

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-58354; File No. SR-NSX-2008-15)

August 13, 2008

Self-Regulatory Organizations; National Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to the Operative Date of NSX Rule 2.11.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on August 8, 2008, National Stock Exchange, Inc. (“NSX[®]” 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 comment 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 National Stock Exchange, Inc. (“NSX” or the “Exchange”) is proposing to accelerate the effectiveness of NSX Rule 2.11 in order to implement outbound routing through NSX Securities, LLC (“NSX Securities”) and to amend NSX Rule 2.12 which relates to the Exchange’s provision of routing services procured from a third party.

The text of the proposed rule change is available on the Exchange’s website at <http://www.nsx.com>, at the principal office of the Exchange, 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

¹ 15 U.S.C. 78s(b)(1).

² 17 C.F.R. 240.19b-4.

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 parts 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 is proposing to accelerate the effectiveness of NSX Rule 2.11 in order to implement outbound routing with respect to orders entered in the Exchange's trading system, NSX BLADE[®], through an affiliate of the Exchange, NSX Securities. In addition, the Exchange proposes to amend NSX Rule 2.12 which relates to the Exchange's current provision of outbound routing of orders from the Exchange to other trading centers ("Routing Services") using a third party.

As background, the Exchange originally planned to provide Routing Services for orders entered into NSX BLADE through NSX Securities. NSX Rule 2.11 was approved by the Securities and Exchange Commission ("Commission") in connection with the approval of the Exchange's new trading rules relating to NSX BLADE on August 31, 2006.³ The ability to route orders entered into NSX BLADE to away markets for execution at the best available prices is a key feature of NSX's new system. NSX Rule 2.11 specifically provides for certain terms and conditions under which NSX Securities will provide Routing Services. Among other things, an ETP Holder's use of NSX Securities to route orders to another Trading Center is optional. ETP Holders that do not want to route orders through NSX Securities may submit order instructions to NSX under NSX Rule 11.11 such as Immediate-or-Cancel, Post Only or NSX Only.

³ See Securities Exchange Act Release No. 54391 (August 31, 2006), 71 FR 52836 (September 7, 2006), File No. SR-NSX-2006-08. This rule change filing was filed under Section 19(b)(2) of the Securities Exchange Act of 1934 (the "Act").

However, as NSX Securities had not completed its registration process as a broker-dealer with the National Association of Securities Dealers, Inc. (“NASD”) (and thus would not be available to provide Routing Services) by the launch of NSX BLADE,⁴ the Exchange proposed the adoption of NSX Rule 2.12 so that the Exchange could route through a third party in the interim period.⁵ In the adoption of Rule 2.12, the Exchange requested a finite period of effectiveness so NSX Securities could complete its registration as a broker-dealer and the Exchange could evaluate its options for providing Routing Services to ETP Holders. The Exchange subsequently filed several rule change proposals to extend the effective period for NSX Rule 2.12, and to delay the effectiveness of NSX Rule 2.11 to certain dates, unless earlier amended, while the Exchange considered its options and made system and other changes to implement outbound routing through NSX Securities.⁶ Rule 2.12 currently provides that it is effective through September 30, 2008, with the ability to route through NSX Securities under Rule 2.11 becoming effective on October 1, 2008.

In the instant proposed rule change, the Exchange is requesting that the operative date of Rule 2.11 be accelerated to August 8, 2008. The Exchange and NSX Securities have made all necessary changes to activate NSX Securities, including NSX Securities being approved as a broker-dealer, entering into a clearing and routing agreement, and making the required systems

⁴ In January 2007, NSX Securities’ application for registration as a broker-dealer was approved by the NASD. To date, the Exchange has not used NSX Securities for routing services.

⁵ See Securities Exchange Act Release No. 54808 (November 21, 2006), 71 FR 69163 (November 29, 2006), File No. SR-NSX-2006-15.

⁶ See Securities Exchange Act Release No. 55624 (April 12, 2007), 72 FR 19732 (April 19, 2007), File No. SR-NSX-2007-04; Securities Exchange Act Release No. 56067 (July 13, 2007), 72 FR 39650 (July 19, 2007), File No. SR-NSX-2007-08; Securities Exchange Act Release No. 56587 (October 1, 2007), 72 FR 57087 (October 5, 2007), File No. SR-NSX-2007-10; and Securities Exchange Act Release No. 57574 (March 27, 2008), 73 FR 18026 (April 2, 2008), File No. SR-NSX-2008-08.

and regulatory changes. Further, because the current Rule 2.12 is effective until September 30, 2008, the Exchange proposes to amend NSX Rule 2.12 to provide that during that period it be operative only in the event that the Exchange is not able to provide Routing Services through Rule 2.11. Thus, an alternative router would be available as necessary, and on an all-or-none basis, in the course of transitioning the Routing Services to NSX Securities under Rule 2.11. This rule change proposal does not change Rule 2.12's current expiration of September 30, 2008.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6(b) of the Act,⁷ in general, and Section 6(b)(5) of the Act,⁸ in particular, which requires, among other things, that the rules of an exchange be designed 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.

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

The Exchange does not believe that the proposed rule change will impose any inappropriate burden on competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

The Exchange has neither solicited nor received written comments on the proposed rule change.

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(5).

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The proposed rule change will take upon filing pursuant to Section 19(b)(3)(A)(iii) of the Act⁹ and subparagraph (f)(5) of Rule 19b-4¹⁰ thereunder, because the proposal effects a change in an existing order-entry system or trading system of a self-regulatory organization that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) does not have the effect of limiting the access to or availability of the system. This proposal does not raise these concerns as it primarily pertains to the operative date of a rule that has already been approved by the Commission through a rule change filed under Section 19(b)(2) of the Act. At any time within sixty (60) days of the filing of such 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:

Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>);
or

⁹ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁰ 17 C.F.R. 240.19b-4.

- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-NSX-2008-15 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-NSX-2008-15. 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 inspection and copying in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the self-regulatory organization. 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-NSX-2008-15 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

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

Florence E. Harmon
Acting Secretary

¹¹ 17 CFR 200.30-3(a)(12).