

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-65552; File No. SR-Phlx-2011-139]

### Self-Regulatory Organizations; NASDAQ OMX PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Extend a Pilot Period for Receiving Orders Routed From The NASDAQ Stock Market LLC Into NASDAQ OMX PSX

October 13, 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 October 6, 2011, NASDAQ OMX PHLX LLC (the “Exchange” or “PHLX”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. 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 is filing this proposed rule change to extend the pilot period of PHLX’s prior approval to receive inbound routes of equities orders from The NASDAQ Stock Market LLC (“NASDAQ”) through Nasdaq Execution Services, LLC (“NES”), into PHLX’s NASDAQ OMX PSX trading system (“PSX”). There is no proposed rule text.

#### 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 Exchange 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. The Exchange 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

Currently, NES is the approved outbound routing facility of NASDAQ

for cash equities, providing outbound routing from NASDAQ to other market centers.<sup>3</sup> PSX also has been previously approved to receive inbound routes of equities orders by NES in its capacity as an order routing facility of NASDAQ on a one-year pilot basis.<sup>4</sup> Because PSX commenced receiving orders routed to it by NES on October 8, 2010, the pilot will expire shortly. The Exchange hereby seeks to extend this previously approved pilot period for inbound routing (with the attendant obligations and conditions) for an additional 6 months, through April 8, 2012.<sup>5</sup>

###### 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,<sup>6</sup> in general, and with Section 6(b)(5) of the Act,<sup>7</sup> in particular, in that the proposal is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Specifically, the proposed rule change will allow the Exchange to continue receiving inbound routes of equities orders from NES acting in its capacity as a facility of NASDAQ, in a manner consistent with prior approvals and established protections. The Exchange believes that extending the previously approved pilot period for six months is of sufficient length to permit both the Exchange and the Commission to assess the impact of the Exchange’s authority to receive direct inbound routes of equities orders via NES (including the attendant obligations and conditions)

<sup>3</sup> See NASDAQ Rule 4758. See also Securities Exchange Act Release Nos. 50311 (September 3, 2004), 69 FR 54818 (September 10, 2004) (Order Granting Application for a Temporary Conditional Exemption Pursuant To Section 36(a) of the Exchange Act by the National Association of Securities Dealers, Inc. Relating to the Acquisition of an ECN by The Nasdaq Stock Market, Inc.) and 52902 (December 7, 2005), 70 FR 73810 (December 13, 2005) (SR-NASD-2005-128) (Order Approving a Proposed Rule Change To Establish Rules Governing the Operation of the INET System).

<sup>4</sup> See Securities Exchange Act Release No. 62877 (September 9, 2011), 75 FR 56633 (September 16, 2011) (SR-PHLX-2010-79) (the “PSX Approval Order”).

<sup>5</sup> During this pilot period, the Exchange will file a separate proposal with the Commission seeking permanent approval of the PSX and NES routing relationship.

<sup>6</sup> 15 U.S.C. 78f.

<sup>7</sup> 15 U.S.C. 78f(b)(5).

and to determine whether to approve the pilot on a permanent basis.

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

The Exchange 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.

##### 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

Because the foregoing proposed rule change does not significantly affect the protection of investors or the public interest, does not impose any significant burden on competition, and, by its terms, does not become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>8</sup> and Rule 19b-4(f)(6) thereunder.<sup>9</sup>

The Exchange has requested that the Commission waive the 30-day operative delay. The Exchange believes that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest because a temporary suspension of authority to receive inbound routes of equities orders from NASDAQ would be highly disruptive to the Exchange, NASDAQ and their respective market participants and would not serve to advance any countervailing public interest.<sup>10</sup> The Commission believes that waiver of the operative delay is consistent with the protection of investors and the public interest because such waiver would allow the pilot period to be extended without undue delay through April 8, 2012 while the Exchange’s proposal to make the pilot permanent is under consideration.<sup>11</sup> Therefore, the

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

<sup>9</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires the Exchange to give the Commission written notice of the Exchange’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. The Exchange has satisfied this requirement.

<sup>10</sup> See SR-PHLX-2011-139, Item 7.

<sup>11</sup> See supra note 5.

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

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

Commission designates the proposal operative upon filing.<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 Number SR-Phlx-2011-139 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-Phlx-2011-139. 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., 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 available publicly. All submissions should refer to File Number SR-Phlx-2011-139 and should be submitted on or November 9, 2011.

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

**Elizabeth M. Murphy,**

*Secretary.*

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**BILLING CODE 8011-01-P**

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#### SMALL BUSINESS ADMINISTRATION

##### Houston District Office Advisory Committee

**AGENCY:** U.S. Small Business Administration (SBA).

**ACTION:** Notice of open Federal advisory committee meeting.

**SUMMARY:** The SBA is issuing this notice to announce the location, date, time, and agenda for the next meeting of the Houston District Office Advisory committee. The meeting will be open to the public.

**DATES:** The meeting will be held on October 20, 2011 from approximately 11:30 a.m. to 12:30 p.m. Central Standard Time.

**ADDRESSES:** The meeting will be held at the Internal Revenue Service (IRS), Conference Room 12th Floor; located at 8701 South Gessner, Houston, TX. 77074.

**SUPPLEMENTARY INFORMATION:** Pursuant to section 10(a)(2) of the Federal Advisory Committee Act (5 U.S.C., Appendix 2), SBA announces the meeting of the Houston District Office Advisory Committee. The Houston District Office Advisory Committee is tasked with providing advice and recommendations to the District Director, Regional Administrator, and the SBA Administrator.

The purpose of the meeting is to interact and get feedback from the community stakeholders on how we can better serve our community and to create new networking opportunities with the Houston community. The agenda or topics to be discussed will include: Houston District Office, Lenders and SBA Goals for 2011-2012, Small Business Week 2012.

**FOR FURTHER INFORMATION CONTACT:** The meeting is open to the public; however, advance notice of attendance is requested. Anyone wishing to attend and/or make a presentation to the Houston District Office Advisory Committee must contact Sonia Maldonado, Business Development Specialist by October 13, 2011, by fax or e-mail in order to be placed on the agenda. Sonia Maldonado, Business Development Specialist, SBA; 8701 South Gessner Drive, Suite 1200, Houston, TX 77074, Fax 202-481-5617, or e-mail [Sonia.maldonado@sba.gov](mailto:Sonia.maldonado@sba.gov).

Additionally, if you need accommodations because of a disability or require additional information, please contact Sonia Maldonado.

For more information, please visit our Web site at <http://www.sba.gov/tx>.

Dated: October 13, 2011.

**Dan Jones,**

*SBA Committee Management Officer.*

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**BILLING CODE 8025-01-P**

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#### SMALL BUSINESS ADMINISTRATION

##### Audit and Financial Management Advisory (AFMAC)

**AGENCY:** U.S. Small Business Administration.

**ACTION:** Notice of open Federal advisory committee meeting.

**SUMMARY:** The SBA is issuing this notice to announce the location, date, time, and agenda for the next meeting of the Audit and Financial Management Advisory (AFMAC). The meeting will be open to the public.

**DATES:** The meeting will be held on October 31, 2011 from 1 p.m. to approximately 3 p.m. Eastern Daylight Time.

**ADDRESSES:** The meeting will be accomplished via teleconference with the U.S. Small Business Administration, 409 3rd Street, SW., Office of the Chief Financial Officer, Washington, DC 20416.

**SUPPLEMENTARY INFORMATION:** Pursuant to section 10(a)(2) of the Federal Advisory Committee Act (5 U.S.C., Appendix 2), SBA announces the meeting of the AFMAC. The AFMAC is tasked with providing recommendation and advice regarding the Agency's financial management, including the financial reporting process, systems of internal controls, audit process and process for monitoring compliance with relevant laws and regulations.

The purpose of the meeting is to discuss SBA's FY 2011 Financial

<sup>12</sup> For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>13</sup> 17 CFR 200.30-3(a)(12).