

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-62405; File No. SR-NYSEAmex-2010-59)

June 30, 2010

Self-Regulatory Organizations; NYSE Amex LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change, as Modified by Amendment No. 1, Relating to Market Maker Authorized Traders

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that, on June 14, 2010, NYSE Amex LLC (“NYSE Amex” or the “Exchange”) 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 Exchange. On June 29, 2010, the Exchange filed Amendment No. 1 to the proposed rule change.<sup>3</sup> The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend Rule 921.1NY-Market Maker Authorized Traders. The text of the proposed rule change is available on NYSE Amex’s Web site at [www.nyse.com](http://www.nyse.com), on the Commission’s Web site at [www.sec.gov](http://www.sec.gov), at the principal office of NYSE Amex, 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 self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments

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<sup>1</sup> 15 U.S.C.78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> Amendment No. 1 clarified the proposal by making an additional revision to the current text of Rule 921.1NY(a).

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

Presently, Market Maker Authorized Traders ("MMAT") may submit electronic quotes and orders on behalf of an ATP Holder registered as a Remote Market Maker. The purpose of the proposed rule change is to amend Rule 921.1NY in order to allow MMATs to submit electronic quotes and orders on behalf of any type of Market Maker. Rules changes proposed in this filing are consistent with rules governing MMATs on NYSE Arca, Inc.

An MMAT is either a Market Maker, or an officer, partner, employee or associated person of an ATP Holder. MMATs act in a trading capacity by submitting electronic quotes and orders on behalf of the account of a Remote Market Maker. Remote Market Makers make transactions from a location off the trading floor.

A Market Maker on NYSE Amex can either be a Remote Market Maker, a Floor Market Maker, a Specialist or an e-Specialist. Unless otherwise specified, the term Market Maker refers to Remote Market Makers, Floor Market Makers, Specialist and e-Specialists.<sup>4</sup>

Market Makers are permitted to trade all issues listed on the Exchange, and are not limited to the number of issues they may include in their Appointment. Utilizing an electronic execution and quoting system, Market Makers are able to make markets and trade in hundreds, or sometimes thousands of securities simultaneously. Market maker proprietary systems may allow for the trading of a large number issues, however market making still requires a certain

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<sup>4</sup> See NYSE Amex Rule 920NY(a).

level of human interaction in order to effectively monitor trading, manage open positions and enter quotes and orders, and while certain support personnel may monitor trading and or manage positions, only a Market Maker or MMAT is permitted to electronically submit quotes and/or orders to NYSE Amex.

As previously stated, MMATs submit electronic quotes and orders on behalf of Remote Market Makers, but it is not only Remote Market Makers that are required to quote electronically; all Market Makers, regardless of their registration status, must meet certain minimum quoting obligations for all issues within their Appointment.<sup>5</sup> The Exchange believes that by restricting the use of MMATs to just Remote Market Makers, other Market Makers may be limited in the number of securities that they can effectively trade. The Exchange now proposes to allow all types of registered Market Makers on NYSE Amex to utilize registered MMATs to submit electronic quotes and orders on their behalf.

As is the case now, an MMAT will only be permitted to enter electronic quotes and orders on behalf of the Market Maker with which he is associated.<sup>6</sup> MMATs that are associated with Floor Market Makers and Specialists will not be permitted to execute trades in open outcry on the floor of the Exchange. They will however be able to submit electronic quotes and orders in issues included as part of a Floor Market Maker's Appointment.

In addition to the changes proposed to Rule 921.1NY, the Exchange proposes to amend the definition of Market Maker Authorized Trader contained in Rule 900.1NY(37).

These rule changes do not in any way revise or amend any other Exchange rule, including those rules pertaining to qualifications, obligations and rights of Market Makers.

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<sup>5</sup> See NYSE Amex Rule 925.1NY.

<sup>6</sup> See NYSE Amex Rule 921.1(a).

As previously stated, this proposed rule change is consistent with rules governing MMATs on NYSE Arca, Inc. Other rules related to MMATs on NYSE Amex and NYSE Arca are substantially similar. This rule change which authorizes MMATs to submit electronic quotes and orders on behalf of all types of Market Makers will further harmonize the rules of the two exchanges.

## 2. Statutory Basis

The Exchange believes the proposed rule change is consistent with Section 6(b)<sup>7</sup> of the Securities Exchange Act of 1934 (the “Act”), in general, and furthers the objectives of Section 6(b)(5)<sup>8</sup> in particular, 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.

### 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.

### 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

Because the foregoing proposed rule change: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days from the date on which

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<sup>7</sup> 15 U.S.C. 78f(b).

<sup>8</sup> 15 U.S.C. 78f(b)(5).

it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, it has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>9</sup> and Rule 19b-4(f)(6) thereunder.<sup>10</sup>

At any time within 60 days of the filing of the 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](mailto:rule-comments@sec.gov). Please include File Number SR-NYSEAmex-2010-59 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.

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<sup>9</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>10</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires the self-regulatory organization to submit to the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

All submissions should refer to File Number SR-NYSEAmex-2010-59. 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 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 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-2010-59 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.<sup>11</sup>

Florence E. Harmon  
Deputy Secretary

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<sup>11</sup> 17 CFR 200.30-3(a)(12).