For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[8]

Florence E. Harmon,

Deputy Secretary.

[FR Doc. E9–17883 Filed 7–27–09; 8:45 am]

BILLING CODE 8010–01–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 Tuesday, July 28, 2009 at 3 p.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 matters at the Closed Meeting.

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

The subject matter of the Closed Meeting scheduled for Tuesday, July 28, 2009 will be:

A litigation matter; and

Consideration of amicus participation.

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: July 24, 2009.

Elizabeth M. Murphy,

Secretary.

[FR Doc. E9–18070 Filed 7–24–09; 4:15 pm]

BILLING CODE 8010–01–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 Investor Advisory Committee will hold an Open Meeting on Monday, July 27, 2009, in the Auditorium, Room L–002. The meeting will begin at 10 a.m. and will be open to the public, with seating on a first-come, first-served basis. Doors will open at 9:30 a.m. Visitors will be subject to security checks.

On July 8, 2009, the Commission published notice of the Committee meeting (Release No. 33–9049), indicating that the meeting is open to the public and inviting the public to submit written comments to the Committee. This Sunshine Act notice is being issued because a majority of the Commission plans to attend the meeting. Commissioner Walter, as duty officer, determined that no earlier Sunshine Act notice was possible.

The agenda for the meeting includes opening remarks, introduction of Committee members, discussion of Committee agenda and organization, and discussion of investor views of possible refinements to the disclosure regime.

For further information, please contact the Office of the Secretary at (202) 551–5400.

Dated: July 22, 2009.

Elizabeth M. Murphy,

Secretary.

[FR Doc. E9–17861 Filed 7–27–09; 8:45 am]

BILLING CODE 8010–01–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 Thursday, July 30, 2009 at 2 p.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)(3), (5), (7), 9(B) and (10) and 17 CFR 200.402(a)(3), (5), (7), 9(ii) and (10), permit consideration of the scheduled matters at the Closed Meeting.

Commissioner Walter, as duty officer, voted to consider the items listed for the Closed Meeting in a closed session.

The subject matter of the Closed Meeting scheduled for Thursday, July 30, 2009 will be:

Institution and settlement of injunctive actions;

Institution and settlement of administrative proceedings;

Other matters relating to enforcement proceedings; and an adjudicatory matter.

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: July 22, 2009.

Elizabeth M. Murphy,

Secretary.

[FR Doc. E9–17860 Filed 7–27–09; 8:45 am]

BILLING CODE 8010–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–60366; File No. SR–FINRA–2009–030]

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Order Approving a Proposed Rule Change To Amend Rules 6440 and 6540 To Require Members To Create a Contemporaneous Record of Certain Customer and Order Information

July 22, 2009.

On May 22, 2009, the Financial Industry Regulatory Authority, Inc. (''FINRA'') filed with the Securities and Exchange Commission (''Commission'' or ''SEC''), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''SEA'' or ''Act'')[1] and Rule 19b–4 thereunder,[2] a proposed rule change to amend Rules 6440 and 6540 to require members to create a contemporaneous record of certain customer and order information. The proposed rule change was published for comment in the **Federal Register** on June 17, 2009.[3] The Commission received no comments on the proposal. This order approves the proposed rule change.

I. Description of the Proposed Rule Change

FINRA has proposed to amend Rules 6440 and 6540 to, among other things,

[8] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] Securities Exchange Act Release No. 60085 (June 10, 2009), 74 FR 28741 (June 17, 2009).

require members to create a contemporaneous record of certain customer and order information demonstrating eligibility for the unsolicited customer order exception of SEA Rule 15c2–11 when the member is relying on such exception. SEA Rule 15c2–11 sets forth the information review and maintenance requirements for broker-dealers that publish quotations [4] in a quotation medium [5] for certain over-the-counter equity securities (*e.g.,* those quoted on the OTC Bulletin Board and Pink Sheets).

Specifically, SEA Rule 15c2–11 prohibits a broker-dealer from publishing, or submitting for publication, a quotation for a covered OTC equity security unless it has obtained and reviewed current information about the issuer whose security is the subject of the quotation that the broker-dealer believes is accurate and obtained from a reliable source. There are several exceptions to SEA Rule 15c2–11, including paragraph (f)(2) of the Rule, which excepts quotations that represent a customer's unsolicited order or indication of interest (unsolicited customer order exception).

FINRA Rule 6440 sets forth the standards applicable to member firms for demonstrating compliance with SEA Rule 15c2–11. FINRA has indicated that it has found that member firms maintain varying levels of documentation for demonstrating eligibility for the unsolicited customer order exception and, in some cases, are unable to produce any proof that a quote in fact represented a customer's unsolicited order or indication of interest (''IOI'').

While a member relying on this or any exception should be able to proffer evidence of its eligibility for and compliance with the exception, FINRA believes that providing specific recordkeeping requirements for demonstrating eligibility for the SEA Rule 15c2–11(f)(2) exception is appropriate and will promote more uniform record-keeping and compliance with this exception.

Specifically, FINRA has proposed that contemporaneous with the receipt of any unsolicited customer order or IOI, members would be required to record the following details: The identity of the associated person who receives the order or IOI directly from the customer, if applicable; [6] the identity of the customer; the date and time the order or IOI was received; and the terms of the order or IOI that is the subject of the quotation (*e.g.,* security name and symbol, size, side of the market, the duration (if specified) and, if priced, the price). To the extent a member is displaying a quote representing an unsolicited customer order or IOI that was received from another broker-dealer, the member is still required to create a contemporaneous record of the identity of the person from whom information regarding the unsolicited customer order or IOI was received, if applicable; [7] the date and time the unsolicited customer order or IOI was received by the member displaying the quotation; and the terms of the order that is the subject of the quotation.[8] The member displaying the quotation may rely on the information provided by the routing firm if the member has a reasonable basis for believing that the information is valid.

In addition, FINRA proposed to amend Rule 6540 (Requirements Applicable to Market Makers). The proposed amendment would delete footnote #1 under Rule 6540. Footnote #1 sets forth a summary of exemptive relief granted by the SEC from the requirements of SEA Rule 15c2–11 (subject to certain conditions). FINRA noted that because the Commission has granted additional exemptive requests from the requirements of SEA Rule 15c2–11 that are not included in footnote #1, and believes the Commission may continue to grant such requests in the future, FINRA has proposed to delete footnote #1 in its entirety and specify in Rule 6540 that members must demonstrate compliance with, or qualify for an exception or exemption from, SEA Rule 15c2–11.[9]

II. Discussion and Findings

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of the Act, and the rules and regulations thereunder that are applicable to a national securities association.[10] In particular, the Commission believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act, 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 Commission believes that the proposed amendments to Rules 6440 and 6540 will protect the public interest by promoting more uniform record-keeping and compliance with SEA Rule 15c2–11.

III. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,[11] that the proposed rule change (File No. SR–FINRA–2009–030) be and hereby is approved.

[4] SEA Rule 15c2–11 defines ''quotation'' as any bid or offer at a specified price with respect to a security, or any indication of interest by a broker or dealer in receiving bids or offers from others for a security, or any indication by a broker or dealer that advertises its general interest in buying or selling a particular security.

[5] ''Quotation medium'' means any ''inter-dealer quotation system'' or any publication or electronic communications network or other device that is used by brokers or dealers to make known to others their interest in transactions in any security, including offers to buy or sell at a stated price or otherwise, or invitations of offers to buy or sell. ''Inter-dealer quotation system'' means any system of general circulation to brokers or dealers that regularly disseminates the quotations of identified brokers or dealers.

[6] FINRA stated that in cases where a member is displaying a quote representing an unsolicited customer order or IOI that was received electronically, it is understood that there may not be a ''person'' associated with the receipt or submission of such unsolicited customer order or IOI. Thus, with respect to the requirement that members record (1) the identity of the associated person who received the unsolicited customer order or IOI; or (2) the identity of the person from whom information regarding the unsolicited customer order or IOI was received where the order or IOI is received from another broker-dealer, members are only required to record such information if applicable.

[7] *See supra* note 6.

[8] FINRA stated that it is critical that the member receiving an order be advised of and understand the terms of the order that are relevant to the exception so that the receiving member may reasonably and accurately rely on the unsolicited customer order exception. For example, if the customer order is a ''day'' order, the receiving member must be advised of that fact so that it can withdraw the quote upon the expiration of the order. Similarly, to the extent that the terms of the order change or other significant information is received by the firm routing the order (*e.g.,* a ''good-till-cancelled'' order is cancelled or there is a change in the terms of the order), the firm routing such order must promptly update the member displaying the quote as to the change in the terms of the order. To the extent the firm routing the order is not a member, the member should make periodic inquiry as to whether the terms of the order have changed. Members may not rely on the unsolicited customer order exception where a displayed quote no longer accurately represents current unsolicited customer interest.

[9] SEA Rule 15c2–11(h) sets forth the SEC's exemptive authority with respect to the requirements of SEA Rule 15c2–11 and provides that SEA Rule 15c2–11 shall not prohibit any publication or submission of any quotation if the SEC, upon written request or upon its own motion, exempts such quotation either unconditionally or on specified terms and conditions, as not constituting a fraudulent, manipulative or deceptive practice comprehended within the purpose of the rule.

[10] In approving the 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).

[11] 15 U.S.C. 78s(b)(2).

[12] 17 CFR 200.30–3(a)(12).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[12]

Florence E. Harmon,

Deputy Secretary.

[FR Doc. E9–17858 Filed 7–27–09; 8:45 am]

BILLING CODE 8010–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–60363; File No. SR–Phlx–2009–61]

Self-Regulatory Organizations; NASDAQ OMX PHLX, Inc.; Notice of Filing of Proposed Rule Change Relating to Exchange Rules for the Options Order Protection and Locked/Crossed Market Plan

July 22, 2009.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 [2] thereunder, notice is hereby given that on July 20, 2009, NASDAQ OMX PHLX, Inc. (''Phlx'' or ''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 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

The Exchange, pursuant to Section 19(b)(1) of the Act [3] and Rule 19b–4 thereunder,[4] proposes to modify the Exchange's rules to reflect its participation in the Options Order Protection and Locked/Crossed Market Plan (''Plan''). The proposed rules implement the Exchange's participation in the Plan, and will be substantially similar to the rules of other exchanges that are also implementing the Plan with minor variations to account for differences between the exchanges' market structures.

The text of the proposed rule change is available on the Exchange's Web site at *http://www.nasdaqtrader.com/micro.aspx?id=PHLXRulefilings*, at the principal office of the Exchange, and at the Commission's Public Reference Room.

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] 15 U.S.C. 78s(b)(1).

[4] 17 CFR 240.19b–4.

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

On June 17, 2008, the Exchange filed an executed copy of the Options Order Protection and Locked/Crossed Market Plan (''Plan''), joining all other approved options markets in adopting [sic] the Plan. The Plan requires each options exchange to adopt rules implementing various requirements specified in the Plan. This proposal is designed to fulfill that obligation.

Background

The Plan will replace the current Plan for the Purpose of Creating and Operating an Intermarket Option Linkage (''Linkage Plan''). That plan requires its participant exchanges to operate a stand-alone system or ''Linkage'' for sending order-flow between exchanges to limit trade-throughs. The Options Clearing Corporation (''OCC'') operates the Linkage system (the ''System''). The Linkage rules provide for unique types of Linkage orders, with a complicated set of requirements as to who may send such orders and under what conditions. Before a market maker can trade through another exchange's quote, it first must send a Linkage order and then wait three seconds for a response.

While the Linkage largely has operated satisfactorily, it is under significant strain. When the Commission approved the Linkage Plan in 2000, average daily volume (''ADV'') in the options market was approximately 2.6 million contracts across all exchanges. By 2007, the ADV had increased four-fold to more than 10.8 million contracts, putting added strain on the ability of market makers to comply with the complex Linkage rules. At the same time, the options markets have been moving towards quoting in pennies. This greatly increases the number of price changes in an option, giving rise to greater chances of trade-throughs and missing markets as market makers send Linkage orders and have to wait three seconds for a response.

Based upon experience in the equities markets following the adoption of Regulation NMS in 2005, the options exchanges have determined to replace the System with the Plan providing for a set of rules and procedures designed to avoid trade-throughs and locked markets. The key to Regulation NMS's price-protection provisions is the Intermarket Sweep Order (''ISO''). Each equity exchange must adopt rules ''reasonably designed to prevent trade-throughs.'' Exempted from trade-through liability is an ISO, which is an order a member sends to an exchange displaying a price inferior to the national best bid and offer (''NBBO''), while simultaneously sending orders to trade against the full size of any other exchange that is displaying the NBBO. A simple prohibition against most trade-throughs, coupled with the ISO mechanism, has given the equities markets a straight-forward system to provide customers with price protection in a fast-moving, high-volume market that is quoted in pennies.

Proposed Temporary Linkage Rule. The Exchange proposes to adopt Rule 1088 which provides that the Exchange will continue to accept Principal Acting as Agent (''P/A'') and Principal Orders from options exchanges that continue to use such orders to address trade-throughs via the existing linkage for a temporary period.

Deletion of References to Linkage Orders. The Exchange proposes to delete references to Linkage P and P/A orders from its rules. Specifically, the Exchange proposes to delete current Rules 1081 and 1083 through 1087, which currently make up the Exchange's rules that track the Linkage Plan. Additionally, for consistency, the Exchange proposes to delete references to Linkage P and P/A Orders from Rule 1080.

The Proposed New Definitions. The proposed Plan incorporates a number of defined terms, some identical to definitions from the existing Linkage Plan and others that have been developed along with the proposed Plan itself. Accordingly, Phlx is proposing to adopt new Rule 1083, which sets forth the defined terms for use under the proposed Plan.

The Proposed Trade Through Rule. The Plan essentially would apply the Regulation NMS price-protection provisions to the options markets. Similar to Regulation NMS, the Plan would require participants to adopt