

4(f)(2) thereunder,<sup>10</sup> because it establishes or changes a due, fee, or other charge applicable only to a member.

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

#### IV. Solicitation of Comments

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

##### *Electronic Comments*

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-BX-2011-040 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-BX-2011-040. 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 Web site viewing and printing in the Commission's Public Reference Room, 100 F Street, NW., Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of the

Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-BX-2011-040 and should be submitted on or before July 27, 2011.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>11</sup>

Cathy H. Ahn,

*Deputy Secretary.*

[FR Doc. 2011-16823 Filed 7-5-11; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-64771; File No. SR-CHX-2011-14]

### Self-Regulatory Organizations; Chicago Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Concerning the CHX Connect Service

June 29, 2011.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that, on June 24, 2011, the Chicago Stock Exchange, Inc. ("CHX" or the "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 CHX. CHX has filed this proposal pursuant to Exchange Act Rule 19b-4(f)(6)<sup>3</sup> which is 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

CHX proposes to add Article 4, Rule 2 (CHX Connect) to include an explicit description of the Exchange's CHX Connect order routing service. The text of this proposed rule change is available on the Exchange's Web site at (<http://www.chx.com>) and in the Commission's Public Reference Room.

<sup>11</sup> 17 CFR 200.30-3(a)(12).

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

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

<sup>3</sup> 17 CFR 240.19b-4(f)(6).

#### 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 CHX included statements concerning the purpose of and basis for the proposed rule changes and discussed any comments it received regarding the proposal. The text of these statements may be examined at the places specified in Item IV below. The CHX 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

New Article 4, Rule 2 describes the operation of the CHX Connect routing network. CHX Connect is an electronic communications service owned and operated by the Exchange which allows Participants to transmit orders and related transaction information directly to any destination designated by the order sending Participant (such as an over-the-counter market maker or order-routing vendor) connected to the service without being submitted to the Exchange's trading facilities. The CHX Connect communications service was described in a rule filing made with the Commission in 2006, but which did not update the Exchange's rules.<sup>4</sup> In order to remove any potential ambiguity about the nature of the Exchange's technology and communications offerings, we are now proposing to add language to our rules describing CHX Connect. The CHX Connect service has not changed in any material respect since the 2006 filing. Use of the CHX Connect service by any Exchange Participant is entirely optional and is not required to direct orders to our Matching System for execution or display.

The Exchange believes that certain order senders may have an interest in the CHX Connect service in order to efficiently route orders which cannot be accepted into the Matching System directly. For example, an order sender may have received a market order to buy a NMS security normally traded in the CHX Matching System.<sup>5</sup> Since the Matching System does not accept market orders, the order sender cannot route that order to our trading facilities. An order sender can use the CHX

<sup>4</sup> Exchange Act Release No. 54846 (Nov. 30, 2006), 71 FR 71003 (Dec. 7, 2006).

<sup>5</sup> Similar examples would be All or None orders or orders in securities not traded by the Exchange.

<sup>10</sup> 17 CFR 240.19b-4(f)(2).

Connect service to transmit that order to a destination which is also connected to the service and which accepts and executes market orders, such as an over-the-counter market maker. CHX Connect can be used to transmit order information to other destinations in any security approved by the Exchange for use within the system, including, but not limited to, securities approved for trading within the Matching System. The Exchange plays no role in determining where the order is sent.

Participants may also elect to use CHX Connect to transmit orders in an electronic format to the Exchange's Matching System, to Institutional Brokers registered with the Exchange pursuant to Article 17 of our rules, and to other destinations which are connected to the CHX's network. The Matching System will only accept orders in securities listed on the Exchange or eligible for Unlisted Trading Privileges. The Exchange believes that certain Participants may be interested in using CHX Connect to send orders to our facilities as an alternative to private order routing systems or vendors, which perform the same function. Participants may designate where an order is to be directed on a security-by-security or order-by-order basis. Instructions received on an order-by-order basis shall supersede previously-received instructions on a security-by-security basis. Use of the CHX Connect service is subject to the approval of the Exchange. The Exchange evaluates all potential users on an equal and non-discriminatory basis. The criteria by which potential users of the service are evaluated relate solely to preserving the security and integrity of the Exchange's systems, and to ensuring the proper formatting of messages sent via CHX Connect in generally accepted industry protocols, such as Financial Information eXchange (FIX) Protocol. The fees and charges for a subscription to the CHX Connect Service are set forth in the Exchange's published Schedule of Fees and Assessments, and apply equally to all users of the system.<sup>6</sup>

This service is a facility of the Exchange. As a result, the Exchange would submit fee changes, and any applicable changes to its rules, to the Commission as required by Exchange Act Rule 19b-4 in connection with the CHX Connect service.

The Exchange would provide these routing services in compliance with its

rules and with the provisions of the Exchange Act and the rules thereunder, including, but not limited to, the requirements of Sections 6(b)(4) and (5) of the Act that the rules of a national securities exchange provide for the equitable allocation of reasonable dues, fees and other charges among its members and issuers and other persons using its facilities, and not be designed to permit unfair discrimination between customers, issuers, brokers or dealers.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act in general, and furthers the objectives of Section 6(b)(1) of the Act in particular, in that it allows the Exchange to be organized and have the capacity to be able to carry out the purposes of the Act and to comply, and (subject to any rule or order of the Commission pursuant to section 17(d) or 19(g)(2) of the Act) to enforce compliance by its members and persons associated with such members, with the provisions of the Act, the rules and regulations thereunder, and the rules of the exchange. As discussed herein, CHX Connect is a communications service offered by the Exchange to its Participants to either send orders to the Matching System or to another destination of its choosing. The CHX Connect communications service was described in a rule filing made with the Commission in 2006, but which did not update the Exchange's rules.<sup>7</sup> In order to remove any potential ambiguity about the nature of the Exchange's technology and communications offerings, we are now proposing to add language to our rules describing CHX Connect. The CHX Connect service has not changed in any material respect since the 2006 filing. By adding a description of the nature of the CHX Connect service to the Exchange's rules, this proposal advances the purposes of the Exchange Act by providing added clarity about the nature and extent of certain services offered by the Exchange to its Participants, and thereby contributing to the ability of our members in complying with the requirements related to those services.

## 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. As noted above, the Exchange believes that its

CHX Connect service will compete with the existing order routing networks operated by broker-dealers or other service providers. By providing Participants a means of effectively directing orders which cannot be accepted into the Matching System to a destination which can handle such orders, the Exchange is attempting to provide ready solutions to potential order senders, with the ultimate goal of maximizing order flow to the Exchange's trading facilities.

The CHX Connect service is entirely optional and Participants are not required to utilize it to send order to the Exchange or elsewhere. The Exchange notes that the routing and connectivity services of CHX Connect appear to be very similar manner to those offered by the Secure Financial Transaction Infrastructure® ("SFTI") system, which is provided by NYSE Technologies, an affiliated company of the New York Stock Exchange, Inc. By competing with SFTI and other service providers of secure connectivity among market participants, CHX Connect would offer additional options for participants looking for systems to deliver their orders.

## 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 Section 19(b)(3)(A) of the Act<sup>8</sup> and Rule 19b-4(f)(6) thereunder.<sup>9</sup>

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of

<sup>6</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>7</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.

<sup>8</sup> The Exchange charges only those Participants which receive (and not those which solely transmit) orders through the CHX Connect service. The current fee for receiving orders via CHX Connect is \$5,000 per month. See, CHX Schedule of Fees and Assessments, Section M.

<sup>9</sup> Exchange Act Release No. 54846 (Nov. 30, 2006), 71 FR 71003 (Dec. 7, 2006).

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](mailto:rule-comments@sec.gov). Please include File Number SR-CHX-2011-14 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-CHX-2011-14. 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 Web site viewing and printing in the Commission's Public Reference Room, 100 F Street, NE., Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-CHX-2011-14 and should be submitted on or before July 27, 2011.

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

Cathy H. Ahn,

*Deputy Secretary.*

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#### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-64773; File No. SR-NYSEAmex-2011-43]

#### Self-Regulatory Organizations; NYSE Amex LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Extending the Operation of Its New Market Model Pilot Until the Earlier of Securities and Exchange Commission Approval To Make Such Pilot Permanent or January 31, 2012

June 29, 2011.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on June 21, 2011, NYSE Amex LLC ("NYSE Amex" or the "Exchange") 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 the Substance of the Proposed Rule Change

The Exchange proposes to extend the operation of its New Market Model Pilot, currently scheduled to expire on August 1, 2011, until the earlier of Securities and Exchange Commission ("Commission") approval to make such pilot permanent or January 31, 2012. The text of the proposed rule change is available at the Exchange, the Commission's Public Reference Room, and <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 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

The Exchange proposes to extend the operation of its New Market Model Pilot ("NMM Pilot") that was adopted pursuant to its merger with the New York Stock Exchange LLC ("NYSE").<sup>3</sup> The NMM Pilot was approved to operate until October 1, 2009. The Exchange filed to extend the operation of the Pilot to November 30, 2009, March 30, 2010, September 30, 2010, January 31, 2011, and August 1, 2011, respectively.<sup>4</sup> The Exchange now seeks to extend the operation of the NMM Pilot, currently scheduled to expire on August 1, 2011, until the earlier of Commission approval to make such pilot permanent or January 31, 2012.

The Exchange notes that parallel changes are proposed to be made to the rules of NYSE.<sup>5</sup>

##### Background<sup>6</sup>

In December 2008, NYSE Amex implemented significant changes to its equities market rules, execution technology and the rights and obligations of its equities market participants all of which were designed

<sup>3</sup> 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. 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). Subsequently NYSE Alternext US LLC was renamed NYSE Amex 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"). See Securities Exchange Act Release No. 59575 (March 13, 2009), 74 FR 11803 (March 19, 2009) (SR-NYSEALTR-2009-24).

<sup>4</sup> See Securities Exchange Act Release No. 60758 (October 1, 2009), 74 FR 51639 (October 7, 2009) (SR-NYSEAmex-2009-65). See also Securities Exchange Act Release Nos. 61030 (November 19, 2009), 74 FR 62365 (November 27, 2009) (SR-NYSEAmex-2009-83); 61725 (March 17, 2010), 75 FR 14223 (March 24, 2010) (SR-NYSEAmex-2010-28); Securities Exchange Act Release No. 62820 (September 1, 2010), 75 FR 54935 (September 9, 2010) (SR-NYSEAmex-2010-86); and 63615 (December 29, 2010), 76 FR 611 (January 5, 2011) (SR-NYSEAmex-2010-123).

<sup>5</sup> See SR-NYSE-2010-29.

<sup>6</sup> The information contained herein is a summary of the NMM Pilot. See Securities Exchange Act Release No. 58845 (October 24, 2008), 73 FR 64379 (October 29, 2008) (SR-NYSE-2008-46) for a fuller description.

<sup>10</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.