

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 the 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-2012-46 and should be submitted on or before May 10, 2012.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>31</sup>

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

[FR Doc. 2012-9406 Filed 4-18-12; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-66806; File No. SR-Phlx-2012-49]

### Self-Regulatory Organizations; NASDAQ OMX PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Rule 1014

April 13, 2012.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup>, and Rule 19b-4<sup>2</sup> thereunder, notice is hereby given that, on April 4, 2012, NASDAQ OMX PHLX LLC ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "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 amend Section (b)(ii)(D)(3) of Rule 1014, Obligations and Restrictions Applicable to Specialists and Registered Options Traders, a rule pertaining to the minimum size requirement for quotations.

The text of the proposed rule change is available on the Exchange's Web site at <http://www.nasdaqtrader.com/micro.aspx?id=PHLXRulefilings>, 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 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

This proposed rule change is based on filings previously submitted by the Chicago Board Options Exchange ("CBOE")<sup>3</sup> and the International Securities Exchange ("ISE")<sup>4</sup> that were effective on filing.

The purpose of the proposed rule change is to amend Section (b)(ii)(D)(3) of Rule 1014, Obligations and Restrictions Applicable to Specialists and Registered Options Traders, in order to change a minimum quoting size requirement. Rule 1014(b)(ii)(D) sets forth certain market making obligations that apply to Streaming Quote Traders

<sup>3</sup> See Securities Exchange Act Release No. 58828 (October 21, 2008), 73 FR 63749 (October 27, 2008) (SR-CBOE-2008-107).

<sup>4</sup> See Securities Exchange Act Release No. 60854 (October 21, 2009) 74 FR 55613 (October 28, 2009) (SR-ISE-2009-84).

("SQTs"),<sup>5</sup> Remote Streaming Quote Traders ("RSQTs")<sup>6</sup> and specialists. For example, Rule 1014(b)(ii)(D)(1) provides that, in addition to other obligations and with certain exceptions, an SQT and an RSQT shall be responsible to quote two-sided markets in not less than 60% of the series in which such SQT or RSQT is assigned. Likewise, Rule 1014(b)(ii)(D)(2) provides that a specialist must quote two-sided markets in the lesser of 99% of the series or 100% of the series minus one call-put pair in each option in which such specialist is assigned.

Currently Rule 1014(b)(ii)(D)(3) provides that SQTs, RSQTs and the specialist assigned in an option shall submit electronic quotations for such option with a size of not less than 10 contracts. The Exchange proposes to eliminate the 10 contract minimum size and to provide instead that the minimum number of contracts shall be specified by the Exchange for each option. The proposed change would allow the Exchange to set a minimum quotation size requirement for quotes on a class by class basis, provided the minimum set by the Exchange is at least one contract. Phlx would not impose a minimum quotation size requirement greater than 10 contracts.

The Exchange believes it should have the flexibility to change the minimum size requirement on a class by class basis depending on market conditions and the trading and liquidity in a particular option class and its underlying security. Phlx notes that the minimum quotation size requirement for market makers on ISE, CBOE, NYSE Arca, Inc. ("NYSE Arca") and the Nasdaq Options Market ("NOM") is only one contract.<sup>7</sup> As a result, Phlx believes the proposed rule change is based on and similar to the rules of other options exchanges.

###### 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b)

<sup>5</sup> A Streaming Quote Trader ("SQT") is defined in Exchange Rule 1014(b)(ii)(A) as a ROT who has received permission from the Exchange to generate and submit option quotations electronically in options to which such SQT is assigned.

<sup>6</sup> A Remote Streaming Quote Trader ("RSQT") is defined Exchange Rule in 1014(b)(ii)(B) as an ROT that is a member or member organization with no physical trading floor presence who has received permission from the Exchange to generate and submit option quotations electronically in options to which such RSQT has been assigned. An RSQT may only submit such quotations electronically from off the floor of the Exchange.

<sup>7</sup> See ISE Rule 804, CBOE Rules 6.2B, 8.7, 8.14, 8.15A, NYSE Arca Rule 6.37B and NOM Rulebook Chapter VII, Section 6(a).

<sup>31</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.

of the Act<sup>8</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>9</sup> in particular, in that it is designed 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 proposed rule change would permit the Exchange to set a minimum quotation size requirement on a class by class basis, provided the minimum size is at least one contract. Phlx believes that this flexibility will enable the Exchange to take into consideration market conditions and the trading and liquidity in a particular option class and its underlying security.

#### 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 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 either solicited or received.

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

Because the foregoing 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 for 30 days after the date of the filing, or such shorter time as the Commission may designate, it has become effective pursuant to 19(b)(3)(A) of the Act<sup>10</sup> and Rule 19b-4(f)(6)<sup>11</sup> thereunder.

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. If the Commission takes such action, the

Commission shall institute proceedings to determine whether the proposed rule should be approved or 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-Phlx-2012-49 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-2012-49. 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 the 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-2012-49 and should be submitted on or before May 10, 2012.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>12</sup>

Kevin M. O'Neill,  
Deputy Secretary.

[FR Doc. 2012-9407 Filed 4-18-12; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-66809; File No. SR-NYSEAmex-2012-10]

### Self-Regulatory Organizations; NYSE Amex LLC; Order Granting Approval of a Proposed Rule Change Amending NYSE Amex Rule 476A To Update Its "List of Equities Rule Violations and Fines Applicable Thereto"

April 13, 2012.

#### I. Introduction

On February 16, 2012, NYSE Amex LLC ("Exchange" or "NYSE Amex") filed with the Securities and Exchange Commission ("Commission"), 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> a proposed rule change to amend NYSE Amex Rule 476A to update its "List of Equities Rule Violations and Fines Applicable Thereto." The proposed rule change was published for comment in the **Federal Register** on March 5, 2012.<sup>3</sup> The Commission received no comment letters on the proposed rule change. This order approves the proposed rule change.

#### II. Description

By way of background, NYSE Amex Rule 476 governs disciplinary proceedings involving charges against members, member organizations, principal executives, approved persons, employees, or others for violations of the federal securities laws, Exchange rules and agreements with the Exchange, and other offenses listed in the rule.

NYSE Amex Rule 476A, "Imposition of Fines for Minor Violation(s) of Rules," provides that, in lieu of commencing a disciplinary proceeding under Rule 476, the Exchange may (subject to specified requirements) "impose a fine, not to exceed \$5,000, on any member, member organization, principal executive, approved person, or registered or non-registered employee of a member or member organization, for

<sup>12</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>3</sup> See Securities Exchange Act Release No. 66481 (February 28, 2012), 77 FR 13159 ("Notice").

<sup>8</sup> 15 U.S.C. 78f(b).

<sup>9</sup> 15 U.S.C. 78f(b)(5).

<sup>10</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>11</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file 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. 17 CFR 240.19b-4(f)(6).