposed rule change. On September 9, 2011, the MSRB withdrew the proposed rule change (SR–MSRB–2011–15).[4]

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] *See* Securities Exchange Act Release No. 65292 (September 8, 2011), 76 FR 56826.

[4] *See* MSRB Notice 2011–51 (September 12, 2011).