

\$3.75 per trade. In the Notice, the Exchange stated that over 95% of TAF revenue is generated by transactions in Covered Securities that are equity securities. Thus, FINRA's revenue from the TAF is substantially affected by changes in trading volume in the equities markets and, due to the substantial decrease in average daily share volumes since 2009, FINRA has experienced a commensurate substantial decline in revenue from the TAF. Accordingly, FINRA has proposed to increase the TAF rate for Covered Securities that are equity securities by \$0.000015 per share, from \$0.000075 per share to \$0.000090 per share, with a corresponding increase to the per-transaction cap for Covered Securities that are equity securities from \$3.75 to \$4.50.<sup>6</sup> FINRA stated in the Notice that the TAF for covered securities that are equity securities rate has not been adjusted in over six years, and that the proposal is designed to "stabilize revenue flows necessary to support FINRA's regulatory mission."

FINRA proposes July 1, 2011 as the effective date of the adjusted TAF and will announce the effective date of the proposed rule change in a *Regulatory Notice*.

### III. Discussion and Commission's Findings

After carefully considering the proposed rule change, the Commission finds that it is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities association.<sup>7</sup> In particular, the Commission finds that the proposal is consistent with Section 15A(b)(5) of the Act,<sup>8</sup> which requires, among other things, that FINRA rules provide for the equitable allocation of reasonable dues, fees, and other charges among members and issuers and other persons using any facility or system that FINRA operates or controls. The Commission believes that the proposal is reasonably designed to secure adequate funding to support FINRA's regulatory duties.

### IV. Conclusion

*It Is Therefore Ordered*, pursuant to Section 19(b)(2) of the Act,<sup>9</sup> that the

proposed rule change (SR-FINRA-2011-020), be, and hereby is, approved.

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

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

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-64581; File No. SR-NYSEAmex-2011-35]

### Self-Regulatory Organizations; NYSE Amex LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Fees Relating to the Sale of Trading Licenses

June 2, 2011.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that, on May 26, 2011, NYSE Amex LLC ("NYSE Amex" or the "Exchange") 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 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 modify the fees it charges for the issuance of trading licenses that are required in order to effect transactions on the floor of the Exchange or through any facility of the Exchange. The Exchange proposes to amend Rule 300—NYSE Amex Equities (Trading Licenses) to (i) Create a two-tiered pricing structure for the annual fee, under which the fee would continue to be \$40,000 per license for the first two licenses held by a member organization but would be reduced to \$25,000 per license for any additional trading licenses held by that member organization, (ii) provide a formula for proration of the annual fee during a calendar month in which a trading license has been in place for less than the full month and (iii) provide that the monthly installments of the annual fee be payable in arrears at the end of each

month. These changes will become operational on June 1, 2011. The text of the proposed rule change is available at the Exchange, the Commission's Public Reference Room, <http://www.sec.gov>, 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 modify the fees it charges for the issuance of trading licenses that are required in order to effect transactions on the floor of the Exchange or through any facility of the Exchange. As currently provided in Rule 300—NYSE Amex Equities (Trading Licenses), the price per trading license sold in each annual offering of such licenses is \$40,000 or such other price as the Exchange may set per trading license.

The Exchange proposes to modify the structure of its annual fee for trading licenses by moving from a single price of \$40,000 for all such licenses to a two-tiered pricing structure. Under the proposal, the annual fee would continue to be \$40,000 per license for the first two trading licenses held by a member organization but would be reduced to \$25,000 per license for any additional trading licenses held by that member organization.

Pursuant to Rule 300(e)—NYSE Amex Equities, a buyer of a trading license is required to pay the Exchange the trading license fee in equal monthly installments in advance over the period during which the trading license is in effect. The Exchange proposes to change its billing schedule so that the monthly installments are payable in arrears at the end of each month.

Finally, Rule 300(d)—NYSE Amex Equities provides that, following the annual offering and at any time thereafter during the following calendar year, the Exchange shall sell additional

<sup>6</sup> Because transactions in Covered Securities that are equity securities account for over 95% of TAF revenues, FINRA is not proposing adjustments to the TAF rates for other types of Covered Securities.

<sup>7</sup> In approving this proposal, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>8</sup> 15 U.S.C. 78o-3(b)(5).

<sup>9</sup> 15 U.S.C. 78s(b)(2).

<sup>10</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.

trading licenses expiring at the end of the calendar year at a price of \$44,000<sup>3</sup> or such other price as the Exchange may set, but prorated to reflect the amount of time remaining in the year. For any such additional trading license that is in place for 15 calendar days or less in a calendar month, the Exchange proposes that the proration for that month will be computed based on a flat rate of \$100 per day with no tier pricing involved. For any such additional trading license that is in place for 16 calendar days or more in a calendar month, the Exchange proposes that the proration for that month will be computed based on the number of days as applied to the full annual fee for the license for the applicable tier.

These changes will become operational on June 1, 2011. Licenses that are already in place will be billed monthly for the remainder of the year at the new tier rates beginning on that date, but there will be no retroactive adjustment for the period prior to June 1 for those trading licenses that qualify for the new \$25,000 tier price. For the June 2011 billing, the Exchange will begin invoicing in arrears as discussed above.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Securities Exchange Act of 1934 (the "Act"),<sup>4</sup> in general, and Section 6(b)(4) of the Act,<sup>5</sup> in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among its members and other persons using its facilities. The Exchange believes that the proposal does not constitute an inequitable allocation of fees, as all similarly situated member organizations will be subject to the same fee structure and access to the Exchange's market is offered on fair and non-discriminatory terms. Any member organization that holds more than two trading licenses will be able to benefit from the new \$25,000 annual fee tier for the additional licenses. The ability to pay monthly installments of the annual fee in arrears instead of in advance, as presently required, should be beneficial

<sup>3</sup> The Exchange notes that the \$44,000 figure shown in the rule text as the current price for trading licenses sold during a calendar year following the annual offering is erroneous. The correct figure is \$40,000—the same current price as trading licenses sold during the preceding annual offering, prorated to reflect the amount of time remaining in the year.

<sup>4</sup> 15 U.S.C. 78f(b).

<sup>5</sup> 15 U.S.C. 78f(b)(4).

to all member organizations that hold trading licenses.

### 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 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

No written comments were solicited or received with respect to the proposed rule change.

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

The foregoing rule change is effective upon filing pursuant to Section 19(b)(3)(A)<sup>6</sup> of the Act and subparagraph (f)(2) of Rule 19b-4<sup>7</sup> thereunder, because it establishes a due, fee, or other charge imposed by the NYSE.

At any time within 60 days of the filing of such 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](mailto:rule-comments@sec.gov). Please include File Number SR-NYSEAmex-2011-35 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 Number SR-NYSEAmex-2011-35. 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 such 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 publicly available. All submissions should refer to File Number SR-NYSEAmex-2011-35 and should be submitted on or before June 29, 2011.

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

Cathy H. Ahn,  
Deputy Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-64582; File No. SR-NYSE-2011-23]

### Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Exchange Price List

June 2, 2011.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that, on May 26, 2011, New York Stock Exchange LLC ("NYSE" or the "Exchange") filed with the Securities and Exchange Commission (the "Commission") the

<sup>8</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>6</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>7</sup> 17 CFR 240.19b-4(f)(2).