

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-62358; File No. SR-NSX-2010-06)

June 22, 2010

Self-Regulatory Organizations; National Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Implement an Equity Rights Program

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 June 15, 2010, National Stock Exchange, Inc. (“NSX[®]” or “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

NSX is proposing to implement an equity rights program pursuant to which warrants may be purchased that would allow equity in the Exchange’s parent holding company to be acquired based on, among other things, a participating ETP Holder’s payment of an initial purchase price for the warrants and achievement of certain liquidity adding volume thresholds on the Exchange over a six month measuring period.

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.

¹ 15 U.S.C. 78s(b)(1).

² 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 parts of such statements.

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

1. Purpose

With this rule change, the Exchange is proposing to implement an equity rights program pursuant to which warrants for common stock of the Exchange's parent holding company, NSX Holdings, Inc. ("Holdings"), will be issued to each ETP Holder who participates in the program in exchange for such ETP Holder participant's initial cash capital contribution of \$250,000, and with such warrants being exercisable upon the achievement by the participating ETP Holder of the following liquidity adding volume thresholds (measured as a percentage of total consolidated average daily volume) on the Exchange during a six month measurement period commencing June 15, 2010:

	<u>Participating ETP Holder's Liquidity Adding ADV As % of Total Consolidated ADV</u>	<u>Participating ETP Holder's Total Exercisable Warrants</u>
Tier 1:	> 15 basis points	4,575
Tier 2:	> 25 and < 30 basis points	19,575
Tier 3:	> 30 and < 35 basis points	22,075
Tier 4:	> 35 and < 40 basis points	24,575
Tier 5:	> 40 basis points	24,575 plus Participation in Bonus Pool

For purposes of the program, the term “Liquidity Adding ADV” means, with respect to a participating ETP Holder, the number of shares such ETP Holder has executed as a liquidity provider on average per trading day (excluding partial trading days) across all tapes on NSX for the measuring period in which the executions occurred. The term “Total Consolidated ADV” means average daily volume reported by all exchanges and trade reporting facilities to the consolidated transaction reporting plans for Tape A, B and C securities. For purposes of calculating an ETP Holder’s Liquidity Adding ADV as a percentage of Total Consolidated ADV over the measuring period, the 10 days during the measuring period constituting that ETP Holder’s lowest ratio of liquidity adding volume to total consolidated volume will be excluded. In addition, the number of shares executed by ETP Holders under common ownership and control may be aggregated for purposes of calculating average daily volumes.

Total Bonus Pool shares shall equal the number of warrant holders achieving Tier 5 multiplied by 10,000. Each warrant holder eligible for participation in the Bonus Pool shall be entitled to exercise its Bonus Pool warrants for a number of Bonus Pool shares determined by the following formula: number of shares in Bonus Pool multiplied by a fraction, the numerator of which is the eligible holder’s Liquidity Adding ADV in excess of 40 basis points of Total Consolidated ADV and the denominator of which is the total of all eligible holders’ Liquidity Adding ADV in excess of 40 basis points of Total Consolidated ADV.

The maximum number of shares issued under the program will be 103,724. The number of shares that would otherwise be issued to warrant holders if in excess of this limit will, at the time of warrant exercise, be reduced for each warrant on a pro-rata basis. Warrant exercise will not be permitted to the extent that exercise would result in a warrant holder’s pro forma ownership in Holdings exceeding 19.9% or any lower percentage cap that is applicable to such

warrant holder due to legal or regulatory limitations. The warrants are not transferrable, and all shares issued pursuant to the terms of the warrants are subject to ownership and voting limits and transfer restrictions as stated in Holding's Certificate of Incorporation and By-laws.

Each participating ETP Holder will also receive the option to participate in any second rights program made by the Exchange and Holdings covering a six month measuring period shortly following the current measuring period, on the same terms and conditions as all other participants in such program, but with the new cash contribution required for participation in such program fixed at \$250,000. All other participants in any such second program will pay a cash contribution that is the same for each such participant, in an amount that is based on a determination made by Holdings at the time of announcement of any such program.

Participants must have executed the definitive documentation (including a Warrant Purchase Agreement) and tendered the minimum cash investment by June 30, 2010. All program terms, rights and obligations are subject to final documentation to be executed by participating ETP Holders, which final documentation may contain terms that supplement those summarized herein.

In addition to the payment of the purchase price and the execution of the purchase agreement, participating ETP Holders must qualify as "accredited investors" (as such term is defined in Regulation D of the Securities Act of 1933). All participating ETP Holders will participate on the same terms, conditions and restrictions. This filing shall not constitute an offer to sell or a solicitation of an offer to buy securities.

Measurement Period and Notice

The Exchange intends to commence the six month measurement period for the equity award program on June 15, 2010. The Exchange will provide ETP Holders with notice of the

implementation of this program through the issuance of a Regulatory Circular and will post a copy of this rule filing on the Exchange's website (www.nsx.com). Any ETP Holder that is interested in participating in this program may contact John J. McCoy, Chief Legal Officer of the Exchange, at (201) 499-1854, for more information and legal documentation. Execution among the parties of a non-disclosure agreement regarding such additional program information will be required.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6(b) of the Act,³ in general, and Section 6(b)(4) of the Act,⁴ in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its members and other persons using the facilities of the Exchange. Moreover, the proposed rule change is not discriminatory in that all ETP Holders are eligible to participate (or elect to not participate) in the program on the same terms and conditions.

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.

³ 15 U.S.C. 78f(b).

⁴ 15 U.S.C. 78f(b)(4).

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

The proposed rule change has taken effect upon filing pursuant to Section 19(b)(3)(A)(ii) of the Act⁵ and subparagraph (f)(2) of Rule 19b-4⁶ thereunder, because, as provided in (f)(2), it changes “a due, fee or other charge applicable only to a member” (known on the Exchange as an ETP Holder). 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
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-NSX-2010-06 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-NSX-2010-06. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your

⁵ 15 U.S.C. 78s(b)(3)(A)(ii).

⁶ 17 CFR 240.19b-4.

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, 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 will also 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-2010-06 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.⁷

Florence E. Harmon
Deputy Secretary

⁷ 17 CFR 200.30-3(a)(12).