

Number of Active SQF Ports	Cost per port per month
0–4	\$350
5–18	1,250
19–40	2,350
40 and over	3,000

The Exchange proposes to cap the Active SQF Port Fees at \$40,000 per month through March 31, 2011 (“Cap”). On April 1, 2011, there will no longer be a Cap in effect for the Active SQF Port Fee. The purpose of the Cap is to ensure member organizations are not assessed fees in excess of the Active SQF Port fees, which fees would have been charged under the fixed rate of \$500 per month per port, during the transition from SQF 5.0 to SQF 6.0.⁵ The Exchange believes that member organizations will utilize less SQF 6.0 ports than SQF 5.0 ports and that all member organizations should have transitioned to SQF 6.0 by March 31, 2011. The Exchange believes that the proposed tiered Active SQF Port Fees will create a more efficient use of Exchange resources by providing members an incentive to utilize the minimum number of ports necessary for their business. The Exchange believes that all members will benefit from a faster and more efficient system if ports are efficiently utilized by members.⁶

The Exchange will continue to account for the number of SQF interfaces in order that member organizations are not assessed port fees for use of the prior version of the interface (SQF 5.0) while transitioning to (and paying for) the new version (SQF 6.0).⁷

While changes to the Exchange’s Fee Schedule pursuant to this proposal are effective upon filing, the Exchange has designated this proposal to be operative on January 3, 2011.

2. Statutory Basis

The Exchange believes that its proposal to amend its Fee Schedule is consistent with Section 6(b) of the Act⁸ in general, and furthers the objectives of Section 6(b)(4) of the Act⁹ in particular, in that it is an equitable allocation of reasonable fees and other charges among

⁵ See Securities Exchange Act Release No. 63034 (October 4, 2010), 75 FR 62441 (October 8, 2010) (SR-Phlx-2010-124).

⁶ See Amendment No. 1 (adding the preceding two sentences).

⁷ See Securities Exchange Act Release No. 63145 (October 21, 2010), 75 FR 66168 (October 21, 2010) (SR-Phlx-2010-143) (a proposal to amend the Active SQF Port Fee so that member organizations are not assessed a fee for use of SQF 5.0 active ports to the extent the member is paying for the same (or greater) number of SQF 6.0 active ports).

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(4).

Exchange members and other persons using its facilities. The Exchange believes that assessing fees at the aforementioned rates is equitable because the fee would be applied equally to all members. The Exchange also believes that the proposal is reasonable because through the transition period the Exchange is proposing a Cap to ensure members are not burdened by proposed tiered schedule of fees.

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 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 either solicited or received.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act¹⁰ and paragraph (f)(2) of Rule 19b-4¹¹ thereunder. 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 e-mail to rule-comments@sec.gov. Please include File Number SR-Phlx-2010-181 on the subject line.

Paper Comments

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary,

¹⁰ 15 U.S.C. 78s(b)(3)(A)(ii).

¹¹ 17 CFR 240.19b-4(f)(2).

Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-Phlx-2010-181. 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 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. 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-Phlx-2010-181 and should be submitted on or before January 26, 2011.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹²

Florence E. Harmon,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-63617; File No. SR-BX-2010-092]

Self-Regulatory Organizations; NASDAQ OMX BX, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Modify Fees for the NASDAQ OMX BX Equities System

December 29, 2010.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934

¹² 17 CFR 200.30-3(a)(12).

(“Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on December 22, 2010, NASDAQ OMX BX, Inc. (“BX”) 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 BX. 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

BX proposes to modify pricing for BX members using the NASDAQ OMX BX Equities System. BX will implement the proposed change on January 3, 2011. The text of the proposed rule change is available at <http://nasdaqomxbx.cchwallstreet.com>, at BX’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, BX 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. BX 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

BX is proposing to modify its fees for trades that execute at prices at or above \$1. BX has a pricing model under which members are charged for the execution of quotes/orders posted on the BX book (*i.e.*, quotes/orders that provide liquidity), while members receive a rebate for orders that access liquidity. Since BX introduced this pricing model in 2009, several other exchanges have emulated it, including the EDGX Exchange, the BATS-Y Exchange, and the CBOE Stock Exchange (“CBSX”).

Effective November 1, 2010, BX increased the rebate for accessing liquidity to \$0.0002 per share executed and introduced a tiered pricing structure for the fee to add liquidity, under which members adding a daily average of more than 50 million shares

of liquidity during a month are charged \$0.00025 per share executed, while members adding a daily average of 50 million or fewer shares during the month are charged \$0.0004 per share executed. Effective January 3, 2011, BX will revert to non-tiered pricing structure, but will make significant changes to the levels of its rebate for accessing liquidity and its charge for liquidity provision. Specifically, for all market participants, the fee to add liquidity will be \$0.0018 per share executed, and the rebate for accessing liquidity will be \$0.0014 per share executed. The fee changes are reflective of the ongoing intense level of competition for order flow in the cash equities markets, and specifically among exchanges that provide rebates to market participants accessing liquidity.³

2. Statutory Basis

BX believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,⁴ in general, and with Section 6(b)(4) of the Act,⁵ in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system which BX operates or controls. The impact of the price changes upon the net fees paid by a particular market participant will depend upon a number of variables, including the relative availability of liquidity on BX and other venues, and the prices of the market participant’s quotes and orders relative to the national best bid and offer (*i.e.*, its propensity to add or remove liquidity). Although the change increases the fee for orders that provide liquidity, it provides an offsetting increase in the rebate for orders accessing liquidity. As a result of the change, BX’s fees and rebates for stocks priced above \$1 will match those that have been in effect on a competing venue for several months.⁶

BX 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. Accordingly, if particular market participants object to the proposed fee changes, they can avoid paying the fees by directing orders to other venues. BX believes that its fees continue to be reasonable and equitably

allocated to members on the basis of whether they opt to direct orders to BX.

B. Self-Regulatory Organization’s Statement on Burden on Competition

BX 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, as amended. Because the market for order execution and routing is extremely competitive, members may readily direct orders to BX’s competitors if they believe that competitors offer more favorable pricing. The change is a direct competitive response to fee changes implemented at one of BX’s competitors.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.⁷ 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. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

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-BX-2010-092 on the subject line.

Paper Comments

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary,

³ See, e.g., Securities Exchange Act Release No. 63160 (October 22, 2010), 75 FR 66817 (October 29, 2010) (SR-CBOE-2010-093) (adopting fees identical to the fees proposed in this filing).

⁴ 15 U.S.C. 78f.

⁵ 15 U.S.C. 78f(b)(4).

⁶ See *supra* n.3.

⁷ 15 U.S.C. 78s(b)(3)(a)(ii).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

Securities and Exchange Commission,
100 F Street, NE., Washington, DC
20549-1090.

All submissions should refer to File Number SR-BX-2010-092. 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 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. Copies of the filing will also be available for inspection and copying at the principal office of the self-regulatory organization. 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-BX-2010-092 and should be submitted on or before January 26, 2011.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁸

Florence E. Harmon,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-63618; File No. SR-NYSE-2010-85]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Extending the Operation of Its New Market Model Pilot Until the Earlier of Securities and Exchange Commission Approval To Make Such Pilot Permanent or August 1, 2011

December 29, 2010.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (the "Act") and Rule 19b-4 thereunder,² notice is hereby given that on December 17, 2010, New York Stock Exchange LLC ("NYSE" or the "Exchange") 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. 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 extend the operation of its New Market Model Pilot, currently scheduled to expire on January 31, 2011, until the earlier of Securities and Exchange Commission ("SEC" or "Commission") approval to make such pilot permanent or August 1, 2011. 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

The Exchange proposes to extend the operation of its New Market Model Pilot ("NMM Pilot"),³ currently scheduled to expire on January 31, 2011, until the earlier of Securities and Exchange Commission approval to make such pilot permanent or August 1, 2011.

The Exchange notes that parallel changes are proposed to be made to the rules of the NYSE Amex LLC.⁴

Background⁵

In October 2008, the NYSE implemented significant changes to its market rules, execution technology and the rights and obligations of its market participants all of which were designed to improve execution quality on the Exchange. These changes are all elements of the Exchange's enhanced market model. Certain of the enhanced market model changes were implemented through a pilot program.

As part of the NMM Pilot, NYSE eliminated the function of specialists on the Exchange creating a new category of market participant, the Designated Market Maker or DMM.⁶ The DMMs, like specialists, have affirmative obligations to make an orderly market, including continuous quoting requirements and obligations to re-enter the market when reaching across to execute against trading interest. Unlike specialists, DMMs have a minimum quoting requirement⁷ in their assigned securities and no longer have a negative obligation. DMMs are also no longer agents for public customer orders.⁸

In addition, the Exchange implemented a system change that allowed DMMs to create a schedule of additional non-displayed liquidity at various price points where the DMM is

³ See Securities Exchange Act Release No. 58845 (October 24, 2008), 73 FR 64379 (October 29, 2008) (SR-NYSE-2008-46); See also Securities Exchange Act Release Nos. 60756 (October 1, 2009), 74 FR 51628 (October 7, 2009) (SR-NYSE-2009-100) (extending Pilot to November 30, 2009); 61031 (November 19, 2009), 74 FR 62368 (November 27, 2009) (SR-NYSE-2009-113) (extending Pilot to March 30, 2010); 61724 (March 17, 2010), 75 FR 14221 (March 24, 2010) (SR-NYSE-2010-25) (extending Pilot to September 30, 2010); and 62819 (September 1, 2010), 75 FR 54937 (September 9, 2010) (SR-NYSE-2010-61) (extending Pilot to January 31, 2011).

⁴ See SR-NYSE Amex-2010-122.

⁵ The information contained herein is a summary of the NMM Pilot. See *supra* note 1 [sic] for a fuller description.

⁶ See NYSE Rule 103.

⁷ See NYSE Rule 104.

⁸ See NYSE Rule 60; see also NYSE Rules 104 and 1000.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

⁸ 17 CFR 200.30-3(a)(12).