

coverage than the member's minimum required coverage under the rule. The parent organization's bond must contain a rider that provides for the subsidiary broker-dealer's coverage by enumerating the requirements of the FINRA rule and providing for, at a minimum, the subsidiary's minimum required coverage. Accordingly, FINRA does not propose to amend the proposed rule in this respect as it is unnecessary.

Two commenters urged FINRA to maintain an exemption from the fidelity bond requirements for one-person firms.³⁰ The commenters noted that FINRA could be requiring coverage that is not available in the marketplace, since the alter ego concept applies to fidelity bond claims for these entities.

As noted above in the Purpose section of this rule filing, many one-person firms currently maintain fidelity bond coverage notwithstanding the exemption in NASD Rule 3020, and claims are likely to be paid based on a facts-and-circumstances analysis, not on a firm's size or structure. As such, FINRA is not proposing any changes to the original proposal in this respect.

One commenter noted that the proposed rule serves no purpose to investors of the financial markets in its application to small firms that do not hold customer funds, execute transactions in securities on public markets, or engage in trading or underwriting (e.g., a firm that solely provides corporate financial advisory services for fee income).³¹

FINRA believes that all members of SIPC should maintain fidelity bond coverage. FINRA does not agree with the commenter's assessment, since any firm could be the target of malfeasance of one of its employees. Thus, FINRA is not proposing to incorporate an exemption for these small firms.

One commenter encouraged FINRA to incorporate a requirement for an insuring agreement for Computer Theft.³² FINRA did not amend the proposal to add this insuring agreement at this time; however, FINRA understands that this coverage is already included in most basic riders obtained by members at no extra cost, so a member will likely obtain this coverage automatically as part of its fidelity bond coverage.

One commenter supported increased deductible thresholds; however, the commenter suggested deleting the haircut provision because the proposed rule may discourage a firm from pursuing or accepting higher

deductibles if it has to take a haircut in its net capital computation for deductibles over 10 percent.³³ Another commenter suggested that the annual review requirement is duplicitous and unnecessary and that the proposed rule should speak solely to minimum bond requirements for members.³⁴ The commenter noted that fidelity bond reviews should be triggered by changes in a firm's net capital requirement and not subject to an annual requirement, since the firm would likely review how any changes in net capital affect all aspects of the firm when such changes occur. FINRA did not make any amendments to the proposal in these areas as these concepts have not been substantively amended from the legacy NASD rule, and FINRA believes that they are achieving their intended purposes.

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 e-mail to rule-comments@sec.gov. Please include File Number SR-FINRA-2010-059 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-FINRA-2010-059. 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 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 will also be available for inspection and copying at the principal office of FINRA. 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-FINRA-2010-059 and should be submitted on or before December 17, 2010.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³⁵

Florence E. Harmon,
Deputy Secretary.

[FR Doc. 2010-29727 Filed 11-24-10; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-63341; File No. SR-NASDAQ-2010-147]

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Modify Two Aspects of the Rules and Operation of The NASDAQ Options Market

November 18, 2010.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on November 10, 2010, The NASDAQ Stock Market

³⁰ SFAA and Travelers.

³¹ Akin Bay.

³² Travelers.

³³ Travelers.

³⁴ IBI.

³⁵ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

LLC (the “Exchange” or “NASDAQ”) 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 Exchange has designated the proposed rule change as constituting a non-controversial rule change under Rule 19b-4(f)(6) under the Act,³ which renders the proposal 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 is filing this proposed rule change to modify two aspects of the rules and operation of the NASDAQ Options Market (“NOM”): (1) To eliminate the Closing Cross set forth in Chapter VI, Section 9 of the rules; and (2) to increase the maximum order size from 9,999 to 999,999 contracts in Chapter VI, Section 1 of the rules. The text of the proposed rule change is available at <http://nasdaq.cchwallstreet.com/>, at the Exchange’s principal office, 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

The NASDAQ Options Market (“NOM”), the options trading facility of The NASDAQ Stock Market LLC, has been fully operational for just over two years. After assessing NOM’s performance, NASDAQ has identified two minor changes to NOM’s operation: (1) Eliminating the Closing Cross set forth in Chapter VI, Section 9 of the rules; and (2) increasing the maximum order size from 9,999 to 999,999

contracts in Chapter VI, Section 1 of the rules. NASDAQ believes that neither of these changes will have a material impact on the operation of NOM or of NOM members.

1. Eliminating the NOM Closing Cross

NASDAQ’s proposal to transport the closing cross from NASDAQ’s equities market to NOM was intended to determine whether a standard closing cross could aid price discovery and liquidity in a derivative product. Although a few market participants experimented with the NOM Closing Cross just after launch, the Closing Cross never attracted meaningful liquidity. The Closing Cross has not been used by any market participant in any options class for quite some time. Accordingly, NASDAQ is proposing to eliminate that functionality from the technology and from the rule book (Chapter VI, Section 9) governing NOM.

2. Increasing the Maximum Order Size

NASDAQ members have requested the ability to enter orders into the system of greater than 9,999 contracts. The existing limit on order size was a technological constraint that can easily be modified. Accordingly, NASDAQ proposes to modify the system and downstream processes and data feeds to accept orders of up to 999,999 contracts. Following this change, NOM will match the maximum order size currently in place at other options exchanges.⁴

NASDAQ has safeguards in place to protect the market from inadvertent entry of large orders. Each member that requests connectivity through an order entry port is required to specify the maximum order size for its individual port.⁵ NASDAQ sets the default maximum order size at 2,500 contracts. Members are permitted to deviate from the default maximum order size but NASDAQ members are required to have processes and procedures in place to ensure the proper entry and monitoring of orders entered into NASDAQ systems. Prior to implementing this change, NASDAQ will issue an alert to members to ensure that they have policies and procedures in place to employ the new functionality in a prudent fashion.

⁴ See, e.g., BATS Exchange Rule 21.1(e) (“The term “Order Size” shall mean the number of contracts up to 999,999 associated with the Order”); CBOE Regulatory Circular RG 10-43 (March 26, 2010) at <https://www.cboe.org/publish/RegCir/ RG10-043.pdf>.

⁵ See NASDAQ Options Port Request Form at http://www.nasdaqtrader.com/content/AdministrationSupport/AgreementsTrading/options_portrequest.pdf.

2. Statutory Basis

NASDAQ believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,⁶ in general, and with Section 6(b)(5) of the Act,⁷ in particular, in that the proposal is designed to prevent fraudulent and manipulative acts and practices, 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 transactions 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. The proposed rule changes should enhance the NOM market as described above based on NASDAQ’s experience operating NOM for two years.

B. Self-Regulatory Organization’s Statement on Burden on Competition

The proposed rule change does not 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

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any unsolicited written comments from members or other interested parties.

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 from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act⁸ and Rule 19b-4(f)(6) thereunder.⁹

At any time within 60 days of the filing of such 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

⁶ 15 U.S.C. 78f.

⁷ 15 U.S.C. 78f(b)(5).

⁸ 15 U.S.C. 78s(b)(3)(A).

⁹ 17 CFR 240.19b-4(f)(6).

³ 17 CFR 240.19b-4(f)(6).

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 e-mail to rule-comments@sec.gov. Please include File Number SR-NASDAQ-2010-147 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-NASDAQ-2010-147. 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,¹⁰ 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-NASDAQ-2010-147 and should be submitted on or before December 17, 2010.

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

Florence E. Harmon,

Deputy Secretary.

[FR Doc. 2010-29721 Filed 11-24-10; 8:45 am]

BILLING CODE 8011-01-P

SUSQUEHANNA RIVER BASIN COMMISSION

Notice of Public Hearing and Commission Meeting

AGENCY: Susquehanna River Basin Commission.

ACTION: Notice of public hearing and Commission meeting.

SUMMARY: The Susquehanna River Basin Commission will hold a public hearing as part of its regular business meeting on December 16, 2010, in Aberdeen, Md. At the public hearing, the Commission will consider: (1) Action on certain water resources projects; (2) compliance matters involving two projects; and (3) the rescission of a docket approval. Details concerning the matters to be addressed at the public hearing and business meeting are contained in the **SUPPLEMENTARY INFORMATION** section of this notice.

DATES: December 16, 2010, at 8:30 a.m.

ADDRESSES: Hilton Garden Inn Aberdeen, 1050 Beards Hill Road, Aberdeen, MD 21001.

FOR FURTHER INFORMATION CONTACT:

Richard A. Cairo, General Counsel, telephone: (717) 238-0423, ext. 306; fax: (717) 238-2436; e-mail: rcairo@srbc.net or Stephanie L. Richardson, Secretary to the Commission, telephone: (717) 238-0423, ext. 304; fax: (717) 238-2436; e-mail: srichardson@srbc.net.

SUPPLEMENTARY INFORMATION: In addition to the public hearing and its related action items identified below, the business meeting also includes actions or presentations on the following items: (1) Presentations on Climate Change Initiatives to Protect the Chesapeake Bay; (2) hydrologic conditions in the basin; (3) FY-2012 funding of the Susquehanna Flood Forecast and Warning System; (4) ratification/approval of grants/contracts;

(5) a Record Retention and Destruction Policy; (6) the FY-2010 Audit Report; (7) a proposed FY-2011 Capital Budget; (8) acquisition of new headquarters facilities; (9) a recommendation for new independent auditors; and (10) amendment of Commission By-Laws. The Commission will also hear Legal Counsel's report.

Public Hearing—Compliance Matters

1. *Project Sponsor:* Chesapeake Appalachia, LLC. Withdrawal ID: Susquehanna River—Hicks (Docket No. 20091201), Great Bend Township, Susquehanna County, Pa.

2. *Project Sponsor:* J-W Operating Company. Pad ID: Pardee & Curtin Lumber Co. C-12H, Shippen Township, Cameron County, Pa.

Public Hearing—Projects Scheduled for Action

1. *Project Sponsor and Facility:* Anadarko E&P Company LP (Pine Creek—3), Watson Township, Lycoming County, Pa. Application for surface water withdrawal of up to 0.720 mgd.

2. *Project Sponsor:* Aqua Pennsylvania, Inc. *Project Facility:* Monroe Manor Water System, Monroe Township, Snyder County, Pa. Application for groundwater withdrawal of up to 0.415 mgd from Well 6.

3. *Project Sponsor and Facility:* East Resources Management, LLC (Cowanesque River), Westfield Township, Tioga County, Pa. Application for surface water withdrawal of up to 0.375 mgd.

4. *Project Sponsor and Facility:* EXCO Resources (PA), LLC (West Branch Susquehanna River), Curwensville Borough, Clearfield County, Pa. Application for surface water withdrawal of up to 2.000 mgd.

5. *Project Sponsor:* Hughesville-Wolf Township Joint Municipal Authority. *Project Facility:* Wastewater Treatment Plant, Wolf Township, Lycoming County, Pa. Application for withdrawal of treated wastewater effluent of up to 0.249 mgd.

6. *Project Sponsor and Facility:* Leonard & Jean Marie Azaravich (Meshoppen Creek), Springville Township, Susquehanna County, Pa. Application for surface water withdrawal of up to 0.249 mgd.

7. *Project Sponsor and Facility:* LHP Management, LLC (Fishing Creek—Clinton Country Club), Bald Eagle Township, Clinton County, Pa. Modification to increase surface water withdrawal up to 0.999 mgd (Docket No. 20090906).

8. *Project Sponsor and Facility:* Linde Corporation (Lackawanna River), Fell

¹⁰ The text of the proposed rule change is available on Exchange's Web site at <http://nasdaq.cchwallstreet.com/>, on the Commission's Web site at <http://www.sec.gov>, at NASDAQ, and at the Commission's Public Reference Room.

¹¹ 17 CFR 200.30-3(a)(12).