

## SECURITIES AND EXCHANGE COMMISSION

### Proposed Collection; Comment Request

#### *Upon Written Request, Copies Available*

From: U.S. Securities and Exchange Commission, Office of Investor Education and Advocacy, Washington, DC 20549-0213.

#### *Extension:*

Rule 17a-22; SEC File No. 270-202; OMB Control No. 3235-0196.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") is soliciting comments on the collection of information provided for in the following rule: Rule 17a-22 (17 C.F.R. 240.17a-22) under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*). The Commission plans to submit this existing collection of information to the Office of Management and Budget for extension and approval.

Rule 17a-22 requires all registered clearing agencies to file with the Commission three copies of all materials they issue or make generally available to their participants or other entities with whom they have a significant relationship. The filings with the Commission must be made within ten days after the materials are issued or made generally available. When the Commission is not the clearing agency's appropriate regulatory agency, the clearing agency must file one copy of the material with its appropriate regulatory agency.

The Commission is responsible for overseeing clearing agencies and uses the information filed pursuant to Rule 17a-22 to determine whether a clearing agency is implementing procedural or policy changes. The information filed aides the Commission in determining whether such changes are consistent with the purposes of Section 17A of the Exchange Act. Also, the Commission uses the information to determine whether a clearing agency has changed its rules without reporting the actual or prospective change to the Commission as required under Section 19(b) of the Exchange Act.

The respondents to Rule 17a-22 are registered clearing agencies. The frequency of filings made by clearing agencies pursuant to Rule 17a-22 varies but on average there are approximately 200 filings per year per active clearing agency. There are four active registered clearing agencies. The Commission staff estimates that each response requires approximately .25 hour (fifteen

minutes), which represents the time it takes for a staff person at the clearing agency to properly identify a document subject to the rule, print and makes copies, and mail that document to the Commission. Thus, the total annual burden for all active clearing agencies is 200 hours (4 clearing agencies multiplied by 200 filings per clearing agency multiplied by .25 hours) and a total of 50 hours (800 responses multiplied by .25 hours, divided by 4 active clearing agencies) per year are expended by each respondent to comply with the rule.

Written comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission's estimates of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

The Commission may not conduct or sponsor a collection of information unless it displays a currently valid control number. No person shall be subject to any penalty for failing to comply with a collection of information subject to the PRA that does not display a valid Office of Management and Budget (OMB) control number.

Please direct your written comments to: Thomas Bayer, 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).

Dated: March 16, 2011.

**Cathy H. Ahn,**  
*Deputy Secretary.*

[FR Doc. 2011-6655 Filed 3-21-11; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

### Proposed Collection; Comment Request

#### *Upon Written Request, Copies Available*

From: U.S. Securities and Exchange Commission, Office of Investor Education and Advocacy, Washington, DC 20549-0213.

#### *Extension:*

Rule 102, SEC File No. 270-409, OMB Control No. 3235-0467.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") is soliciting comments on the collection of information summarized below. The Commission plans to submit this existing collection of information to the Office of Management and Budget for extension and approval for the Rule 102 of Regulation M (17 CFR 242.102), defined as Activities by Issuers and Selling Security Holders During a Distribution.

Rule 102 prohibits distribution participants, issuers, and selling security holders from purchasing activities at specified times during a distribution of securities. Persons otherwise covered by these rules may seek to use several applicable exceptions such as exclusion for actively traded reference securities and the maintenance of policies regarding information barriers between their affiliates.

There are approximately 895 respondents per year that require an aggregate total of 1,795 hours to comply with this rule. Each respondent makes an estimated 1 annual response. Each response takes on average approximately 2.006 hours to complete. Thus, the total compliance burden per year is 1,795 burden hours. The total compliance cost for the respondents is approximately \$102,261.15, resulting in a cost of compliance for the respondent per response of approximately \$114.26 (*i.e.*, \$102,261.15/895 responses). These are internal labor costs and there are no other costs.

Written comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission's estimates of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

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control number. No person shall be subject to any penalty for failing to comply with a collection of information subject to the PRA that does not display a valid Office of Management and Budget (OMB) control number.

Please direct your written comments to: Thomas Bayer, Chief Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 6432 General Green Way, Alexandria, Virginia 22312 or send an e-mail to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: March 16, 2011.

**Cathy H. Ahn,**

*Deputy Secretary.*

[FR Doc. 2011-6656 Filed 3-21-11; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-64088; File No. SR-NYSE-2011-10]

### Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Amending NYSE Rule 36 To Permit Written Communications To Be Sent Electronically Between the Designated Market Maker Unit's Post Location on the Floor and the DMM Unit's Off-Floor Offices and to Persons Permitted To Provide Non-Trading Related Services to the DMM Under Rule 98

March 17, 2011.

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 March 11, 2011, New York Stock Exchange LLC (the "Exchange" or "NYSE") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by NYSE. 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 amend NYSE Rule 36 to permit written communications to be sent electronically between the Designated Market Maker ("DMM") unit's post location on the Floor and the DMM unit's off-Floor offices and to persons permitted to provide non-trading related

services to the DMM under Rule 98. 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 the Statutory Basis for, the Proposed Rule Change

###### 1. Purpose

The Exchange proposes to amend NYSE Rule 36 to (i) expand the persons with whom DMM unit personnel on the Exchange Floor may communicate to include persons providing "non-trading related services" (as defined in Rule 98) to the DMM Unit; and (ii) to expand the means of permissible communication to include written electronic communications between the DMM unit's<sup>3</sup> post location on the Floor and specified off-Floor personnel.<sup>4</sup> The Exchange believes that expanding the persons with whom and the means by which DMMs<sup>5</sup> on the Floor of the Exchange may communicate will both allow DMMs to operate more efficiently and enhance the audit trail associated with DMM communications, thus strengthening the regulatory program associated with reviewing such communications.

###### Current NYSE Rule 36

NYSE Rule 36 broadly provides that no member or member organization shall establish or maintain any

<sup>3</sup> "DMM unit" means any member organization, aggregation unit within a member organization, or division or department within an integrated proprietary aggregation unit of a member organization that (i) has been approved by NYSE Regulation pursuant to NYSE Rule 98(c), (ii) is eligible for allocations under NYSE Rule 103B as a DMM unit in a security listed on the Exchange, and (iii) has met all registration and qualification requirements for DMM units assigned to such unit.

<sup>4</sup> The Exchange notes that its affiliate, NYSE Amex LLC, has proposed parallel changes its rules. See SR-NYSEAmex-2011-16.

<sup>5</sup> "DMM" means any individual qualified to act as a DMM on the Floor of the Exchange.

telephonic or electronic communication between the Floor and any other location without Exchange approval. NYSE Rule 36.30 provides a limited exception for DMM units. Specifically, the Rule provides that:

[w]ith the approval of the Exchange, a DMM unit may maintain a telephone line at its stock trading post location to the off-Floor offices of the DMM unit or the unit's clearing firm. Such telephone connection shall not be used for the purpose of transmitting to the Floor orders for the purchase or sale of securities, but may be used to enter options or futures hedging orders through the unit's off-Floor office or the unit's clearing firm, or through a member (on the floor) of an options or futures exchange as permitted under NYSE Rules 98 and 105.

All DMM units currently have Exchange-approved telephone connections between the Trading Floor post locations and the off-Floor offices of the DMM unit. On behalf of NYSE Regulation, FINRA regularly examines DMM units for compliance with Rule 36.30, and in particular, whether the DMM unit has appropriate policies and procedures governing the use of such telephone lines and to confirm that the telephone lines only connect to the approved locations.

###### Proposed Amendments to NYSE Rule 36

The Exchange proposes to amend Supplementary Material .30 to update the rule to reflect how DMM units are permitted to operate pursuant to Rule 98. Specifically, Rule 98(e) permits a DMM unit to share non-trading related services with its member organization or approved person. Pursuant to Rule 98(e), when sharing such non-trading related services, the DMM unit and approved person must have written procedures and guidelines to protect non-public order information to ensure that such information is not used for any purpose other than to provide non-trading related services to the DMM unit.

The Exchange believes that because Rule 98(e) sets forth protections for non-public order information, Rule 36.30 should be amended to permit DMM units on the Trading Floor to maintain specified telephone and other permitted communication devices (as discussed more fully below) to persons providing non-trading related services permitted under Rule 98. This will enable DMM units to permit their Floor-based personnel to communicate directly with persons providing operational support services, such as a technology help desk that may be located within an approved person.

The Exchange further proposes to amend NYSE Rule 36 to add

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

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