

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-68173; File No. SR-NYSEArca-2012-120]

### Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of Proposed Rule Change To List and Trade Shares of the United States Asian Commodities Basket Fund Under NYSE Arca Equities Rule 8.200

November 6, 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 25, 2012, NYSE Arca, Inc. (“Exchange” or “NYSE Arca”) 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. 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 list and trade shares of the United States Asian Commodities Basket Fund (“UAC” or “Fund”) under NYSE Arca Equities Rule 8.200. The text of the proposed rule change is available on the Exchange’s Web site at [www.nyse.com](http://www.nyse.com), at the principal office of the Exchange, 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, 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

NYSE Arca Equities Rule 8.200, Commentary .02, permits the trading of

Trust Issued Receipts either by listing or pursuant to unlisted trading privileges (“UTP”).<sup>3</sup> The Exchange proposes to list and trade shares (“Units”) of UAC pursuant to NYSE Arca Equities Rule 8.200.

The Exchange notes that the Commission has previously approved the listing and trading of other issues of Trust Issued Receipts on the American Stock Exchange LLC,<sup>4</sup> trading on NYSE Arca pursuant to UTP,<sup>5</sup> and listing on NYSE Arca.<sup>6</sup> In addition, the Commission has approved the listing and trading of other exchange-traded fund-like products linked to the performance of underlying commodities.<sup>7</sup>

The Units represent beneficial ownership interests in UAC, as described in the Registration Statement.<sup>8</sup> UAC is a commodity pool that is a series of the United States Commodity Funds Trust I (“Trust”), a Delaware statutory trust. UAC is managed and controlled by United States Commodity Funds LLC (“Sponsor”). The Sponsor is a Delaware limited liability company that is registered as a commodity pool operator with the Commodity Futures Trading Commission (“CFTC”) and is a member of the National Futures Association. Brown Brothers Harriman & Co. Inc.

<sup>3</sup> Commentary .02 to NYSE Arca Equities Rule 8.200 applies to Trust Issued Receipts that invest in “Financial Instruments.” The term “Financial Instruments,” as defined in Commentary .02(b)(4) to NYSE Arca Equities Rule 8.200, means any combination of investments, including cash; securities; options on securities and indices; futures contracts; options on futures contracts; forward contracts; equity caps, collars, and floors; and swap agreements.

<sup>4</sup> See, e.g., Securities Exchange Act Release No. 58161 (July 15, 2008), 73 FR 42380 (July 21, 2008) (SR-Amex-2008-39).

<sup>5</sup> See, e.g., Securities Exchange Act Release No. 58163 (July 15, 2008), 73 FR 42391 (July 21, 2008) (SR-NYSEArca-2008-73).

<sup>6</sup> See, e.g., Securities Exchange Act Release No. 58457 (September 3, 2008), 73 FR 52711 (September 10, 2008) (SR-NYSEArca-2008-91).

<sup>7</sup> See, e.g., Securities Exchange Act Release Nos. 57456 (March 7, 2008), 73 FR 13599 (March 13, 2008) (SR-NYSEArca-2007-91) (order granting accelerated approval for NYSE Arca listing the iShares GS Commodity Trusts); 59781 (April 17, 2009), 74 FR 18771 (April 24, 2009) (SR-NYSEArca-2009-28) (order granting accelerated approval for NYSE Arca listing the ETFs Silver Trust); 59895 (May 8, 2009), 74 FR 22993 (May 15, 2009) (SR-NYSEArca-2009-40) (order granting accelerated approval for NYSE Arca listing the ETFs Gold Trust); and 62527 (July 19, 2010), 75 FR 43606 (July 26, 2010) (SR-NYSEArca-2010-44) (order approving listing on NYSE Arca of the United States Commodity Index Fund).

<sup>8</sup> See Amendment No. 2 to the registration statement on Form S-1 for the United States Commodity Funds Trust I, dated June 18, 2012 (File No. 333-177188) relating to UAC (“Registration Statement”). The discussion herein relating to the Trust and the Units is based, in part, on the Registration Statement.

(“BBH & Co., Inc.”) is the administrator for the Trust (“Administrator”).

According to the Registration Statement, the net assets of UAC will consist of (a) investments in futures contracts for Asian commodities that are traded on the Chicago Mercantile Exchange (“CME”), Chicago Board of Trade (“CBOT”), the New York Mercantile Exchange (“NYMEX”), Commodity Exchange, Inc. (“COMEX”), ICE Futures US (“ICE US”), ICE Futures Canada (“ICE Canada”), ICE Futures Europe (“ICE Europe”), London Metal Exchange (“LME”), Tokyo Commodity Exchange (“TOCOM”), Dubai Mercantile Exchange (“DME”), and Bursa Malaysia (“Malaysia”)<sup>9</sup> (collectively, “Futures Contracts”) and (b) if applicable, other Asian commodities-related investments such as exchange-listed cash-settled options on Futures Contracts, forward contracts for Asian commodities, cleared swap contracts, and over-the-counter transactions that are based on the price of Asian commodities, Futures Contracts and indices based on the foregoing (collectively, “Other Asian Commodities-Related Investments”). Futures Contracts and Other Asian Commodities-Related Investments collectively are referred to as “Asian Commodities Interests.” UAC will also invest in short-term obligations of the United States of two years or less (“Treasuries”), cash, and cash equivalents for margining purposes and as collateral.<sup>10</sup>

According to the Registration Statement, UAC will invest in Asian Commodities Interests, to the fullest extent possible, without being leveraged or unable to satisfy its current or potential margin and/or collateral obligations with respect to its investments in Futures Contracts and Other Asian Commodities-Related Investments.<sup>11</sup> The primary focus of the Sponsor will be the investment in Futures Contracts and the management of UAC’s investments in Treasuries, cash, and cash equivalents for margining purposes and as collateral.

According to the Registration Statement, the investment objective of

<sup>9</sup> CME, CBOT, NYMEX, COMEX, ICE US, ICE Canada, ICE Europe, LME, TOCOM, DME, and Malaysia are each referred to herein as a “Futures Exchange.”

<sup>10</sup> Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, the CFTC has been tasked with implementing rules and regulations that are expected to impact position limits and visibility levels and other regulatory requirements that will be applicable to the Fund and its holdings.

<sup>11</sup> The Sponsor represents that the Fund will invest in Asian Commodities Interests in a manner consistent with the Fund’s investment objective and not to achieve additional leverage.

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

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

UAC (before fees and expenses) will be to have the daily changes in percentage terms of its net asset value (“NAV”) reflect the daily changes in percentage terms of the price of a basket of Futures Contracts, each of which tracks one of the Asian Benchmark Commodities (“Futures Basket”). The “Asian Benchmark Commodities” will be commodities selected by the Sponsor. The Futures Contracts designated for inclusion in the Futures Basket will be selected by the Sponsor, and are referred to as the “Benchmark Futures Contracts.”

According to the Registration Statement, the Asian Benchmark Commodities will be selected by the Sponsor<sup>12</sup> based on either their systemic importance to Asian economies, including the three major Asian economies of China, Japan, and India, or the fact that there are futures contracts relating to the commodity or commodities that trade on an Asian domiciled futures exchange. The Sponsor will select the Asian Benchmark Commodities based on the following four criteria:

- First, the physical commodity must be one in which the economies of China, Japan, and India annually consume 10% or more of global consumption based on publically available industry and government statistics.
- Second, the physical commodity must be one in which, based on publically available industry and government statistics, China, Japan, and India annually produce less of the commodity than they typically consume, indicating that they are likely to be net importers of the commodity and not net exporters.
- Third, the Futures Contracts on the physical commodity must be traded on a regulated Futures Exchange in the United States, Canada, the United Kingdom, Japan, Dubai, Malaysia, or other domicile which allows a U.S. domiciled passive investment fund to buy and sell such contracts.
- Fourth and finally, the Futures Contracts traded on such commodities must have average open interest measured in U.S. dollars in excess of \$150 million at the time of the commodity’s selection. In the event the same or substantially similar physical contract is traded on more than one Futures Exchange, the minimum liquidity test will be applied to the

exchange with the largest open interest US dollar terms in that particular commodity.

The Asian Benchmark Commodities will be selected by the Sponsor in accordance with the above specific quantitative data. Then, according to the Registration Statement, in the first quarter of each calendar year, the Sponsor will reevaluate the selection of commodities based on the prior year’s data. As a result of changes in Asian commodity production, commodity consumption, net imports or exports of commodities, and changes in commodity futures contract liquidity and in strict accordance with the criteria and factors listed above, the Sponsor may elect to add or delete a commodity from the list of Asian Benchmark Commodities, and thus the Futures Basket.<sup>13</sup> Under normal circumstances,<sup>14</sup> the Sponsor anticipates that any changes in either the list of Asian Benchmark Commodities, the list of Benchmark Futures Contracts in the Futures Basket, or their weightings, would be made as part of the annual review process and disclosed to investors with no less than 30 days advanced notice of the change.

From time to time throughout the year, it is possible that the Sponsor may determine that a Futures Contract that is currently a Benchmark Futures Contract is no longer suitable due to changes in the liquidity of the Futures Contract or due to changes in the rules regarding that particular Futures Contract on its regulated Futures Exchange.<sup>15</sup> In such cases the Sponsor would first attempt to select another Futures Contract based on the same commodity that trades on either the current regulated Futures Exchange, or trades on another regulated Futures Exchange, and disclose on the Fund’s Web site and in a prospectus supplement that the new

<sup>13</sup> In making any such change, the Sponsor will file a prospectus supplement informing investors of the proposed changes no less than 30 days prior to the first month in which the commodity or commodities added will become part of the Asian Benchmark Commodities, or 30 days prior to the first month in which the commodity or commodities deleted will no longer be part of the Asian Benchmark Commodities. Any changes to the eligible Asian Benchmark Commodities will also be published on the Web site for the Fund.

<sup>14</sup> “Normal circumstances” as used herein includes, but is not limited to, the absence of extreme volatility or trading halts in the commodity markets or the financial markets generally; operational issues causing dissemination of inaccurate market information; or force majeure type events such as systems failure, natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labor disruption, or any similar intervening circumstance.

<sup>15</sup> According to the Sponsor, an example would be a case where a Futures Contract has decreased average liquidity under \$150 million.

Futures Contract will become a Benchmark Futures Contract for the relevant Asian Benchmark Commodity and the prior Benchmark Futures Contract for such Asian Benchmark Commodity would be deleted. In the event that the Sponsor determined that no other existing Futures Contract is a suitable replacement, then the Sponsor would file a prospectus supplement and post on the Web site indicating that the relevant Benchmark Futures Contract would no longer be included as part of the Futures Basket. In cases where a suitable Benchmark Futures Contract no longer exists, the Sponsor will also remove the underlying commodity from the list of Asian Benchmark Commodities.<sup>16</sup> Although the Sponsor would normally seek to provide at least 30 days’ notice of any such change, specific circumstances could mean that the Sponsor would be unable to provide that amount of advanced notice.

The Benchmark Futures Contracts may trade on any of the Futures Exchanges. It is not the intent of UAC to be operated in a fashion such that its NAV will equal, in dollar terms, the spot price of any particular commodity or any particular Benchmark Futures Contract. It is not the intent of UAC to be operated in a fashion such that its NAV will reflect the percentage change of the price of the Futures Basket as measured over a time period greater than one day. The Sponsor does not believe that is an achievable goal due to the potential impact of backwardation and contango on returns of any portfolio of futures contracts.

According to the Registration Statement, UAC will seek to achieve its investment objective by investing in Futures Contracts and, if applicable, Other Asian Commodities-Related Investments such that the daily changes in UAC’s NAV will closely track changes in the daily price of the Futures Basket. The Sponsor believes changes in the price of the Benchmark Futures Contracts have historically exhibited a close correlation with the changes in the price of the corresponding Asian Benchmark Commodities. On any valuation day (a valuation day is any NYSE Arca trading day as of which UAC calculates its NAV, as described herein), each Benchmark Futures Contract will be the near month contract for the corresponding Asian Benchmark

<sup>16</sup> According to the Sponsor, in a case where an underlying commodity is removed from the list of Asian Benchmark Commodities as described, if a Futures Contract in such commodity becomes available at some later date, the underlying commodity would be eligible for selection as an Asian Benchmark Commodity in the annual review process.

<sup>12</sup> The Sponsor is not a broker-dealer or a registered investment adviser. The Sponsor represents that it will implement and maintain procedures designed to prevent the use and dissemination of material, non-public information regarding the Futures Basket.

Commodity traded on the Futures Exchange where such Benchmark Futures Contract is listed, unless the near month contract will expire within 4 business days prior to the end of the month. Only the Benchmark Futures Contracts that will be reaching expiration in the upcoming month will be sold and the next Futures Contract for that commodity that expires later than the upcoming month, the next month contract, will be used to replace the contract being sold. Benchmark Futures Contracts which are not reaching expiration in the upcoming month will not be “rolled” forward.

UAC will invest in Benchmark Futures Contracts to the fullest extent possible, turning next to investments in other Futures Contracts, and finally to Other Asian Commodities-Related Investments only if required to by applicable regulatory requirements or under adverse market conditions.<sup>17</sup> The types of regulatory requirements and market conditions that would cause UAC to invest in this manner are of a limited nature. An example of a regulatory requirement that would cause UAC to invest in Futures Contracts or Other Asian Commodities-Related Investments other than Benchmark Futures Contracts would be where UAC received payment from an Authorized Purchaser for the issuance of a Creation Basket, but could not invest the

payment in Benchmark Futures Contracts because doing so would cause UAC to exceed the position limits applicable to such Benchmark Futures Contracts. Imposition of other regulatory requirements, such as accountability levels, daily price fluctuation limits, or the imposition of capital controls on foreign investments, may cause UAC to invest in Futures Contracts or Other Asian Commodities-Related Investments other than Benchmark Futures Contracts.<sup>18</sup> Adverse market conditions that the Sponsor currently anticipates could cause UAC to invest in Futures Contracts and Other Asian Commodities-Related Investments would be those allowing UAC to obtain greater liquidity or to execute transactions with more favorable pricing.

More specifically, if applicable regulatory requirements or adverse market conditions make investing in Benchmark Futures Contracts impracticable, UAC would then invest to the fullest extent possible in other Futures Contracts that, while relating to the same commodity and trading on the same Futures Exchange as a Benchmark Futures Contract, have a different expiration date. If and when investing in such other Futures Contracts becomes impracticable because of regulatory requirements or adverse market conditions, UAC would then invest to

the fullest extent possible in Futures Contracts that, while relating to the same commodity as the corresponding Benchmark Futures Contract, are traded on a different futures exchange. Only when UAC has invested in Benchmark Futures Contracts and other Futures Contracts to the fullest extent possible in the manner described above, will it then invest in Other Asian Commodities-Related Investments.<sup>19</sup>

According to the Registration Statement, the Sponsor will endeavor to place UAC’s trades in Asian Commodities Interests and otherwise manage UAC’s investments so that “A” will be within plus/minus 10 percent of “B,” where:

- A is the average daily percentage change in UAC’s NAV for any period of 30 successive valuation days, *i.e.*, any NYSE Arca trading day as of which UAC calculates its NAV; and
- B is the average daily percentage change in the price of the Futures Basket over the same period.

A list of the current Asian Benchmark Commodities is shown in the table below. Included with the list is the Sponsor’s estimate of the percentage of global production and consumption for each commodity that is attributable to China, Japan, and India combined. Finally, the current assigned base weight of each commodity for use in the Futures Basket is listed.

**ASIAN BENCHMARK COMMODITIES**  
[As of December 31, 2011]

Commodity	China, Japan, and India’s share of global production (percent)	China, Japan, and India’s share of global consumption (percent)	Current base weight (percent)
Crude Oil .....	5.9	19.0	22
Gasoil .....	5.9	19.0	2
Corn .....	23.3	24.6	10
Soybeans .....	9.1	32.1	10
Wheat .....	32.3	32.6	10
Copper .....	4.8	60.9	10
Zinc .....	34.5	48.9	5
Nickel .....	4.3	41.6	5
Sugar .....	24.4	26.2	5

<sup>17</sup> “Adverse market conditions” as used herein includes, but is not limited to, those conditions whereby the Sponsor believes the price of the Benchmark Futures Contract appears adversely impacted or economically dislocated compared to substantially similar Futures Contracts, *i.e.*, those futures contracts of the same commodity as the Benchmark Futures Contract, but traded on a different exchange.

<sup>18</sup> According to the Registration Statement, U.S. designated contract markets such as the CME, CBOT, COMEX, NYMEX, and ICE US have established accountability levels and position limits on the maximum net long or net short futures contracts in commodity interests that any person or group of persons under common trading control (other than as a hedge, which an investment by UAC is not) may hold, own, or control.

In addition to accountability levels and position limits, the regulated Futures Exchanges may also set daily price fluctuation limits on futures contracts. The daily price fluctuation limit establishes the maximum amount that the price of a futures contract may vary either up or down from the previous day’s settlement price. Once the daily price fluctuation limit has been reached in a particular futures contract, no trades may be made at a price beyond that limit.

Imposition of, or changes in, accountability levels, position limits or fluctuation limits on futures contracts could constitute a regulatory requirement that would cause UAC to invest in Futures Contracts or Other Asian Commodities-Related Investments other than Benchmark Futures Contracts. All of these limits may potentially cause a tracking error between the price of the Units and

the price of the Futures Basket. This may in turn prevent investors from being able to effectively use UAC as a way to hedge against Asian commodities-related losses or as a way to indirectly invest in Asian commodities.

<sup>19</sup> UAC anticipates that, to the extent it invests in Futures Contracts other than the Benchmark Futures Contracts and Other Asian Commodities-Related Investments that are not economically equivalent to the Benchmark Futures Contracts, it will enter into various non-exchange-traded derivative contracts to hedge the short-term price movements of such Futures Contracts and Other Asian Commodities-Related Investments against the current Benchmark Futures Contracts.

ASIAN BENCHMARK COMMODITIES—Continued  
[As of December 31, 2011]

Commodity	China, Japan, and India's share of global production (percent)	China, Japan, and India's share of global consumption (percent)	Current base weight (percent)
Platinum .....	0	41.9	5
Gold .....	13.1	63.8	5
Silver .....	15.1	66.8	5
Canola Oil .....	15	44.7	2
Palm Oil .....	0	40.1	2
Rubber .....	14.6	47.3	2
Total .....	.....	.....	100

A list of the current Benchmark the Futures Basket is shown in the table  
Futures Contracts and their weighting in below.

BENCHMARK FUTURES CONTRACTS

Commodity	Primary futures exchange	Trading hours (eastern time)	Contract ticker or code	Contract size	Pricing convention	Futures basket weighting (percent)
Crude Oil-Light/Sweet-Brent .....	ICE Europe .....	8 p.m.–6 p.m.* .....	CO .....	1,000	USD/bbl .....	20.0
Crude Oil-Medium-DME/Oman ...	DME/CME ** .....	6 p.m.–5:15 p.m.* ..	OQD .....	1,000	USD/bbl .....	2.0
Gasoil .....	ICE Europe .....	8 p.m.–6 p.m.* .....	QS .....	100	USD/Tonne .....	2.0
Corn .....	CBOT .....	8:30 a.m.–12:15 p.m.	ZC .....	5,000	c/bu .....	10.0
Soybeans .....	CBOT .....	8:30 a.m.–12:15 p.m.	ZS .....	5,000	c/bu .....	10.0
Wheat .....	CBOT .....	8:30 a.m.–12:15 p.m.	ZW .....	5,000	c/bu .....	10.0
Copper .....	COMEX .....	8:10 a.m.–1 p.m. ...	HG .....	25,000	USD/lb .....	10.0
Zinc .....	LME .....	8 p.m.–2 p.m. ....	LX .....	25	USD/Tonne .....	5.0
Nickel .....	LME .....	8 p.m.–2 p.m. ....	LN .....	6	USD/Tonne .....	5.0
Sugar .....	ICE US .....	3:30 a.m.–2 p.m. ...	SB .....	112,000	c/lb .....	5.0
Platinum .....	TOCOM *** .....	7 p.m.–1:30 a.m. *	JA .....	500	JPY/g .....	5.0
Gold .....	COMEX .....	8:20 a.m.–1:30 p.m	GC .....	100	USD/T.Oz .....	5.0
Silver .....	COMEX .....	8:25 a.m.–1:25 p.m	SI .....	5,000	USD/T.Oz .....	5.0
Canola Oil .....	ICE Canada .....	8 p.m.–2:15 p.m. ...	RS .....	20	CAD/Tonne .....	2.0
Palm Oil .....	Bursa Malaysia/ CME ** .....	7 p.m.–3:50 a.m.* ..	KO .....	25	MYR/Tonne .....	2.0
Rubber .....	TOCOM .....	7 p.m.–1:30 a.m.* ..	JN .....	5,000	JPY/kg .....	2.0
Total .....	.....	.....	.....	.....	.....	100

\* Trading ends on next calendar day.

\*\* Non-U.S. Futures Contracts that are also cross-listed on the CME and trade during U.S. market hours.

\*\*\* A substantially similar, but not identical, physically settled Futures Contract trades in the U.S. on the CME.

The Sponsor believes that market arbitrage opportunities will cause daily changes in UAC's Unit price on the NYSE Arca to closely track daily changes in UAC's NAV per Unit. The Sponsor believes that the net effect of this expected relationship and the expected relationship described above between UAC's NAV and the Futures Basket will be that the daily changes in the price of UAC's Units on the NYSE Arca will closely track in percentage terms, changes in the Futures Basket less UAC's expenses.

The Sponsor will employ a "neutral" investment strategy intended to track the changes in the Futures Basket regardless of whether the price goes up

or goes down. UAC's "neutral" investment strategy is designed to permit investors generally to purchase and sell UAC's Units for the purpose of trading indirectly in the commodities market in a cost-effective manner, and/or to permit participants in the commodities or other industries to hedge the risk of losses in their Asian Commodities Interests. Accordingly, depending on the investment objective of an individual investor, the risks generally associated with investing in the Asian commodities market and/or the risks involved in hedging may exist. In addition, an investment in UAC involves the risk that the changes in the price of UAC's Units will not accurately

track changes in the Futures Basket and that changes in the Benchmark Futures Contracts will not closely correlate with changes in the prices of the corresponding Asian Benchmark Commodities. Furthermore, UAC will also hold Treasuries, cash, and/or cash equivalents to meet its current or potential margin or collateral requirements with respect to its investments in Asian Commodities Interests and invest cash not required to be used as margin or collateral. UAC does not expect there to be any meaningful correlation between the performance of UAC's investments in Treasuries, cash, and/or cash equivalents and the changes in the

prices of commodities or Asian Commodities Interests. While the level of interest earned on or the market price of these investments may in some respect correlate to changes in the prices of commodities, this correlation is not anticipated as part of UAC's efforts to meet its objective.

Each month, the Benchmark Futures Contracts will change, starting four business days prior to the end of the month. Only the near month Benchmark Futures Contracts that will be reaching expiration in the upcoming month will be sold. The next Benchmark Futures Contract for the relevant Asian Benchmark Commodity that expires later than the upcoming month, the next month contract, will be used to replace the Benchmark Futures Contract being sold. Near month Benchmark Futures Contracts which are not reaching expiration in the upcoming month will not be "rolled" forward. During the first three days of such period, the applicable value of each Benchmark Futures Contract being rolled forward will be based on a combination of the corresponding near month contract and the "next month contract" as follows:

(1) Day 1 will consist of 75% of the then near month contract's total return for the day, plus 25% of the total return for the day of the next month contract,

(2) Day 2 will consist of 50% of the then near month contract's total return for the day, plus 50% of the total return for the day of the next month contract, and

(3) Day 3 will consist of 25% of the then near month contract's total return for the day, plus 75% of the total return for the day of the next month contract.

On day 4, such Benchmark Futures Contract will be the next month contract to expire at that time. That contract will remain the Benchmark Futures Contract until the following month's change in the Benchmark Futures Contract, the period for which begins four business days prior to the end of the month.

The Sponsor will attempt to manage the credit risk of UAC by following certain trading limitations and policies. In particular, UAC intends to post margin and collateral and/or hold liquid assets that will be equal to approximately the face amount of the Asian Commodity Interests it holds. The Sponsor will implement procedures that will include, but will not be limited to, executing and clearing trades and entering into over-the-counter transactions only with parties it deems creditworthy and/or requiring the posting of collateral by such parties for the benefit of UAC to limit its credit exposure. To reduce the credit risk that arises in connection with over-the-

counter derivative contracts, UAC will generally enter into an agreement with each counterparty based on the Master Agreement published by the International Swaps and Derivatives Association, Inc. that provides for the netting of its overall exposure to its counterparty.

The creditworthiness of each potential counterparty will be assessed by the Sponsor. The Sponsor will assess or review, as appropriate, the creditworthiness of each potential or existing counterparty to an over-the-counter contract pursuant to guidelines approved by the Sponsor. Furthermore, the Sponsor on behalf of UAC will only enter into over-the-counter contracts with counterparties who are, or are affiliates of, (a) banks regulated by a United States federal bank regulator, (b) broker-dealers regulated by the Commission, (c) insurance companies domiciled in the United States, and (d) producers, users, or traders of commodities, whether or not regulated by the CFTC. Existing counterparties will be reviewed periodically by the Sponsor. UAC also may require that the counterparty be highly rated and/or provide collateral or other credit support.

#### *Creation and Redemption of Units*

UAC will create Units only in blocks of 50,000 Units called "Creation Baskets" and redeem Units only in blocks of 50,000 Units called "Redemption Baskets." Only authorized purchasers may purchase or redeem Creation Baskets or Redemption Baskets, respectively. An authorized purchaser is under no obligation to create or redeem baskets, and an authorized purchaser is under no obligation to offer to the public Units of any baskets it does create. Baskets are generally created when there is a demand for Units, including, but not limited to, when the market price per Unit is at a premium to the NAV per Unit. Authorized purchasers will then sell such Units, which will be listed on NYSE Arca, to the public at per Unit offering prices that are expected to reflect, among other factors, the trading price of the Units on NYSE Arca, the NAV of UAC at the time the authorized purchaser purchased the Creation Baskets and the NAV at the time of the offer of the Units to the public, the supply of and demand for Units at the time of sale, and the liquidity of the Futures Contracts market and the market for Other Asian Commodities-Related Investments. The prices of Units offered by Authorized Purchasers are expected to fall between UAC's NAV and the trading price of the Units on the

NYSE Arca at the time of sale. Similarly, baskets are generally redeemed when the market price per Unit is at a discount to the NAV per Unit. Retail investors seeking to purchase or sell Units on any day will effect such transactions in the secondary market, on NYSE Arca, at the market price per Unit, rather than in connection with the creation or redemption of baskets.

Purchase and redemption orders must be placed by 10:30 a.m. Eastern Time ("E.T.") or the close of regular trading on the NYSE Arca, whichever is earlier.

The creation and redemption of baskets will only be made in exchange for delivery to UAC or the distribution by UAC of the amount of Treasuries and/or cash equal to the combined NAV of the number of Units included in the baskets being created or redeemed determined as of 4:00 p.m. E.T. on the day the order to create or redeem baskets is properly received.

All proceeds from the sale of Creation Baskets will be invested in the investments described in the Registration Statement. Investments and related margin or collateral are held through the custodian for UAC, BBH & Co., Inc., in accounts with UAC's futures commission merchant, UBS USA, LLC, or other custodian.

UAC and the Units will meet the initial and continued listing requirements applicable to Trust Issued Receipts in NYSE Arca Equities Rule 8.200 and Commentary .02 thereto. With respect to application of Rule 10A-3 under the Act,<sup>20</sup> the Trust relies on the exception contained in Rule 10A-3(c)(7).<sup>21</sup> A minimum of 100,000 Units for UAC will be outstanding as of the start of trading on the Exchange.

A more detailed description of UAC's investments, as well as of the investment risks, creation and redemption procedures and fees, is set forth in the Registration Statement. All terms relating to UAC that are referred to, but not defined in, this proposed rule change are defined in the Registration Statement.

#### *Net Asset Value*

UAC's NAV will be calculated by:

- Taking the current market value of its total assets, and
- Subtracting any liabilities.

BBH & Co., Inc. the Administrator, will calculate the NAV of UAC once each NYSE Arca trading day. The NAV for a particular trading day will be released after 4:00 p.m. E.T. Trading during the Core Trading Session (9:30 a.m. E.T. to 4:00 p.m. E.T.) on the NYSE

<sup>20</sup> 17 CFR 240.10A-3.

<sup>21</sup> 17 CFR 240.10A-3(c)(7).

Arca typically closes at 4:00 p.m. E.T. The Administrator will use the closing prices on the relevant Futures Exchanges of the Benchmark Futures Contracts (determined at the earlier of the close of such exchange or 2:30 p.m. E.T.) for the contracts traded on the Futures Exchanges, but will calculate or determine the value of all other UAC investments using market quotations, if available, or other information customarily used to determine the fair value of such investments as of the earlier of the close of the NYSE Arca or 4:00 p.m. E.T.

“Other information” customarily used in determining fair value includes information consisting of market data in the relevant market supplied by one or more third parties including, without limitation, relevant rates, prices, yields, yield curves, volatilities, spreads, correlations or other market data in the relevant market, or information of the types described above from internal sources if that information is of the same type used by UAC in the regular course of its business for the valuation of similar transactions. The information may include costs of funding, to the extent costs of funding are not and would not be a component of the other information being utilized. Third parties supplying quotations or market data may include, without limitation, dealers in the relevant markets, end-users of the relevant product, information vendors, brokers, and other sources of market information.

#### *Dissemination of Indicative Fund Value*

In order to provide updated information relating to UAC for use by investors and market professionals, the NYSE Arca will calculate and disseminate throughout the Core Trading Session on each trading day an updated Indicative Fund Value (“IFV”). The IFV will be calculated by using the prior day’s closing NAV per Unit of UAC as a base and updating that value throughout the trading day to reflect changes in the most recently reported price level of the Benchmark Futures Contracts as reported by Bloomberg, L.P. or another reporting service.

The IFV disseminated during NYSE Arca Core Trading Session hours should not be viewed as an actual real time update of the NAV, because NAV is calculated only once at the end of each trading day based upon the relevant end of day values of UAC’s investments.

The IFV will be widely disseminated by one or more major market data vendors at least every 15 seconds during

the NYSE Arca Core Trading Session.<sup>22</sup> The normal trading hours of the Futures Exchanges vary, with some Futures Exchanges ending their trading hours before the close of the Core Trading Session on NYSE Arca (for example, the normal trading hours of the NYMEX are 10:00 a.m. E.T. to 2:30 p.m. E.T.). When UAC holds Futures Contracts from Futures Exchanges with different trading hours than the NYSE Arca there will be a gap in time at the beginning and/or the end of each day during which UAC’s Units are traded on the NYSE Arca, but real-time Futures Exchange trading prices for Futures Contracts traded on such Futures Exchanges are not available. During such gaps in time, the IFV will be calculated based on the end of day price of such Futures Contracts from the relevant Futures Exchange’s immediately previous trading session. In addition, other Futures Contracts, Other Asian Commodities-Related Investments, and Treasuries held by UAC will be valued by the Administrator, using rates and points received from client-approved third party vendors (such as Reuters and WM Company) and advisor quotes. These investments will not be included in the IFV.

#### *Availability of Information Regarding the Units*

The NAV for UAC will be disseminated daily to all market participants at the same time. The Exchange will make available on its Web site daily trading volume of each of the Units, closing prices of such Units, and number of Units outstanding.

The intraday, closing prices, and settlement prices of the Futures Contracts and Futures Basket are or will be readily available from the Web sites of the relevant Futures Exchanges, automated quotation systems, published or other public sources, or on-line information services such as Bloomberg or Reuters, and the value of the Futures Basket will be disseminated at least every 15 seconds. Complete real-time data for the Futures Contracts is available by subscription from Reuters and Bloomberg. The relevant Futures Exchanges also provide delayed futures information on current and past trading sessions and market news free of charge on their respective Web sites. The specific contract specifications for the Futures Contracts are also available on such Web sites, as well as other

financial informational sources. Information regarding exchange-traded cash-settled options and cleared swap contracts will be available from the applicable exchanges and major market data vendors. Quotation and last-sale information regarding the Units will be disseminated through the facilities of the CTA. In addition, UAC’s Web site, [www.unitedstatesasiancommoditiesbasketfund.com](http://www.unitedstatesasiancommoditiesbasketfund.com), will display the applicable end of day closing NAV.

UAC’s total portfolio composition will be disclosed each business day that the NYSE Arca is open for trading, on UAC’s Web site. The Web site disclosure of portfolio holdings will be made daily and will include, as applicable, (i) the composite value of the total portfolio, (ii) the name, percentage weighting, and value of each Benchmark Futures Contract, (iii) the specific types, percentage weightings, and values of Other Asian Commodities-Related Investments and characteristics of such Other Asian Commodities-Related Investments, (iv) the name and value of each Treasury security and cash equivalent, and (v) the amount of cash held in UAC’s portfolio. In addition, on each business day that the NYSE Arca is open for trading, the Web site disclosure will include the contents and percentage weighting of the Futures Basket and the list and percentage weighting of the Asian Benchmark Commodities. The sources the Sponsor uses to determine global production, consumption, and economic tendencies will be available on the Fund’s Web site. UAC’s Web site is publicly accessible at no charge.

This Web site disclosure of the portfolio composition of UAC will occur at the same time as the disclosure by the Sponsor of the portfolio composition to authorized purchasers so that all market participants are provided portfolio composition information at the same time. Therefore, the same portfolio information will be provided on the public Web site as well as in electronic files provided to authorized purchasers. Accordingly, each investor will have access to the current portfolio composition of UAC through UAC’s Web site.

#### *Trading Rules*

The Exchange deems the Units to be equity securities, thus rendering trading in the Units subject to the Exchange’s existing rules governing the trading of equity securities. Units will trade on the NYSE Arca Marketplace from 4:00 a.m. to 8:00 p.m. E.T. The Exchange has appropriate rules to facilitate transactions in the Units during all trading sessions. As provided in NYSE

<sup>22</sup> Currently, it is the Exchange’s understanding that several major market data vendors display and/or make widely available IFV published on CTA or other data feeds.

Arca Equities Rule 7.6, Commentary .03, the minimum price variation (“MPV”) for quoting and entry of orders in equity securities traded on the NYSE Arca Marketplace is \$0.01, with the exception of securities that are priced less than \$1.00 for which the MPV for order entry is \$0.0001.

The trading of the Units will be subject to NYSE Arca Equities Rule 8.200, Commentary .02(e), which sets forth certain restrictions on Equity Trading Permit (“ETP”) Holders acting as registered Market Makers in Trust Issued Receipts to facilitate surveillance. See “Surveillance” below for more information.

With respect to trading halts, the Exchange may consider all relevant factors in exercising its discretion to halt or suspend trading in the Units. Trading may be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in the Units inadvisable. These may include: (1) The extent to which trading is not occurring in the underlying futures contracts, or (2) whether other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present. In addition, trading in Units will be subject to trading halts caused by extraordinary market volatility pursuant to the Exchange’s “circuit breaker” rule<sup>23</sup> or by the halt or suspension of trading of the underlying futures contracts.

The Exchange may halt trading during the day in which an interruption to the dissemination of the IFV, the value of the Futures Basket, or the value of the underlying Futures Contracts occurs. If the interruption to the dissemination of the IFV, the value of the Futures Basket, or the value of the underlying Futures Contracts persists past the trading day in which it occurred, the Exchange will halt trading no later than the beginning of the trading day following the interruption. In addition, if the Exchange becomes aware that the NAV with respect to the Units is not disseminated to all market participants at the same time, it will halt trading in the Units until such time as the NAV is available to all market participants.

#### Surveillance

The Exchange intends to utilize its existing surveillance procedures applicable to derivative products, including Trust Issued Receipts, to monitor trading in the Units. The Exchange represents that these procedures are adequate to properly monitor Exchange trading of the Units in all trading sessions and to deter and

detect violations of Exchange rules and applicable federal securities laws.

The Exchange’s current trading surveillances focus on detecting securities trading outside their normal patterns. When such situations are detected, surveillance analysis follows and investigations are opened, where appropriate, to review the behavior of all relevant parties for all relevant trading violations. The Exchange is able to obtain information regarding trading in the Units, the physical commodities included in, or options, futures, or options on futures on, Units through ETP Holders, in connection with such ETP Holders’ proprietary trades or customer trades through ETP Holders which they effect on any relevant market. The Exchange can obtain market surveillance information, including customer identity information, with respect to transactions occurring on exchanges that are members of the Intermarket Surveillance Group (“ISG”), including CME, COMEX, CBOT, NYMEX, ICE US, ICE Canada, DME, and Malaysia. In addition, the Exchange has entered into comprehensive surveillance sharing agreements with ICE Europe and LME that apply with respect to trading in the applicable Futures Contracts. A list of ISG members is available at [www.isgportal.org](http://www.isgportal.org).<sup>24</sup>

In addition, with respect to UAC’s Futures Contracts traded on exchanges, not more than 10% of the weight of such Futures Contracts in the aggregate shall consist of components whose principal trading market is not a member of ISG or is a market with which the Exchange does not have a comprehensive surveillance sharing agreement.

The Exchange also has a general policy prohibiting the distribution of material, non-public information by its employees.

#### Information Bulletin

Prior to the commencement of trading, the Exchange will inform its ETP Holders in an Information Bulletin of the special characteristics and risks associated with trading the Units. Specifically, the Information Bulletin will discuss the following: (1) The risks involved in trading the Units during the Opening and Late Trading Sessions when an updated IFV will not be calculated or publicly disseminated; (2) the procedures for purchases and redemptions of Units in Creation

<sup>24</sup> The Exchange notes that not all Other Asian Commodities-Related Investments may trade on markets that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.

Baskets and Redemption Baskets (and that Units are not individually redeemable); (3) NYSE Arca Equities Rule 9.2(a), which imposes a duty of due diligence on its ETP Holders to learn the essential facts relating to every customer prior to trading the Units; (4) how information regarding the IFV is disseminated; (5) that a static IFV will be disseminated, between the close of trading on the applicable Futures Exchange and the close of the NYSE Arca Core Trading Session; (6) the requirement that ETP Holders deliver a prospectus to investors purchasing newly issued Units prior to or concurrently with the confirmation of a transaction; and (7) trading information.

In addition, the Information Bulletin will advise ETP Holders, prior to the commencement of trading, of the prospectus delivery requirements applicable to UAC. The Exchange notes that investors purchasing Units directly from UAC will receive a prospectus. ETP Holders purchasing Units from UAC for resale to investors will deliver a prospectus to such investors. The Information Bulletin will also discuss any exemptive, no-action, and interpretive relief granted by the Commission from any rules under the Act.

In addition, the Information Bulletin will reference that UAC is subject to various fees and expenses described in the Registration Statement. The Information Bulletin will also reference that the CFTC has regulatory jurisdiction over the trading of Futures Contracts traded on U.S. markets.

The Information Bulletin will also disclose the trading hours of the Units of UAC and that the NAV for the Units is calculated after 4:00 p.m. E.T. each trading day. The Information Bulletin will disclose that information about the Units of UAC is publicly available on UAC’s Web site.

#### 2. Statutory Basis

The basis under the Act for this proposed rule change is the requirement under Section 6(b)(5)<sup>25</sup> that an exchange have rules that are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to, and perfect the mechanism of a free and open market, and, in general, to protect investors and the public interest.

The Exchange believes that the proposed rule change is designed to prevent fraudulent and manipulative acts and practices in that the Units will be listed and traded on the Exchange

<sup>25</sup> 15 U.S.C. 78f(b)(5).

<sup>23</sup> See NYSE Arca Equities Rule 7.12.

pursuant to the initial and continued listing criteria in NYSE Arca Equities Rule 8.200 and Commentary .02 thereto. The Sponsor is not a broker-dealer or a registered investment adviser. The Sponsor represents that it will implement and maintain procedures designed to prevent the use and dissemination of material non-public information regarding the Futures Basket. UAC will invest in Benchmark Futures Contracts to the fullest extent possible, turning next to investments in other Futures Contracts, and finally to Other Asian Commodities-Related Investments only if required to by applicable regulatory requirements or in adverse market conditions.<sup>26</sup> The Exchange has in place surveillance procedures that are adequate to properly monitor trading in the Units in all trading sessions and to deter and detect violations of Exchange rules and applicable federal securities laws. With respect to UAC's Futures Contracts traded on exchanges, not more than 10% of the weight of such Futures Contracts in the aggregate shall consist of components whose principal trading market is not a member of ISG or is a market with which the Exchange does not have a comprehensive surveillance sharing agreement. The Exchange may obtain information via ISG from other exchanges that are members of ISG or with which the Exchange has entered into a comprehensive surveillance sharing agreement. The intraday, closing prices, and settlement prices of the Futures Contracts held by UAC are readily available from the Web sites of the relevant Futures Exchanges, automated quotation systems, published or other public sources, or on-line information services such as Bloomberg or Reuters. The relevant Futures Exchanges also provide delayed futures information on current and past trading sessions and market news free of charge on their respective Web sites. Quotation and last-sale information for the Units will be available via CTA. In addition, UAC's Web site will display the applicable end of day closing NAV. UAC's total portfolio composition will be disclosed on its Web site.

The proposed rule change is designed to promote just and equitable principles of trade and to protect investors and the public interest in that a large amount of information is publicly available regarding UAC and the Units, thereby promoting market transparency. The IFV and value of the Futures Basket will be disseminated by one or more major market data vendors at least every 15 seconds during the regular NYSE Arca

Core Trading Session. Trading in Units of UAC will be halted if the circuit breaker parameters in NYSE Arca Equities Rule 7.12 have been reached or because of market conditions or for reasons that, in the view of the Exchange, make trading in the Units inadvisable. Moreover, prior to the commencement of trading, the Exchange will inform its ETP Holders in an Information Bulletin of the special characteristics and risks associated with trading the Units. UAC's total portfolio composition will be disclosed each business day that the NYSE Arca is open for trading, on UAC's Web site at [www.unitedstatesasiancommoditiesbasketfund.com](http://www.unitedstatesasiancommoditiesbasketfund.com). The Web site disclosure of portfolio holdings will be made daily and will include, as applicable, (i) the composite value of the total portfolio, (ii) the name, percentage weighting, and value of each Benchmark Futures Contract, (iii) the specific types, percentage weightings, and values of Other Asian Commodities-Related Investments and characteristics of such Other Asian Commodities-Related Investments, (iv) the name and value of each Treasury security and cash equivalent, and (v) the amount of cash held in UAC's portfolio. In addition, on each business day that the NYSE Arca is open for trading, the Web site disclosure will include the contents and percentage weighting of the Futures Basket and the list and percentage weighting of the Asian Benchmark Commodities.

The Exchange may halt trading during the day in which an interruption to the dissemination of the IFV, the value of the Futures Basket, or the value of the underlying Futures Contracts occurs. If the interruption to the dissemination of the IFV, value of the Futures Basket, or the value of the underlying Futures Contracts persists past the trading day in which it occurred, the Exchange will halt trading no later than the beginning of the trading day following the interruption. In addition, if the Exchange becomes aware that the NAV with respect to the Units is not disseminated to all market participants at the same time, it will halt trading in the Units until such time as the NAV is available to all market participants.

The proposed rule change is designed to perfect the mechanism of a free and open market and, in general, to protect investors and the public interest in that it will facilitate the listing and trading of an additional type of trust issued receipts that will enhance competition among market participants, to the benefit of investors and the marketplace. As noted above, the Exchange has in place surveillance procedures relating to

trading in the Units and may obtain information via ISG from other exchanges that are members of ISG or with which the Exchange has entered into a comprehensive surveillance sharing agreement. In addition, as noted above, investors will have ready access to information regarding UAC's holdings, IFV, and quotation and last-sale information for the Units.

#### *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**

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding, or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) By order approve or disapprove the proposed rule change, or
- (B) Institute proceedings to determine whether the proposed rule change should be 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 email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-NYSEArca-2012-120 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.

<sup>26</sup> See note 17, *supra*.

All submissions should refer to File Number SR-NYSEArca-2012-120. 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 Section, 100 F Street NE., Washington, DC 20549-1090, on official business days between 10:00 a.m. and 3:00 p.m. Copies of the filing will also be available for inspection and copying at the NYSE's principal office and on its Internet Web site at [www.nyse.com](http://www.nyse.com). 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-NYSEArca-2012-120 and should be submitted on or before December 4, 2012.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>27</sup>

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

[FR Doc. 2012-27551 Filed 11-9-12; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-68162; File No. SR-NYSEMKT-2012-62]

### Self-Regulatory Organizations; NYSE MKT LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Extend the Temporary Suspension of Those Aspects of Rules 36.20—Equities, 36.21—Equities, and 36.30—Equities That Would Not Permit Designated Market Makers and Floor Brokers To Use Personal Portable Phone Devices on the Trading Floor Following the Aftermath of Hurricane Sandy From November 5, 2012 Until the Earlier of When Phone Service Is Fully Restored or Friday, November 9, 2012

November 5, 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 November 5, 2012, NYSE MKT LLC ("NYSE MKT" or "Exchange") 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 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 temporary suspension of those aspects of Rules 36.20—Equities, 36.21—Equities, and 36.30—Equities that would not permit Designated Market Makers ("DMMs") and Floor brokers to use personal portable phone devices on the Trading Floor following the aftermath of Hurricane Sandy from November 5, 2012 until the earlier of when phone service is fully restored or Friday, November 9, 2012. The text of the proposed rule change is available on the Exchange's Web site at [www.nyse.com](http://www.nyse.com), at the principal office of the Exchange, 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, 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

On Thursday, November 1, 2012, the Exchange filed a rule proposal to temporarily suspend those aspects of Rules 36.20—Equities, 36.21—Equities, and 36.30—Equities that would not permit Floor brokers and Designated Market Makers ("DMMs") to use personal portable phone devices on the Trading Floor<sup>3</sup> following the aftermath of Hurricane Sandy and during the period that phone service was not fully functional.<sup>4</sup> Pursuant to that filing, all other aspects of those rules remained applicable and the temporary suspensions of Rule 36 requirements were in effect beginning the first day trading resumed following Hurricane Sandy until Friday, November 2, 2012.

As of Monday, November 5, 2012, although power has been restored to the downtown Manhattan vicinity, other services are not yet fully operational. Among other things, the telephone services provided by third-party carriers to the Exchange are still not fully operational on the Trading Floor, which impacts the ability of Floor members to communicate from the Trading Floor as permitted by Rule 36—Equities.

Because of intermittent cell phone service, many Exchange authorized and provided portable phones continue to not be functional and therefore Floor brokers still cannot use the Exchange authorized and provided portable phones, pursuant to Rules 36.20—Equities and 36.21—Equities. In certain instances, however, the personal cell phones of Floor brokers are operational on the Trading Floor. The Exchange believes that because communications with customers is a vital part of a Floor broker's role as agent and therefore contributes to maintaining a fair and orderly market, during the period when phone service continues to be intermittent, Floor brokers should be

<sup>3</sup> Pursuant to Rule 6A—Equities, the Trading Floor is defined as the restricted-access physical areas designated by the Exchange for the trading of securities, but does not include the physical locations where NYSE Amex Options are traded.

<sup>4</sup> See Securities Exchange Act Release No. 68138 (Nov. 1, 2012) (SR-NYSEMKT-2012-59).

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

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

<sup>27</sup> 17 CFR 200.30-3(a)(12).