

[FR Doc. 2011-31210 Filed 12-5-11; 8:45 am]

BILLING CODE 7710-FW-P

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Public Law 94-409, that the Securities and Exchange Commission will hold a Closed Meeting on Wednesday, December 7, 2011 at 9:30 a.m.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the Closed Meeting. Certain staff members who have an interest in the matters also may be present.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(10) and 17 CFR 200.402(a)(10), permit consideration of the scheduled matter at the Closed Meeting.

Commissioner Walter, as duty officer, voted to consider the item listed for the Closed Meeting in closed session, and determined that no earlier notice thereof was possible.

The subject matter of the Closed Meeting scheduled for Wednesday, December 7, 2011 will be:

A matter relating to enforcement proceedings.

At times, changes in Commission priorities require alterations in the scheduling of meeting items.

For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact:

The Office of the Secretary at (202) 551-5400.

Dated: December 2, 2011.

Kevin M. O'Neill,
Deputy Secretary.

[FR Doc. 2011-31457 Filed 12-2-11; 4:15 pm]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-65854; File No. SR-NASDAQ-2011-159]

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Eliminate Exchange Direct Orders

November 30, 2011.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4² thereunder, notice is hereby given that on November 22, 2011, The NASDAQ Stock Market LLC (the "Exchange" or "NASDAQ") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I and II 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

NASDAQ is filing with the Securities and Exchange Commission ("Commission") a proposal for the NASDAQ Options Market ("NOM") to eliminate Exchange Direct Orders. Specifically, NASDAQ proposes to delete Chapter VI, Section 1(e)(7) and Section 6(a)(2), to delete Exchange Direct Orders from its rules. The Exchange proposes to eliminate this order type, effective November 30, 2011, as explained further below.

The text of the proposed rule change is available at <http://nasdaq.cchwallstreet.com/>, at NASDAQ'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.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The purpose of the proposed rule change is to eliminate Exchange Direct Orders due to the new requirements of the recently adopted Market Access Rule.³ Exchange Direct Orders, defined in Chapter VI, Section 1(e)(7), are orders that are directed to an exchange other than NOM as directed by the entering party without checking the NOM book. If unexecuted, the order (or unexecuted portion thereof) shall be returned to the entering party. This order type may only be used for orders with time-in-force parameters of IOC. NASDAQ proposes to delete this definition as well as a reference to Exchange Direct Orders in Chapter VI, Section 6(a)(2).

In adopting the Exchange Direct Order type, NASDAQ explained that Exchange Direct Orders are routed by its affiliate, NASDAQ Options Services LLC ("NOS"). NOS is a broker-dealer and member of NASDAQ as well as other exchanges.⁴ The specific functions of NOS, as a facility of NASDAQ and its affiliates, have been approved by the Commission. On November 30, 2011, certain requirements of the Market Access Rule (Rule 15c3-5 under the Act)⁵ become operative, such that broker-dealers like NOS become subject to those provisions. Specifically, the Commission extended the deadline for compliance with Rule 15c3-5(c)(1)(i),⁶ which requires the implementation of risk management controls and supervisory procedures that are reasonably designed to prevent the entry of orders that exceed appropriate pre-set credit or capital thresholds, because the type of controls required by the Rule are not currently in place at many broker-dealers, and developing and implementing appropriate controls in this area can be a complex exercise. NASDAQ and NOS have determined that the adoption of these controls and procedures exceeds the scope of NOS' current functions and, therefore, NOS would cease accepting Exchange Direct Orders, because the acceptance of those

³ See Securities Exchange Act Release No. 63241 (November 3, 2010), 75 FR 69792 (November 15, 2010) (File No. S7-03-10).

⁴ See Securities Exchange Act Release No. 59420 (February 19, 2009), 74 FR 8597 (February 25, 2011) (SR-NASDAQ-2009-011).

⁵ 17 CFR 240.15c3-5.

⁶ See Securities Exchange Act Release No. 64748 (June 27, 2011), 76 FR 38293 (June 30, 2011) (File No. S7-03-10).