

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-62569; File No. SR-NYSE-2010-54]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Deleting NYSE Rule 123G and Adopting New Rule 5290 To Correspond With Rule Changes Filed by the Financial Industry Regulatory Authority, Inc.

July 26, 2010.

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 July 19, 2010, New York Stock Exchange LLC (“NYSE” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I and II 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 delete NYSE Rule 123G and adopt new Rule 5290 to correspond with rule changes filed by the Financial Industry Regulatory Authority, Inc. (“FINRA”) and approved by the Commission.⁴ The text of the proposed rule change is available at the Exchange, at the Commission’s Public Reference Room, on the Commission’s Web site at <http://www.sec.gov>, and at <http://www.nyse.com>.

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.

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

⁴ See Securities Exchange Act Release No. 61071 (November 30, 2009), 74 FR 64109 (December 7, 2009) (order approving SR-FINRA-2009-067).

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

1. Purpose

The purpose of the proposed rule changes is to delete NYSE Rule 123G (Order Entry Practices) and adopt new Rule 5290 (Order Entry and Execution Practices) to correspond with rule changes filed by FINRA and approved by the Commission.

Background

On July 30, 2007, FINRA’s predecessor, the National Association of Securities Dealers, Inc. (“NASD”), and NYSE Regulation, Inc. (“NYSE”) consolidated their member firm regulation operations into a combined organization, FINRA. Pursuant to Rule 17d-2 under the Act, NYSE, NYSE and FINRA entered into an agreement (the “Agreement”) to reduce regulatory duplication for their members by allocating to FINRA certain regulatory responsibilities for certain NYSE rules and rule interpretations (“FINRA Incorporated NYSE Rules”). NYSE Amex LLC (“NYSE Amex”) became a party to the Agreement effective December 15, 2008.⁵

As part of its effort to reduce regulatory duplication and relieve firms that are members of FINRA, NYSE and NYSE Amex of conflicting or unnecessary regulatory burdens, FINRA is now engaged in the process of reviewing and amending the NASD and FINRA Incorporated NYSE Rules in order to create a consolidated FINRA rulebook.⁶

Current NYSE Rule 123G

NYSE Rule 123G provides that a member, member organization, allied member (principal executive),⁷

⁵ See Securities Exchange Act Release Nos. 56148 (July 26, 2007), 72 FR 42146 (August 1, 2007) (order approving the Agreement); 56147 (July 26, 2007), 72 FR 42166 (August 1, 2007) (SR-NASD-2007-054) (order approving the incorporation of certain NYSE Rules as “Common Rules”); and 60409 (July 30, 2009), 74 FR 39353 (August 6, 2009) (order approving the amended and restated Agreement, adding NYSE Amex LLC as a party). Paragraph 2(b) of the Agreement sets forth procedures regarding proposed changes by FINRA, NYSE or NYSE Amex to the substance of any of the Common Rules.

⁶ FINRA’s rulebook currently has three sets of rules: (1) NASD Rules, (2) FINRA Incorporated NYSE Rules, and (3) consolidated FINRA Rules. The FINRA Incorporated NYSE Rules apply only to those members of FINRA that are also members of the NYSE (“Dual Members”), while the consolidated FINRA Rules apply to all FINRA members. For more information about the FINRA rulebook consolidation process, see FINRA Information Notice, March 12, 2008.

⁷ In 2008, as part of the FINRA rulebook consolidation and harmonization process, the

approved person, or registered or non-registered employee thereof, may not engage in conduct that has the intent or effect of unbundling or splitting orders for execution in order to maximize a monetary or in-kind payment received as a result of the execution of such orders. For purposes of the Rule, “monetary or in-kind amounts” include commissions, gratuities, payments for or rebate of fees, or any similar payments of value resulting from the entry of such orders.

Current FINRA Rule 5290

In December 2009, FINRA adopted NASD Rule 3380 (Order Entry and Execution Practices), which governs certain order entry and/or execution practices, as consolidated FINRA Rule 5290, subject to certain modifications.⁸

Consolidated FINRA Rule 5290 is substantially the same as NYSE Rule 123G; however, consolidated FINRA Rule 5290 applies to the unbundling or splitting of both orders and executions, whereas NYSE Rule 123G applies only to order entry and not execution.

Proposed Conforming Amendments to NYSE Rules

Even though NYSE Rule 123G is not part of the Common Rules subject to the rulebook consolidation and harmonization process governed by the Agreement, the Exchange hereby proposes to delete Rule 123G and replace it with proposed NYSE Rule 5290, which is substantially similar to the new FINRA Rule.⁹

As proposed, NYSE Rule 5290 adopts the same language as FINRA Rule 5290, except for substituting for or adding to, as needed, the term “member organization” for the term “member”, and making corresponding technical changes. In addition, in order to ensure that both proposed NYSE Rule 5290 and FINRA Rule 5290 are fully harmonized, the Exchange also proposes to add Supplementary Material .01 to NYSE Rule 5290 to provide that, for the

Exchange replaced the term “allied member” in certain NYSE Rules with the newly defined term of “principal executive”, which has substantially the same meaning. See Securities Exchange Act Release No. 58549 (September 15, 2008), 73 FR 54444 (September 19, 2008) (SR-NYSE-2008-80). Rule 123G should have been updated at that time to include “principal executives” but was not.

⁸ See Securities Exchange Act Release No. 61071 (November 30, 2009), 74 FR 64109 (December 7, 2009). In this filing FINRA also adopted NASD Rule 3120 (Use of Information Obtained in Fiduciary Capacity) as consolidated FINRA Rule 2060. The Exchange does not intend to adopt a corresponding rule at this time.

⁹ NYSE Amex has submitted a companion rule filing amending its rules in accordance with FINRA’s rule changes. See SR-NYSEAmex-2010-72.

purposes of the rule, the term “associated person” shall have the same meaning as the terms “person associated with a member” or “associated person of a member” as defined in Article I (rr) of the FINRA By-Laws.

The Exchange also notes that, upon adoption of proposed Rule 5290, it intends to add the Rule to the Agreement as a Common Rule for dual NYSE/FINRA members.

2. Statutory Basis

The Exchange believes that the proposed rule changes are consistent with Section 6(b) of the Act,¹⁰ in general, and further the objectives of Section 6(b)(5) of the Act,¹¹ in particular, in that they are 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 Exchange believes that the proposed rule changes support the objectives of the Act by providing greater harmonization between NYSE Rules and FINRA Rules (including Common Rules) of similar purpose, resulting in less burdensome and more efficient regulatory compliance for Dual Members. To the extent the Exchange has proposed changes that differ from the FINRA version of the Rules, such changes are technical in nature and do not change the substance of the proposed NYSE Rules.

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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act¹² and Rule 19b-4(f)(6) thereunder.¹³ Because the

proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6)(iii) thereunder.¹⁴

A proposed rule change filed under Rule 19b-4(f)(6)¹⁵ normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),¹⁶ the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest because such waiver will enable the Exchange to immediately implement new NYSE Rule 5290 to prevent any regulatory gaps between the NYSE and FINRA rules. In addition, as noted by the Exchange, NYSE Rule 5290 is consistent with FINRA Rule 5290, which was previously approved by the Commission.¹⁷

Accordingly, the Commission waives the 30-day operative delay requirement and designates the proposed rule change as operative upon filing with the Commission. 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

¹⁴ See *id.* In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file 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.

¹⁵ 17 CFR 240.19b-4(f)(6).

¹⁶ 17 CFR 240.19b-4(f)(6)(iii).

¹⁷ See *supra* note 4. For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule’s impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

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-NYSE-2010-54 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-NYSE-2010-54. 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 a.m. and 3 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 publicly available. All submissions should refer to File Number SR-NYSE-2010-54 and should be submitted on or before August 23, 2010.

¹⁸ 17 CFR 200.30-3(a)(12).

¹⁰ 15 U.S.C. 78f(b).

¹¹ 15 U.S.C. 78f(b)(5).

¹² 15 U.S.C. 78s(b)(3)(A)(iii).

¹³ 17 CFR 240.19b-4(f)(6).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁸

Florence E. Harmon,
Deputy Secretary.

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SOCIAL SECURITY ADMINISTRATION

Agency Information Collection Activities: Proposed Request and Comment Request

The Social Security Administration (SSA) publishes a list of information collection packages requiring clearance by the Office of Management and Budget (OMB) in compliance with Public Law (Pub. L.) 104-13, the Paperwork Reduction Act of 1995, effective October 1, 1995. This notice includes revisions of OMB-approved information collections.

SSA is soliciting comments on the accuracy of the agency's burden estimate; the need for the information; its practical utility; ways to enhance its quality, utility, and clarity; and ways to minimize burden on respondents, including the use of automated collection techniques or other forms of information technology. Mail, e-mail, or fax your comments and recommendations on the information collection(s) to the OMB Desk Officer and SSA Reports Clearance Officer to the following addresses or fax numbers. (OMB), Office of Management and Budget, Attn: Desk Officer for SSA, Fax: 202-395-6974, E-mail address: OIRA_Submission@omb.eop.gov. (SSA), Social Security Administration, DCBPM, Attn: Reports Clearance Officer, 1333 Annex Building, 6401 Security Blvd., Baltimore, MD 21235, Fax: 410-965-6400, E-mail address: OPLM.RCO@ssa.gov.

I. The information collections below are pending at SSA. SSA will submit them to OMB within 60 days from the date of this notice. To be sure we consider your comments, we must receive them no later than October 1, 2010. Individuals can obtain copies of the collection instruments by calling the SSA Reports Clearance Officer at 410-965-8783 or by writing to the above e-mail address.

1. Request for Corrections of Earnings Record—20 CFR 404.820 and 20 CFR 422.125—0960-0029. Individuals alleging inaccurate earnings records that SSA maintains for them use Form SSA-7008 to provide the information SSA needs to check earnings posted, and as necessary, initiate development to resolve any inaccuracies. The respondents are individuals who request correction of earnings posted to their Social Security earnings record.

Type of Request: Revision of an OMB-approved information collection.

Method of collection	Number of respondents	Frequency of response	Estimated burden per response (minutes)	Estimated annual burden (hours)
Paper form	37,500	1	10	6,250
In-person or telephone interview	337,500	1	10	56,250
Total	375,000	62,500

2. Missing and Discrepant Wage Reports Letter and Questionnaire—26 CFR 31.6051-2—0960-0432. Each year employers report the wage amounts they paid their employees to the Internal Revenue Service (IRS) for tax purposes, and separately to SSA for retirement and disability coverage purposes. These reported amounts should equal each other. However, each year some employer wage reports SSA receives are less than the wage amounts employers report to the IRS. SSA uses Forms SSA-L93-SM, SSA-L94-SM, SSA-95-SM, and SSA-97-SM to ensure employees receive full credit for their wages. Respondents are employers who reported lower wage amounts to SSA than they reported to the IRS.

Type of Request: Revision of an OMB-approved information collection.

Number of Respondents: 360,000.

Frequency of Response: 1.

Average Burden per Response: 30 minutes.

Estimated Annual Burden: 180,000 hours.

3. Appointment of Representative—20 CFR 404.1707, 404.1720, 404.1725, 410.684 and 416.1507—0960-0527. Persons claiming benefits under the Social Security Act must notify SSA in

writing when they appoint an individual to represent them in dealings with SSA. SSA collects the information on Form SSA-1696-U4 to verify the appointment of such representatives. The SSA-1696-U4 also allows SSA to inform representatives of items affecting the recipient's claim and allows claimants to give permission to their appointed representatives to designate a person to copy claims files. Respondents are applicants/recipients of Social Security benefits or Supplemental Security Income (SSI) payments who are notifying SSA they have appointed a person to represent them in their dealings with SSA.

Type of Request: Revision of an OMB-approved information collection.

Number of Respondents: 551,520.

Frequency of Response: 1.

Average Burden per Response: 10 minutes.

Estimated Annual Burden: 91,920 hours.

4. Appeal of Determination for Help with Medicare Prescription Drug Plan Costs—0960-0695. Public Law 108-173, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) established the Medicare Part D program for voluntary

prescription drug coverage for certain low-income individuals. The MMA stipulates subsidies must be available for individuals who are eligible for the program and who meet eligibility criteria for help with premium, deductible, and/or co-payment costs. Form SSA-1021, Appeal of Determination for Help with Medicare Prescription Drug Plan Costs, obtains information from individuals who appeal SSA's decisions regarding eligibility or continuing eligibility for a Medicare Part D subsidy. The respondents are applicants who are appealing SSA's eligibility or continuing eligibility decisions.

Type of Request: Revision of an OMB-approved information collection.

Number of Respondents: 75,000.

Frequency of Response: 1.

Average Burden per Response: 10 minutes.

Estimated Annual Burden: 12,500 hours.

5. Consent Based Social Security Number Verification Process—20 CFR 400.100—0960-0760. The Consent-Based Social Security Number (SSN) Verification (CBSV) process is a fee-based automated SSN verification service available to private businesses