

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-65314; File No. SR-NYSEAmex-2011-69)

September 12, 2011

Self-Regulatory Organizations; NYSE Amex LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Amending Its Options Fee Schedule to Add Clarifying Language with Respect to Marketing Charges Generally and Marketing Charges for Directed Orders, and to Add New and Clarifying Language with Respect to Marketing Charges for Electronic Complex Orders

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (the “Act”)² and Rule 19b-4 thereunder,³ notice is hereby given that, on September 6, 2011, 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, II, and III 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 its Options Fee Schedule (the “Schedule”) to add clarifying language with respect to marketing charges generally and marketing charges for Directed Orders, and to add new and clarifying language with respect to marketing charges for Electronic Complex Orders. The text of the proposed rule change is available at the Exchange, the Commission’s Public Reference Room, on the Commission’s website at www.sec.gov, and www.nyse.com.

¹ 15 U.S.C.78s(b)(1).

² 15 U.S.C. 78a.

³ 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 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 Statutory Basis for, the Proposed Rule Change

1. Purpose

The current Schedule in footnote 11 describes the distribution of the pool of monies for marketing charges for non-Directed Orders, but does not include any language addressing the marketing charges for Directed Orders or Electronic Complex Orders. Currently, the pool of monies resulting from collection of marketing charges on electronic Directed Orders is controlled by the NYSE Amex Options Market Maker to which the order was directed.⁴ In addition, Electronic Complex Orders are treated in the same manner as non-Directed Orders, and consequently, the pool of monies resulting from collection of marketing charges on such orders is controlled by a Specialist or e-Specialist.⁵

⁴ See, e.g., Securities Exchange Act Release No. 61849 (April 6, 2010), 75 FR 18556 (April 12, 2010) (SR-NYSEAmex 2010-30).

⁵ The Exchange recently reinstated the standard marketing charges for Electronic Complex Order executions that had been temporarily waived in July 2010. See Securities Exchange Act Release No. 64524 (May 19, 2011), 76 FR 30412 (May 25, 2011) (SR-NYSEAmex-2011-30). The Exchange had been informed by several Order Flow Providers that the absence of marketing charges for Customer

After reviewing the current Schedule and the manner in which marketing charges are handled for Electronic Complex Orders, the Exchange has determined to add clarifying language to the Schedule with respect to marketing charges generally and marketing charges for Directed Orders, and to add new and clarifying language to it with respect to marketing charges for Electronic Complex Orders.⁶ The changes to the Schedule are described below.

First, the Exchange proposes to amend footnote 11 of its Schedule to add a clarifying introductory statement that the footnote applies only to marketing charges.

Second, the current text in footnote 11 relating to the collection and distribution of marketing charges for non-Directed Orders would remain unchanged. That text provides that the pool of monies resulting from the collection of marketing charges on electronic non-Directed Order flow is controlled by the Specialist or the e-Specialist with superior volume performance over the previous quarter for distribution by the Exchange at the direction of such Specialist or e-Specialist to eligible payment accepting firms. In making this determination the Exchange, on a class by class basis, evaluates Specialist and e-Specialist performance based on the number of electronic contracts executed at NYSE Amex per class. The Specialist/e-Specialist with the best volume performance controls the pool of marketing charges collected on electronic non-Directed Order flow for these issues for the following quarter.

executions in the complex order book was hindering their ability to route complex order flow to the Exchange, particularly since competing exchanges do allow for the collection of marketing charges on complex orders. Consequently, the Exchange recently resumed its prior practice of treating Electronic Complex Orders in the same manner as any other orders for the purpose of assessing payment for order flow charges in order to remain competitive.

⁶ NYSE Amex is not proposing to change the amount of the marketing charges as part of this rule change.

Third, the Exchange proposes to add text thereafter stating its existing policy that the pool of monies resulting from collection of marketing charges on electronic Directed Order flow will be controlled by the NYSE Amex Options Market Maker to which the order was directed and distributed by the Exchange at the direction of such NYSE Amex Options Market Maker to payment accepting firms.

Fourth, the Exchange proposes to add new text to footnote 11 stating that an ATP Holder that submits an Electronic Complex Order to the Exchange may designate an NYSE Amex Options Market Maker to receive the marketing charge and the pool of monies resulting from the collection of such marketing charges will be distributed by the Exchange at the direction of such NYSE Amex Options Market Maker to payment accepting firms. If an ATP Holder submits an Electronic Complex Order to the Exchange without designating an NYSE Amex Options Market Maker, the pool of monies resulting from the collection of such marketing charges will be distributed in the same manner as non-Directed Order flow, as is currently the practice (and as described above).

Finally, the Exchange proposes technical changes to footnote 11 to correct references to defined terms.

The Exchange is not proposing any change to NYSE Amex Options Rule 900.3NY(s), which sets forth the definition of Directed Order, NYSE Amex Options Rule 964.1NY, which discusses the conditions NYSE Amex Options Specialists and Market Makers must meet to receive Directed Orders, or NYSE Amex Options Rule 980NY, which governs Electronic Complex Order trading and provides that the Specialist Pool and Directed Order Market Maker guaranteed participation afforded in NYSE Amex

Options Rule 964NY does not apply to executions against an Electronic Complex Order. The proposed change would only affect the distribution of the pool of monies resulting from marketing charges for Electronic Complex Orders.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Securities Exchange Act of 1934 (the “Act”),⁷ in general, and Section 6(b)(4) of the Act,⁸ 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 its facilities. The Exchange believes that the clarifying changes to the Schedule described above will provide more transparency to the marketing charge practices on the Exchange. The Exchange also believes that providing ATP Holders with the option to submit Electronic Complex Orders to the Exchange and designate an NYSE Amex Options Market Maker to direct the resulting marketing charges will help to attract additional Electronic Complex Orders to the Exchange, which will benefit all market participants. The Exchange operates in a highly competitive market comprised of nine U.S. options exchanges in which sophisticated and knowledgeable market participants can readily send order flow to competing exchanges if they deem fee levels at a particular exchange to be excessive or discriminatory.

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.

⁷ 15 U.S.C. 78f(b). [sic]

⁸ 15 U.S.C. 78f(b)(4).

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

The foregoing rule change is effective upon filing pursuant to Section 19(b)(3)(A)⁹ of the Act and subparagraph (f)(2) of Rule 19b-4¹⁰ thereunder, because it establishes a due, fee, or other charge imposed by the NYSE Amex.

At any time within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend 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-NYSEAmex-2011-69 on the subject line.

⁹ 15 U.S.C. 78s(b)(3)(A).

¹⁰ 17 CFR 240.19b-4(f)(2).

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-2011-69. 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 website (<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 website viewing and printing in the Commission's Public Reference Room on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such 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-2011-69 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

Elizabeth M. Murphy
Secretary

¹¹ 17 CFR 200.30-3(a)(12).