SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–61294; File No. SR–NYSE–2009–135]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by New York Stock Exchange LLC Amending NYSE Rule 18 To Eliminate the $500 Minimum Net Loss Requirement for a Member Organization To Seek Compensation in the Event of an Exchange System Failure

January 6, 2010.

Pursuant to Section 19(b)(1) [1] of the Securities Exchange Act of 1934 (the "Act") [2] and Rule 19b–4 thereunder,[3] notice is hereby given that, on December 31, 2009, New York Stock Exchange LLC ("NYSE" or the "Exchange") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend NYSE Rule 18 ("Compensation in Relation to Exchange System Failure") to eliminate the $500 minimum net loss requirement for a member organization to seek compensation in the event of an Exchange System failure. The text of the proposed rule change is available at the Exchange, the Commission's Public Reference Room, the Commission's Web site at *http://www.sec.gov,* and the Exchange's Web site at *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.

[1] 15 U.S.C.78s(b)(1).

[2] 15 U.S.C. 78a.

[3] 17 CFR 240.19b–4.

A. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

Through this filing, the Exchange proposes to amend NYSE Rule 18 ("Compensation in Relation to Exchange System Failure") to eliminate the $500 minimum net loss requirement for a member organization to seek compensation in the event of an Exchange System failure. Member organizations would therefore be permitted to submit a claim for compensations without having to meet a minimum net loss threshold as long as such claims meet the other criteria of NYSE Rule 18. [4]

NYSE Rule 18 was established to provide a mechanism for member organizations to receive compensation for losses sustained in relation to an Exchange system failure.[5] It provides that member organizations that sustain a loss in relation to an Exchange system failure [6] are eligible to submit a claim, per incident, for compensation to the Exchange if certain requirements are met. Specifically, pursuant to NYSE Rule 18(a), claim is eligible for compensation if the Exchange's Division of Floor Operations determines that: (i) A valid order was accepted by the Exchange's systems; (ii) an Exchange system failure, as defined in NYSE Rule 18(b), occurred during the execution of said order; (iii) a member organization sustained a loss related to an Exchange system failure; (iv) the net loss was at least $500; [7] and (v) the Exchange's Division of Floor Operations received from the member organizations that sustained such loss, verbal [8] notice by the market opening on the next business day following the system failure and written notice by the end of the third business day following the system failure.

The provision that the member organization sustain a minimum net total loss of $500 requires the member organization to deduct any profits received in relation to the same incident before submitting the claim amount.[9] Member organizations are not permitted to aggregate losses incurred as a result of more than one system failure in order to satisfy the $500 minimum claim requirement. As a result, certain member organizations have been precluded from submitting claims for losses sustained in relation to an Exchange system failure.

The Exchange seeks to have the rule be even more inclusive of its member organizations that may sustain a loss in the event of an Exchange system failure. Based on its experience, the Exchange has concluded that it is no longer necessary to prescribe a minimum net loss in order for its member organizations to be eligible to submit claims. Accordingly, the Exchange seeks to eliminate the minimum net loss provision of NYSE Rule 18. The Exchange believes that this will allow more member organizations opportunities to seek compensation for losses sustained in relation to an Exchange system failure.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Securities Exchange Act of 1934 (the "Act"),[10] in general, and furthers the objectives of Section 6(b)(5) of the Act,[11] in particular, in that it is 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 a national market system, and, in general, to protect investors and the public interest. The Exchange believes the proposed rule change is in keeping with these principles in that it serves to eliminate the minimum net loss threshold requirement in relation to an Exchange system failure in order to be

[4] The Exchange notes that similar changes are proposed to the rules of its affiliate, NYSE Amex LLC. *See* SR–NYSEAmex 2009–100.

[5] *See* Securities Exchange Act Release No. 55555 (March 27, 2007), 72 FR 16841 (April 5, 2007) (SR–NYSE–2007–09) (adopting the rule and making the operation of the rule was retroactive to September 1, 2006).

[6] Pursuant to NYSE Rule 18(b), a system failure is defined as a malfunction of the Exchange's physical equipment, devices and/or programming which results in an incorrect execution of an order or no execution of an order that was received in Exchange systems. Through this filing, the Exchange further seeks to change the word "which" in this subsection of the rule to "that" in order to make it grammatically correct.

[7] As the Exchange gained experience with the administration of NYSE Rule 18, it reviewed the members that were eligible to receive compensation pursuant to the rule and made changes to allow more member organizations eligible to submit claims. *See* Securities Exchange Act Release No. 56718 (October 29, 2007), 72 FR 62506 (November 5, 2007) (SR–NYSE–2007–95) (reducing the minimum net loss from $5,000 to $500).

[8] Through this filing the Exchange further seeks to change the word "verbal" to the word "oral" to make clear that the initial notice is not required in writing.

[9] *See* Securities Exchange Release No. 59486 (March 2, 2009), 74 FR 10104 (March 9, 2009) (SR–NYSE–2009–16) (Clarifying among other things, that if members and member organizations retain profits from a system malfunction, then they are required to net such profits against any losses from the same malfunction before submitting any claims).

[10] 15 U.S.C. 78f(b).

[11] 15 U.S.C. 78f(b)(5).

more inclusive and provide more opportunities for member organizations to be compensated for losses sustained in relation to an Exchange system failure thus protecting investors and the public interest.

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 Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act [12] and Rule 19b–4(f)(6) thereunder.[13] Because the proposed rule change does not: (i) Significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b–4(f)(6)(iii) thereunder.

A proposed rule change filed under Rule 19b–4(f)(6) [14] normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b–4(f)(6)(iii),[15] the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing.

The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest because doing so will allow member organizations to immediately seek compensation for losses of less than $500 sustained in relation to an Exchange system failure. For this reason, the Commission designates that the proposed rule change become immediately operative.[16]

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (*http://www.sec.gov/rules/sro.shtml*); or
- Send an e-mail to *rule-comments@sec.gov.* Please include File Number SR–NYSE–2009–135 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–NYSE–2009–135. 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 inspection and copying 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–NYSE–2009–135 and should be submitted on or before February 2, 2010.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[17]

Florence E. Harmon,

Deputy Secretary.

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[12] 15 U.S.C. 78s(b)(3)(A)(iii).

[13] 17 CFR 240.19b–4(f)(6).

[14] 17 CFR 240.19b–4(f)(6).

[15] 17 CFR 240.19b–4(f)(6)(iii).

[16] For purposes only of waiving the 30-day operative delay, the Commission has considered the proposal's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

[17] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–61293; File No. SR–NYSEAmex–2009–100]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by NYSE Amex LLC Amending NYSE Amex Equities Rule 18 To Eliminate the $500 Minimum Net Loss Requirement for a Member Organization To Seek Compensation in the Event of an Exchange System Failure

January 6, 2010.

Pursuant to Section 19(b)(1) [1] of the Securities Exchange Act of 1934 (the "Act") [2] and Rule 19b–4 thereunder,[3] notice is hereby given that on December 31, 2009, NYSE Amex LLC (the "Exchange" or "NYSE Amex") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend NYSE Amex Equities Rule 18 ("Compensation in Relation to Exchange System Failure") to eliminate the $500 minimum net loss requirement for a member organization to seek

[1] 15 U.S.C. 78s(b)(1).

[2] 15 U.S.C. 78a.

[3] 17 CFR 240.19b–4.