

Rule 10A–1 reporting occurs only if a registrant’s board of directors receives a report from its auditor that (1) There is an illegal act material to the registrant’s financial statements, (2) senior management and the board have not taken timely and appropriate remedial action, and (3) the failure to take such action is reasonably expected to warrant the auditor’s modification of the audit report or resignation from the audit engagement. The board of directors must notify the Commission within one business day of receiving such a report. If the board fails to provide that notice, then the auditor, within the next business day, must provide the Commission with a copy of the report that it gave to the board.

Likely respondents are those registrants filing audited financial statements under the Securities Exchange Act of 1934 (15 U.S.C. 78a, *et seq.*) and the Investment Company Act of 1940 (15 U.S.C. 80a–1, *et seq.*).

It is estimated that Rule 10A–1 results in an aggregate additional reporting burden of 10 hours per year. The estimated average burden hours are solely for purposes of the Paperwork Reduction Act and are not derived from a comprehensive or even a representative survey or study of the costs of SEC rules or forms.

There are no recordkeeping retention periods in Rule 10A–1. Because of the one business day reporting periods, recordkeeping retention periods should not be significant.

Filing the notice or report under Rule 10A–1 is mandatory once the conditions noted above have been satisfied. Because these notices and reports discuss potential illegal acts, they are considered to be investigative records and are kept confidential.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number.

The public may view the information discussed in this notice at <http://www.reginfo.gov>. Comments should be directed to: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503, or by sending an e-mail to: [Shagufta\\_Ahmed@omb.eop.gov](mailto:Shagufta_Ahmed@omb.eop.gov); and (ii) Thomas Bayer, Director/Chief

Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 6432 General Green Way, Alexandria, VA 22312 or send an e-mail to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov). Comments

must be submitted to OMB within 30 days of this notice.

Dated: September 26, 2011.

**Elizabeth M. Murphy,**  
*Secretary.*

[FR Doc. 2011–25368 Filed 9–30–11; 8:45 am]

**BILLING CODE 8011–01–P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–65410; File No. 4–631]

### Joint Industry Plan; Notice of Designation of a Longer Period for Commission Action on the National Market System Plan To Address Extraordinary Market Volatility by BATS Exchange, Inc., BATS Y–Exchange, Inc., Chicago Board Options Exchange, Incorporated, Chicago Stock Exchange, Inc., EDGA Exchange, Inc., EDGX Exchange, Inc., Financial Industry Regulatory Authority, Inc., NASDAQ OMX BX, Inc., NASDAQ OMX PHLX LLC, The Nasdaq Stock Market LLC, National Stock Exchange LLC, NYSE Amex LLC, and NYSE Arca, Inc.

September 27, 2011.

On April 5, 2011, NYSE Euronext, on behalf of New York Stock Exchange LLC (“NYSE”), NYSE Amex LLC (“NYSE Amex”), and NYSE Arca, Inc. (“NYSE Arca”), and the following parties to the proposed National Market System Plan: BATS Exchange, Inc., BATS Y–Exchange, Inc., Chicago Board Options Exchange, Incorporated, Chicago Stock Exchange, Inc., EDGA Exchange, Inc., EDGX Exchange, Inc., Financial Industry Regulatory Authority, Inc., NASDAQ OMX BX, Inc., NASDAQ OMX PHLX LLC, the Nasdaq Stock Market LLC, and National Stock Exchange, Inc. (collectively with NYSE, NYSE Amex, and NYSE Arca, the “Participants”), filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 11A of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 608 of Regulation NMS (“Rule 608”) thereunder,<sup>2</sup> a proposed Plan to Address Extraordinary Market Volatility (“Plan”).<sup>3</sup> The proposed Plan was published for comment in the **Federal Register** on June 1, 2011.<sup>4</sup> The

<sup>1</sup> 15 U.S.C. 78k–1.

<sup>2</sup> 17 CFR 242.608.

<sup>3</sup> See Letter from Janet M. McGinness, Senior Vice President, Legal and Corporate Secretary, NYSE Euronext, to Elizabeth M. Murphy, Secretary, Commission, dated April 5, 2011.

<sup>4</sup> See Securities Exchange Act Release No. 64547 (May 25, 2011), 76 FR 31647.

Commission received 18 comments on the proposed Plan.<sup>5</sup>

Rule 608<sup>6</sup> under Section 11A of the Act<sup>7</sup> provides that within 120 days of the date of publication of notice of filing of a national market system plan or an amendment to an effective national market system plan, or within such longer period as the Commission may designate up to 180 days of such date if it finds such longer period to be appropriate and publishes its reasons

<sup>5</sup> See Letter from Steve Wunsch, Wunsch Auction Associates, LLC, to Elizabeth M. Murphy, Secretary, Commission, dated June 2, 2011; Letter from Peter J. Driscoll, Investment Professional, Chicago, IL, to Elizabeth M. Murphy, Secretary, Commission, dated June 17, 2011; Letter from Stuart J. Kaswell, Executive Vice President & Managing Director, General Counsel, Managed Funds Association, to Elizabeth M. Murphy, Secretary, Commission, dated June 21, 2011; Letter from George U. Sauter, Managing Director and Chief Investment Officer, The Vanguard Group, Inc., to Elizabeth M. Murphy, Secretary, Commission, dated June 22, 2011; Letter from Karrie McMillan, General Counsel, Investment Company Institute, to Elizabeth M. Murphy, Secretary, Commission, dated June 22, 2011; Letter from Manisha Kimmel, Executive Director, Financial Information Forum, to Elizabeth M. Murphy, Secretary, Commission, dated June 22, 2011; Letter from Craig S. Donohue, Chief Executive Officer, CME Group Inc., to Elizabeth M. Murphy, Secretary, Commission, dated June 22, 2011; Letter from Joseph N. Cangemi, Chairman, and Jim Toes, President and Chief Executive Officer, Security Traders Association, to Elizabeth M. Murphy, Secretary, Commission, dated June 22, 2011; Letter from Leonard J. Amoroso, General Counsel, Knight Capital Group, Inc., to Elizabeth M. Murphy, Secretary, Commission, dated June 22, 2011; Letter from Ann L. Vleck, Managing Director and Associate General Counsel, Securities Industry and Financial Markets Association, to Elizabeth M. Murphy, Secretary, Commission, dated June 22, 2011; Letter from Jamie Selway, Managing Director, and Patrick Chi, Chief Compliance Officer, ITG Inc., to Elizabeth M. Murphy, Secretary, Commission, dated June 23, 2011; Letter from Jose Marques, Managing Director and Global Head of Electronic Equity Trading, Deutsche Bank Securities Inc., to Elizabeth M. Murphy, Secretary, Commission, dated June 23, 2011; Letter from Kimberly Unger, Esq., Executive Director, The Security Traders Association of New York, Inc., to Elizabeth M. Murphy, Secretary, Commission, dated June 23, 2011; Letter from James J. Angel, PhD, CFA, Associate Professor of Finance, Georgetown University, McDonough School of Business, to Commission, dated June 24, 2011; Letter from John A. McCarthy, General Counsel, GETCO, to Elizabeth M. Murphy, Secretary, Commission, dated June 24, 2011; Letter from Andrew C. Small, Executive Director and General Counsel, Scottrade, Inc., to Elizabeth M. Murphy, Secretary, Commission, dated July 5, 2011; Letter from Peter Skopp, President, Moline Trading Inc., to Elizabeth M. Murphy, Secretary, Commission, dated July 19, 2011; and Letter from Sal Arnuik, Joe Saluzzi, and Paul Zajac, Themis Trading, LLC, to Elizabeth M. Murphy, Secretary, Commission. Copies of all comments received on the proposed Plan are available on the Commission’s Web site, located at <http://www.sec.gov/comments/4-631/4-631.shtml>. Comments are also 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. ET.

<sup>6</sup> 17 CFR 242.608.

<sup>7</sup> 15 U.S.C. 78k–1.

for so finding or as to which the sponsors consent, the Commission shall approve such plan or amendment, with such changes or subject to such conditions as the Commission may deem necessary or appropriate, if it finds that such plan or amendment is necessary or appropriate in the public interest, for the protection of investors and the maintenance of fair and orderly markets, to remove impediments to, and perfect the mechanisms of, a national market system, or otherwise in furtherance of the purposes of the Act. The 120th day for this notice of filing of a national market system plan is September 29, 2011.

The Commission is hereby extending the 120-day time period for Commission action on the proposed rule change. The Commission finds that it is appropriate to designate a longer period within which to take action on the proposed rule change. In particular, the extension of time will ensure that the Commission has sufficient time to consider and take action on the Participants' proposal, in light of, among other things, the comments received on the proposal.

Accordingly, pursuant to Section 11A of the Act<sup>8</sup> and Rule 608 thereunder,<sup>9</sup> the Commission designates November 28, 2011 as the date by which the Commission shall approve the proposed Plan (File Number 4-631), with such changes or subject to such conditions as the Commission may deem necessary or appropriate, if it finds that such plan or amendment is necessary or appropriate in the public interest, for the protection of investors and the maintenance of fair and orderly markets, to remove impediments to, and perfect the mechanisms of, a national market system, or otherwise in furtherance of the purposes of the Act.

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

**Elizabeth M. Murphy,**

*Secretary.*

[FR Doc. 2011-25353 Filed 9-30-11; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-65405; File No. SR-NASDAQ-2011-105]

### Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Order Approving Proposed Rule Change To Establish an Acceptable Trade Range for Quotes and Orders Entered on The NASDAQ Options Market

September 27, 2011.

#### I. Introduction

On August 2, 2011, The NASDAQ Stock Market LLC ("NASDAQ" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), 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> a proposed rule change to establish an Acceptable Trade Range ("ATR") for quotes and orders entered on The NASDAQ Options Market ("NOM"). The proposed rule change was published for comment in the *Federal Register* on August 18, 2011.<sup>3</sup> The Commission received no comment letters regarding the proposal. This order approves the proposed rule change.

#### II. Description of the Proposal

The Exchange proposes to establish an ATR for quotes and orders entered on NOM, which is intended to create a level of protection on NOM that prevents the market from moving beyond set thresholds. These thresholds would consist of a reference price plus or minus set dollar amounts based on the nature and premium of the option. This mechanism is intended to prevent the NOM trading system from experiencing dramatic price swings, which can exist if, for example, a market order or aggressively-priced limit order is entered that is larger than the total volume of contracts quoted at the top-of-book across all U.S. options exchanges.<sup>4</sup> The Exchange believes that, without the ATR, options could execute at prices that have little or no relation to the theoretical price of the option, resulting in potential harm to investors.<sup>5</sup>

##### A. ATR Operation

Prior to executing orders received by NOM, an ATR would be calculated to

determine the range of prices at which orders may be executed. When an order is initially received, the range would be calculated by adding (for buy orders) or subtracting (for sell orders) a value to the National Best Offer ("NBO") (for buy orders) or the National Best Bid ("NBB") (for sell orders) to determine the range of prices that would be valid for execution. A buy (sell) order would be allowed to execute up (down) to and including the maximum (minimum) price within the ATR ("Threshold Price"). If an order could not be executed completely within the ATR, the unexecuted portion of the original order would be posted at the Threshold Price for a brief period, not to exceed one second ("Posting Period"), to allow the market to refresh and determine whether or not more liquidity becomes available on NOM (or any other exchange if the order is designated as routable) within the posted price of the order before moving on to a new Threshold Price. The Threshold Price, at which the order is posted, would then become the new reference price,<sup>6</sup> and a new ATR would be calculated.

Once the Posting Period has expired, if the order has not been fully executed, it would be allowed to execute up to and including the Threshold Price of the new ATR. During the Posting Period, NOM would display the ATR Threshold Price on one side of the market and the best available price on the opposite side of the market using a "non-firm" indicator. The order setting the ATR retains price/time priority in the NOM book.<sup>7</sup> The Exchange notes that, if NOM were to display trading interest available on the opposite side of the market, that trading interest would be automatically accessible to later-entered orders during the period when the order triggering the ATR is paused.<sup>8</sup> Following the Posting Period, the Exchange would return to a normal trading state and disseminate its best bid and offer.

The ATR will be neutral with respect to away markets in that NOM will route orders to other destinations to access liquidity priced within the ATR, provided the order is designated as routable.<sup>9</sup> If an order remains unexecuted, the process would repeat until it is executed, cancelled, or posted at its limit price. If an order is routed

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Securities Exchange Act Release No. 65125 (August 12, 2011), 76 FR 51453 (August 18, 2011) ("Notice").

<sup>4</sup> *Id.*

<sup>5</sup> The Exchange provides an example of such executions in the Notice. *Id.*

<sup>6</sup> If a new NBB is received that is greater than a buy order posted at the Threshold Price, or a new NBO is received that is lower than a sell order posted at the Threshold Price, the new NBB (for buy orders) or NBO (for sell orders) would become the new reference price.

<sup>7</sup> See Notice, *supra* note 3, 76 FR at 51454.

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>8</sup> *Id.*

<sup>9</sup> 17 CFR 242.608.

<sup>10</sup> 17 CFR 200.30-3(a)(42).