

NYSE believes that the rule change will help make the securities markets more safe and efficient by encouraging the dematerialization of securities and by correctly placing the cost of the use of certificates on those investors requesting certificates. NYSE also believes that the rule change is consistent with the protection of investors and the public interest because holding a securities position in street name or through DRS provides investors with the ability to hold their securities in a safe and cost-effective manner without incurring the costs associated with the issuance and processing of securities certificates.

III. Comment Letters

The Commission received two comment letters,⁷ both in support of the proposed rule change. Computershare, a registered transfer agent, and The Securities Transfer Association, an industry association representing transfer agents, stated that the rule change was an important step toward the goal of dematerialization by decreasing the use of certificates in the marketplace and encouraging investors to hold shares in DRS, thereby reducing the risk and unnecessary expense for both issuers and shareholders of issuing and holding certificates.

IV. Discussion

Section 6(b)(5) of the Act requires, among other things, that the rules of an exchange be designed 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 transaction 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.⁸ The Commission's approval of the rule change should remove impediments to and perfects the mechanism of a free and open market and a national market system in that it encourages the dematerialization of securities, which should improve the process of transferring securities in the public markets. The rule change is also consistent with the protection of investors and the public interest because investors can avoid the fees for the issuance of certificates by holding their securities in street name or through DRS which are safer and more

cost effective alternatives to holding securities in certificated form.

Accordingly, for the reasons stated above the Commission believes that the rule change is consistent with NYSE's obligation under Section 6 of the Act.

V. Conclusion

On the basis of the foregoing, the Commission finds that the proposed rule change is consistent with the requirements of the Act and in particular with the requirements of Section 6 of the Act and the rules and regulations thereunder.⁹

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR-NYSE-2008-112) be and hereby is approved.

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

Florence E. Harmon,

Deputy Secretary.

[FR Doc. E9-2853 Filed 2-10-09; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-59353; File No. SR-NYSEALTR-2008-12]

Self-Regulatory Organizations; NYSE Alternext US LLC; Order Approving Proposed Rule Change To Establish the Risk Management Gateway Service

February 3, 2009.

I. Introduction

On December 12, 2008, NYSE Alternext US LLC ("Exchange" or "NYSE Alternext") filed with the Securities and Exchange Commission ("Commission") pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to establish the Risk Management Gateway ("RMG") service. The proposed rule change was published for comment in the **Federal Register** on December 31, 2008.³ The Commission received no comment letters on the proposed rule change. This order approves the proposed rule change.

⁹ In approving the proposed rule change, the Commission considered the proposal's impact on efficiency, competition, and capital formation.

¹⁰ 17 CFR 200.30-3(a)(12).

¹¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 59144 (December 22, 2008), 73 FR 80502.

II. Description of the Proposed Rule Change

The Exchange proposes to offer, through its wholly-owned subsidiary NYSE Euronext Advanced Trading Solutions, Inc., the RMG service to NYSE Alternext members and member organizations pursuant to voluntary, contractual arrangements.⁴ NYSE Transact Tools, Inc., a division of the NYSE Euronext Advanced Trading Solutions Group ("NYXATS"), owns RMG.⁵ NYSE Alternext Equities Rule 123B.30 permits NYSE Alternext members and member organizations (a "Sponsoring Member Organization") to provide sponsored access to non-member firms or customers ("Sponsored Participants") to Exchange trading systems. Pursuant to this proposal, the Exchange would offer RMG to facilitate a Sponsoring Member Organization's ability to monitor and supervise the trading activity of its Sponsored Participants. RMG is a risk filter that verifies orders entered by Sponsored Participants prior to the receipt of the order by the Exchange's trading systems. Specifically, RMG verifies whether a Sponsored Participant's order complies with order criteria established by the Sponsoring Member Organization for the Sponsored Participant, including, amongst other things, criteria related to order size (per order or daily quantity limits), credit limits (per order or daily value), specific symbols or end users. If the order is consistent with the parameters set by the Sponsoring Member Organization, after RMG's verification, the order would be permitted to continue along its path to the Exchange's trading systems. However, if the order did not meet the specified parameters, RMG would return the order to the Sponsored Participant.

RMG would only interact with a Sponsored Participant's order prior to the order's receipt by the Exchange's trading system. In addition, RMG would only return an order to the Sponsored Participant if the order did not meet the criteria set by the Sponsoring Member Organization. RMG would not provide order execution or trade reporting capabilities, but RMG would maintain records of all messages related to

⁴ A similar service has been approved for NYSE. See Securities Exchange Act Release No. 59354 (February 3, 2009) (SR-NYSE-2008-101).

⁵ NYXATS will host the RMG software on its infrastructure. After passing through the RMG software, each order will enter the NYSE Common Customer Gateway for connectivity to the Exchange's matching engine. According to the Exchange, in the future, NYXATS may integrate RMG into the NYSE CCG for more direct access to the Exchange's matching engine.

⁷ Supra note 3.

⁸ 15 U.S.C. 78f(b)(5).

Sponsored Participants' transactions and provide the applicable Sponsoring Member Organization copies of those records.

The Sponsoring Member Organization, and not RMG, will have full responsibility for ensuring that Sponsored Participants' sponsored access to the Exchange complies with the Exchange's sponsored access rules. The use of the RMG by a Member Organization does not automatically constitute compliance with Exchange rules.

The Exchange proposes to make RMG available to its members and member organizations pursuant to contractual arrangements. The Exchange states that it believes that RMG will offer its members and member organizations another option in the efficient risk management of its Sponsored Participant's access to the NYSE Alternext Trading Systems.

III. Discussion and Commission's Findings

After careful review, the Commission finds that the Exchange's proposal to establish its RMG service is consistent with the Act and the rules and regulations thereunder applicable to a national securities exchange.⁶ In particular, the Commission finds that the proposal is consistent with Section 6(b)(5) of the Act,⁷ which requires an Exchange have rules that are 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 Commission believes that RMG should be a useful risk management tool for NYSE Alternext member firms that provide sponsored access to the Exchange.

For the foregoing reasons, the Commission believes that the proposal to establish the RMG service is consistent with the Act.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁸ that the proposed rule change (SR-NYSEALTR-2008-12) be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁹

Florence E. Harmon,

Deputy Secretary.

[FR Doc. E9-2852 Filed 2-10-09; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-59360; File No. SR-NYSEALTR-2009-06]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by NYSE Alternext U.S. LLC Amending NYSE Alternext Equities Rules 116 and 123C To Create a Single Closing Print To Be Reported to the Consolidated Tape for Each Security

February 4, 2009.

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 February 2, 2009, NYSE Alternext US LLC (the "Exchange" or "NYSE Alternext") 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. NYSE Alternext filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act ⁴ and Rule 19b-4(f)(6) thereunder,⁵ which renders it effective upon filing with the Commission. 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 Alternext Equities Rules 116 ("Stop" Constitutes Guarantee) and 123C (Market On The Close Policy And Expiration Procedures) to create a single closing print to be reported to the Consolidated Tape for each security.

The text of the proposed rule change is available at <http://www.nyse.com>, the Exchange, and 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

Through this filing the Exchange seeks to amend NYSE Alternext Equities Rules 116 and 123C to create a single closing print to be reported to the Consolidated Tape for each security.

Background

As described more fully in a related rule filing,⁶ NYSE Euronext acquired The Amex Membership Corporation ("AMC") pursuant to an Agreement and Plan of Merger, dated January 17, 2008 (the "Merger"). In connection with the Merger, the Exchange's predecessor, the American Stock Exchange LLC ("Amex"), a subsidiary of AMC, became a subsidiary of NYSE Euronext called NYSE Alternext US LLC, and continues to operate as a national securities exchange registered under Section 6 of the Securities Exchange Act of 1934, as amended (the "Act").⁷ The effective date of the Merger was October 1, 2008.

In connection with the Merger, on December 1, 2008, the Exchange relocated all equities trading conducted on the Exchange legacy trading systems and facilities located at 86 Trinity Place, New York, New York (the "86 Trinity Trading Systems"), to trading systems and facilities located at 11 Wall Street, New York, New York (the "Equities Relocation"). The Exchange's equity trading systems and facilities at 11 Wall Street (the "NYSE Alternext Trading Systems") are operated by the NYSE on behalf of the Exchange.⁸

⁶ See Securities Exchange Act Release No. 58673 (September 29, 2008), 73 FR 57707 (October 3, 2008) (SR-NYSE-2008-60 and SR-Amex 2008-62) (approving the Merger).

⁷ 15 U.S.C. 78f.

⁸ See Securities Exchange Act Release No. 58705 (October 1, 2008), 73 FR 58995 (October 8, 2008) (SR-Amex 2008-63) (approving the Equities Relocation).

⁶ In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

⁷ 15 U.S.C. 78f(b)(5).

⁸ 15 U.S.C. 78s(b)(2).

⁹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

⁴ 15 U.S.C. 78s(b)(3)(A).

⁵ 17 CFR 240.19b-4(f)(6).