

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-62462; File No. SR-NYSEAmex-2010-65]

### Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by NYSE Amex LLC Amending Rule 46—NYSE Amex Equities To Permit the Exchange Chairman To Designate More or Less Than Twenty (20) Floor Governors, as Needed

July 7, 2010.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (the “Act”) and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that on June 25, 2010, 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 Rule 46—NYSE Amex Equities to permit the Exchange Chairman to designate more or less than twenty (20) Floor Governors, as needed. The text of the proposed rule change is available at the Exchange, the Commission’s Web site at <http://www.sec.gov>, 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 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 the Statutory Basis for, the Proposed Rule Change

##### 1. Purpose

The Exchange proposes to amend Rule 46—NYSE Amex Equities (Floor Officials—Appointment) to permit the Exchange Chairman to designate more or less than twenty (20) Floor Governors, as needed.<sup>4</sup>

##### Current Rule 46—NYSE Amex Equities:

NYSE Amex Equities Rule 46 permits the Chairman of the Exchange to, in consultation with the Executive Floor Governors of the Exchange and the NYSE Regulation (“NYSE”) Board of Directors, designate twenty (20) individual members as Floor Governors, subject to approval by the Exchange’s Board of Directors.

Pursuant to NYSE Amex Equities Rules 46 and 46A, Floor Governors are one of several ranks of the broader category of Floor Officials, including, in order of increasing seniority, Floor Officials, Senior Floor Officials, Executive Floor Officials, Floor Governors and Executive Floor Governors. As such, Floor Governors are drawn from the ranks of experienced NYSE Amex Equities Floor members.<sup>5</sup>

As part of the NYSE Board’s advisory function, NYSE staff examine the fitness of the individuals designated as prospective Floor Officials and administer a mandatory education program, which all candidates for Floor Official, including Floor Governor, must complete. NYSE also administers a qualifying examination to newly-named Floor Officials, who must pass the exam prior to being recommended by the NYSE Board for appointment; however, upon being named as a Floor Governor, an individual does not need to retake the exam.<sup>6</sup>

In addition to their regular obligations as either Floor brokers or Designated Market Makers, Floor Governors, who serve as volunteers, are empowered to perform such duties as are prescribed to them under the Rules of the Exchange. As noted above, under Rule 46—NYSE Amex Equities Floor Governors are also considered Floor Officials and may

perform such duties as are prescribed to Floor Officials under Exchange Rules. In addition, Floor Governors may, as needed, perform any duty, make any decision, or take any action assigned to or required of an Executive Floor Governor in accordance with Exchange Rules, or as may be designated by the Exchange Board.

For example, Floor Governors play a role in managing the Exchange’s Trading Floor during unusual or volatile market situations. Under Rule 123D—NYSE Amex Equities, members are to consult with a Floor Governor when the opening (reopening) price in a stock is anticipated to be at a significant disparity from the prior close. In addition, under Rule 123D—NYSE Amex Equities an intra-day trading halt requires approval from a Floor Governor (or two Floor Officials). Under Rule 18—NYSE Amex Equities, Floor Governors are part of the Compensation Review Panel for resolving claims due to Exchange system failures. Pursuant to Rule 75—NYSE Amex Equities, Floor Governors are sometimes involved in the resolution of certain trade disputes. And, pursuant to Rule 123C(9)—NYSE Amex Equities, a Floor Governor is sometimes also needed to supervise extreme order imbalances at the Close of trading when an Executive Floor Governor is unavailable.

##### Proposed Amendments to Rule 46—NYSE Amex Equities:

The Exchange proposes to amend Rule 46—NYSE Amex Equities to permit the Chairman of the Exchange to appoint more or less than twenty (20) Floor Governors, as needed.

Currently, the Exchange has seventeen (17) Floor Governors. At the present time, the Exchange believes that adding more Floor Governors, as needed, will help the Exchange to manage the Trading Floor more effectively and, consequently, to better serve investors and the public interest. As the recent market events of May 6, 2010, demonstrated, swift response to unusual and volatile market events on the Trading Floor helped to limit the disruption of the market for Exchange-listed securities and the harm to Exchange customers, as well as the market as a whole, and Floor Governors were involved in this process.

Notwithstanding the foregoing, removing the requirement to appoint a specific number of Floor Governors will not change the Exchange’s goal of having, at all times, enough personnel on the Trading Floor, including Floor Officials, Senior Floor Officials, Executive Floor Officials, Floor Governors and Executive Floor Governors, as well as Exchange officers

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

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

<sup>4</sup> The Exchange’s corporate affiliate, New York Stock Exchange LLC (“NYSE”), submitted a companion rule filing proposing corresponding amendments to NYSE Rule 46. See SR-NYSE-2010-50.

<sup>5</sup> See Securities Exchange Act Release No. 57627 (April 4, 2008), 73 FR 19919 (April 11, 2008) (SR-NYSE-2008-19, describing amendments to NYSE Rule 46, on which NYSE Amex Equities Rule 46 is based).

<sup>6</sup> See Securities Exchange Act Release No. 57627 (April 4, 2008), 73 FR 19919 (April 11, 2008).

and staff, to properly oversee the NYSE Amex Equities market.<sup>7</sup> In addition, the Exchange does not propose to change in any way the nature of Floor Governor duties or responsibilities.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Securities Exchange Act of 1934, as amended (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 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 that the proposed rule change supports the objectives of the Act and will provide a benefit to the market while also protecting investors and the public interest. By having more Floor Governors, as currently needed, the Exchange believes it will be better able to manage the Trading Floor, particularly in unusual market conditions. In addition, while the Exchange currently seeks the ability to appoint more than 20 Floor Governors, it reserves the right to have fewer than 20 Floor Governors as conditions warrant and as required to protect 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

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, if consistent with the protection of investors and the public interest, 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.

The Exchange has asked the Commission to waive the five-day pre-filing requirement and the 30-day operative delay so that the proposal may become operative immediately upon filing. The Exchange has stated that it is requesting these waivers in light of recent market events and in connection with the Russell rebalancing on June 25, 2010, on which day the Exchange has stated that it expects an increase in trading volume and market volatility. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest, because such waiver will enable the Exchange to appoint more than twenty (20) Floor Governors to help the Exchange to manage the Trading Floor more effectively in time for the Russell rebalancing on June 25, 2010. For this reason, the Commission hereby waives the 30-day operative delay requirement and designates the proposed rule change as operative upon filing.<sup>12</sup>

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:

<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 Commission is waiving this five-day pre-filing requirement.

<sup>12</sup> For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

### Electronic Comment

- 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-NYSEAmex-2010-65 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-NYSEAmex-2010-65. 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, 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-NYSEAmex-2010-65 and should be submitted on or before August 4, 2010.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>13</sup>

**Florence E. Harmon,**  
Deputy Secretary.

[FR Doc. 2010-17113 Filed 7-13-10; 8:45 am]

**BILLING CODE 8010-01-P**

<sup>7</sup> While the Exchange currently seeks the ability to appoint more than 20 Floor Governors, it reserves the right to have fewer than 20 Floor Governors as conditions warrant.

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

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

<sup>13</sup> 17 CFR 200.30-3(a)(12).