

general, to protect investors and the public interest. Section 15A(b)(11) of the Act<sup>7</sup> requires that FINRA rules include provisions governing the form and content of quotations relating to securities sold otherwise than on a national securities exchange which may be distributed or published by any member or person associated with a member, and the persons to whom such quotations may be supplied. In addition, Section 15A(b)(11) of the Act<sup>8</sup> requires that such rules be designed to produce fair and informative quotations, to prevent fictitious or misleading quotations, and to promote orderly procedures for collecting, distributing, and publishing quotations.

FINRA believes the proposed rule change is consistent with Section 15A(b)(6) and (11) of the Exchange Act in that it maintains FINRA's continued ability to operate an interdealer quotation system for use by market makers in OTC equity securities under its historical name.

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

FINRA does not believe that the proposed rule change will result in 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*

Written comments were neither solicited nor received.

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

FINRA has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>9</sup> and Rule 19b-4(f)(6) thereunder.<sup>10</sup> Because the proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative prior to 30 days from the date on which it was filed, 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 Act<sup>11</sup> and Rule 19b-4(f)(6)(iii) thereunder.<sup>12</sup>

At any time within 60 days of the filing of the 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.

### **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 No. SR-FINRA-2012-048 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-FINRA-2012-048. 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.,

<sup>11</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>12</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires the self-regulatory organization to give the Commission written notice of the self-regulatory organization's 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. FINRA has satisfied this requirement.

Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal office of FINRA. 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-FINRA-2012-048 and should be submitted on or before December 6, 2012.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>13</sup>

**Kevin M. O'Neill,**

*Deputy Secretary.*

[FR Doc. 2012-27765 Filed 11-14-12; 8:45 am]

**BILLING CODE 8011-01-P**

## **SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-68189; File No. SR-EDGX-2012-33]**

### **Self-Regulatory Organizations; EDGX Exchange, Inc.; Notice of Withdrawal of Proposed Rule Change To Amend EDGX Rule 11.5(c) To Add the Edge Market Close<sup>SM</sup> Order**

November 8, 2012.

#### **I. Introduction**

On July 27, 2012, the EDGX Exchange, Inc. ("Exchange" or "EDGX") 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 that would have introduced the Edge Market Close<sup>SM</sup> ("EMC") Order as a new order type. The proposed rule change was published for comment in the **Federal Register** on August 10, 2012.<sup>3</sup> The Commission received two comments on the proposed rule change.<sup>4</sup> On September 19, 2012, the

<sup>13</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> See Securities Exchange Act Release No. 67598 (August 6, 2012), 77 FR 47899 ("Notice").

<sup>4</sup> See letters to Elizabeth M. Murphy, Secretary, Commission, from: Alex Kogan, Vice President and Deputy General Counsel, The NASDAQ OMX Group, Inc., dated September 5, 2012 ("NASDAQ Letter"); and Janet McGinness, Executive Vice President and Corporate Secretary, General Counsel, NYSE Euronext, dated September 11, 2012 ("NYSE Letter"). The Exchange submitted a letter responding to these comments. See letter to Elizabeth M. Murphy, Secretary, Commission, from William O'Brien, Chief Executive Officer, DirectEdge, dated November 8, 2012.

<sup>7</sup> 15 U.S.C. 78o-3(b)(11).

<sup>8</sup> 15 U.S.C. 78o-3(b)(11).

<sup>9</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>10</sup> 17 CFR 240.19b-4(f)(6).

Exchange extended the time period for the Commission to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be approved or disapproved, to November 8, 2012.

On November 6, 2012, the Exchange withdrew the proposed rule change (SR-EDGX-2012-33).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>5</sup>

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

[FR Doc. 2012-27763 Filed 11-14-12; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-68180; File No. SR-CHX-2012-18]

### Self-Regulatory Organizations; Chicago Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Alter Its Fee Schedule To Amend Its Institutional Broker Credits

November 8, 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 October 31, 2012, the Chicago Stock Exchange, Inc. (“CHX” or “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. CHX has filed the proposal pursuant to Section 19(b)(3)(A) of the Act <sup>3</sup> and Rule 19b-4(f)(2) thereunder, <sup>4</sup> which renders the proposal 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 the Substance of the Proposed Rule Change

The CHX proposes to amend its Schedule of Participant Fees and Assessments (the “Fee Schedule”), effective November 1, 2012, to alter its schedule of fees for Participants relating to credits to Institutional Brokers. The text of this proposed rule change is

available on the Exchange’s Web site at [http://www.chx.com/rules/proposed\\_rules.htm](http://www.chx.com/rules/proposed_rules.htm) and in the Commission’s Public Reference Room, 100 F Street NE., Washington, DC 20549.

#### 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 CHX included statements concerning the purpose of and basis for the proposed rule changes and discussed any comments it received regarding the proposal. The text of these statements may be examined at the places specified in Item IV below. The CHX 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

Through this filing, the Exchange proposes to amend its Schedule of Participant Fees and Assessments (the “Fee Schedule”), effective November 1, 2012, to amend its existing credits related to Institutional Brokers. Currently, Institutional Brokers are charged monthly fees for their transactions.<sup>5</sup> To reduce the burden of such fees on certain Institutional Brokers, the Exchange historically developed a credit system whereby certain Institutional Brokers receive credits on a percentage basis of their transaction and clearing submission fees. This credit system applies to only certain Institutional Brokers as, for example, the Exchange distributes a credit to an Institutional Broker’s Clearing Broker to defray the Institutional Broker’s transaction fee costs. Also, related to clearing submissions, only FINRA-registered Institutional Brokers may take advantage of the fee credit. This fee change is being proposed to remove credits for transactions types that are rarely used, to reduce current Institutional Broker Credits, to remove inapplicable definitions, and to make the fee credits for transaction fees and clearing submission fees consistent.

The Exchange proposes to amend its current credits to Institutional Brokers related to transaction fees. Currently, the Exchange credits Institutional Brokers at a rate of 12% of their transaction fees per month. Such fees

relate to agency trades executed by the Institutional Broker. The credit is paid to the Clearing Broker for its handling of the transactions. To increase revenue to the Exchange as well as to defray the technical and regulatory costs associated with supporting the Institutional Broker program, the Exchange proposes to reduce its credit for transaction fees to Institutional Brokers to a rate of 10% per month. Because the volume of transaction fees is significant, the Exchange will gain notable revenue by lowering its transaction fee credits. The Exchange is proposing to reduce these credits specifically from its Institutional Brokers because of the increased regulatory costs related to Institutional Brokers. The Exchange also proposes to remove references related to the rarely used transaction fees by removing the 4% credit for payment to Originating Brokers. The Exchange has found that this type of transaction is rarely utilized and, therefore, such credits are not necessary. Therefore, the Exchange proposes to use one 10% credit in relation to transaction fees. The Exchange further proposes to remove the definition of “Originating Broker” from the rule. The Exchange believes the removal of the term is warranted in that the term Originating Broker is used only once in the rule and, through this proposed rule change, the Exchange is deleting that one use. Therefore, to avoid retaining inapplicable definitions in its rules, the Exchange proposes to delete the definition of Originating Broker.

The Exchange also proposes to amend its current credits related to clearing submissions. Currently, Institutional Brokers receive a credit on fees for their clearing submissions. That credit is at a rate of 8% per side and is paid to the Clearing Broker handling the transactions. Further, this credit is only available to those Institutional Brokers who are members of the Financial Industry Regulatory Authority (“FINRA”). The Exchange proposes to raise the credit related to clearing submissions to a rate of 10%. The Exchange believes that this amendment will bring result in an equitable allocation of reasonable fees to its Institutional Brokers in that both the Transaction Fee Credit and the Clearing Submission Fee Credit will be at a 10% rate. Notably, due to the volume of transactions on the Exchange, the Transaction Fee Credits have a higher impact on the Exchange’s revenue while its Clearing Submission Fees do not. The Exchange, therefore, proposes to lower the percentage credits related to

<sup>5</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> 15 U.S.C. 78s(b)(3)(A).

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

<sup>5</sup> Fee Schedule Section A.