

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>14</sup>

**Florence E. Harmon,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-63284; File No. SR-EDGX-2010-15]

### Self-Regulatory Organizations; EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend EDGX Rules 2.5 and 11.4 To Permit Qualification and Registration of Authorized Traders of Members Pursuant to Certain Foreign Examination Modules Equivalent to the Series 7 Examination

November 9, 2010.

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 October 27, 2010, the EDGX Exchange, Inc. (the "Exchange" or the "EDGX") filed with the Securities and Exchange Commission ("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 amend Rules 2.5 and 11.4 to permit qualification and registration of Authorized Traders of Members pursuant to certain foreign examination modules equivalent to the Series 7 examination. The Exchange also proposes to make a technical amendment to Rule 2.3. The text of the proposed rule change is available on the Exchange's Web site at <http://www.directedge.com>, at the Commission's Web site at <http://www.sec.gov>, at the Exchange's principal office, and at the Public Reference Room of the Commission.

#### 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 these statements may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in sections A, B and C below, of the most significant aspects of such statements.

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

###### 1. Purpose

Exchange Rules 2.5 and 11.4 both state that the Series 7 is required for registration with the Exchange as an Authorized Trader. The purpose of the proposed rule change is to expand the types of exams that may satisfy the Exchange's Series 7 requirement by recognizing foreign examination modules equivalent to the Series 7 examination.

The proposal would reduce duplicative qualification standards that foreign registered representatives encounter to qualify as a U.S. general securities registered representative. For example, the examination modules for the U.K. (Series 17) and Canada (Series 37/38) currently are accepted as equivalent to the U.S. Series 7 by the NYSE, the Financial Industry Regulatory Authority ("FINRA"), the NASDAQ Stock Market, NYSE AlterNext US [sic], NYSE Arca, the Chicago Board Options Exchange ("CBOE"), and the BATS Exchange, Inc. ("BATS").<sup>3</sup>

<sup>3</sup> See, e.g., Securities Exchange Act Release No. 27967 (May 1, 1990), 55 FR 19124 (May 8, 1990) (approving File No. SR-NYSE-89-22, Series 17); Securities Exchange Act Release No. 36629, International Series Release No. 909 (Dec. 21, 1995), 60 FR 67385, corrected, Securities Exchange Act Release No. 36629A, International Series Release No. 909A (Jan. 4, 1996), 61 FR 744 (Jan. 10, 1996) (approving File No. SR-NYSE-95-29, Series 37 and Series 38); Securities Exchange Act Release No. 36825 (Feb. 9, 1996), 61 FR 6052 (approving File No. SR-NASD-96-04, Series 37 and 38); Securities Exchange Act Release No. 38274 (February 12, 1997), 62 FR 7485 (approving File No. SR-CBOE-97-04, Series 17, 37 and 38); Securities Exchange Act Release No. 38921 (August 11, 1997), 62 FR 44023 (approving File No. SR-AMEX-97-26, Series 17, 37 and 38); see also NASD Rule 1032(a)(2)(B) and (C); NASDAQ Rule 1032(a)(2)(B) and (C); Securities Exchange Act Release No. 59292 (January 23, 2009), 74 FR 5690 (January 30, 2009) (approving File No. SR-BATS-2009-003).

The Series 17 version, the United Kingdom—Limited General Securities Registered Representative Examination, is for U.K. registrants who have successfully completed the basic exam of the U.K. and who are in good standing with the Financial Services Authority ("FSA"). Essentially, this modified Series 7 examination deletes those substantive sections of the standard Series 7 that overlap with the FSA examination. The Series 17 is a 100 question examination, is 120 minutes in duration, and deals with U.S. securities laws, regulations, sales practices and special products drawn from the standard Series 7 examination.

The Series 37 version is for Canadian registrants who have successfully completed the basic core module of the CSI Global Education ("CSI", formerly the Canadian Securities Institute) program. The Series 38 version is for Canadian registrants who, in addition to having successfully completed the basic core module of the CSI program, have also successfully completed the Canadian option and futures program. Both the Series 37 and 38 share topics and test questions with the parent Series 7 program but cover only subject matter that is not covered, or not covered in sufficient detail, on the Canadian qualification examination. The Series 37 has 90 questions and is 150 minutes in duration, while the Series 38, an abbreviated version of the series 37, has only 45 questions and is 75 minutes in duration. Forty-five questions pertaining to options from the series 37 were omitted from the Series 38.

The Exchange wishes to give U.K. and Canadian registered representatives the same advantage they have at other exchanges by eliminating duplicative examinations. The Exchange believes that acceptance of these examinations will benefit both the Exchange and the foreign representatives affected by the proposal. Accordingly, pursuant to the amended rules, as proposed, the Exchange would approve the examination modules for the U.K. (Series 17) and Canada (Series 37/38) as equivalent foreign examination modules.<sup>4</sup> The Exchange has added Interpretation .05 to Rule 2.5 to define

<sup>4</sup> The Exchange notes that the U.K. (Series 17) and Canada (Series 37/38) represent foreign examination modules that allow persons in good standing with the securities regulators of their respective countries to qualify as general securities registered representatives (equivalent to Series 7 registrants) by successfully completing certain modified general securities representative examinations which were developed, along with others for other foreign jurisdictions, by the New York Stock Exchange ("NYSE") more than 10 years ago.

<sup>14</sup> 17 CFR 200.30-3(a)(12).

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

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

what it means to have passed an equivalent foreign examination module.

#### Technical Amendment to Rule 2.3(c)

The Exchange proposes to amend Rule 2.3 to clarify that all Authorized Traders who are to function as Principals on the Exchange shall be registered as Principals with the Exchange consistent with paragraph (e) of Rule 2.3, which requires that there be at least one such Principal registered.

#### 2. Statutory Basis

The statutory basis for the Exchange's acceptance of these foreign examination modules lies in Section 6(c)(3)(B) of the Act.<sup>5</sup> Under that section, it is the Exchange's responsibility to prescribe standards of training, experience, and competence for persons associated with Exchange Members. Pursuant to this statutory obligation, the Exchange has adopted examinations that are administered by other self-regulatory organizations to establish that Authorized Traders of Exchange Members have attained specified levels of competence and knowledge.

The rule change proposed in this submission is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6(b) of the Act.<sup>6</sup> Specifically, the proposed change is consistent with Section 6(b)(5) of the Act,<sup>7</sup> because it would promote just and equitable principles of trade, remove impediments to, and perfect the mechanism of, a free and open market and a national market system, and, in general, protect investors and the public interest, by helping foreign representatives to qualify for registration with the Exchange by reducing duplicative qualification requirements. Accordingly, the modifications to EDGX Rules 2.5 and 11.4 promote just and equitable principles of trade, remove impediments to, and perfect the mechanism of, a free and open market and a national market system.

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

The proposed rule change does not 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

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any unsolicited written comments from members or other interested parties.

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

The proposed rule change is effective upon filing pursuant to Section 19(b)(3)(A) of the Act and paragraph (f)(6) of Rule 19b-4 thereunder, in that the 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) does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest; provided the self-regulatory organization has given 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 requested that the Commission waive the 30-day operative delay. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest, as it will allow the Exchange to recognize proficiency examinations already currently recognized by other self-regulatory organizations. The Exchange has noted that foreign representatives who have passed foreign examination modules equivalent to the Series 7 examination, are registered with other self-regulatory organizations, and wish to register with EDGX would be disadvantaged by having to wait for the proposed rule changes to become operative. Accordingly, the Commission designates the proposed rule change operative upon filing with the Commission.<sup>8</sup>

At any time within 60 days of the filing of the 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. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

#### 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 No. SR-EDGX-2010-15 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 No. SR-EDGX-2010-15. 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 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 EDGX. 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 No. SR-EDGX-2010-15 and should be

<sup>5</sup> 15 U.S.C. 78f(c)(3)(B).

<sup>6</sup> 15 U.S.C. 78f(b).

<sup>7</sup> 15 U.S.C. 78f(b)(5).

<sup>8</sup> For the 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. 78(c)(f).

submitted on or before December 7, 2010.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>9</sup>

**Florence E. Harmon,**  
*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-63288; File No. SR-NYSEArca-2010-102]

### Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by NYSE Arca, Inc. Making a Technical Amendment to Its Rules To Insert the Specific Date for the Additional Expiration Months Pilot Program

November 9, 2010.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”) <sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that, on November 8, 2010, NYSE Arca, Inc. (the “Exchange” or “NYSE Arca”) 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 Exchange. 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 make technical amendments to its rules to insert the specific date for a pilot program. The text of the proposed rule change is available at the Exchange’s principal office, on the Commission’s Web site at <http://www.sec.gov>, at the Commission’s Public Reference Room, and <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.

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

##### 1. Purpose

The Exchange proposes to make a technical amendment to its rules to insert a specific date for a pilot program.

The Exchange recently adopted rules to establish a pilot program that would permit the Exchange to list up to an additional two expiration months, for a total of six expiration months for each class of options open for trading on the Exchange.<sup>3</sup> This rule change proposes to amend the text of Commentary .09 to Rule 6.4 to insert the specific conclusion date of the pilot program, which is October 31, 2011.<sup>4</sup>

##### 2. Statutory Basis

The Exchange believes that this proposed rule change is consistent with Section 6(b) of the Securities Exchange Act of 1934 (“Act”),<sup>5</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>6</sup> in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, promote just and equitable principles of trade, 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. In particular, the proposed rule change seeks to update rule text to insert specific dates for a pilot program in a manner that is consistent with the pilot program as originally proposed.

#### 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.

<sup>3</sup> See Securities Exchange Act Release No. 63133 (October 19, 2010), 75 FR 65545 (October 25, 2010) (Notice of Filing and Immediate Effectiveness of SR-NYSEArca-2010-93).

<sup>4</sup> Existing rule text, which became effective and operative immediately upon filing on October 18, 2010, indicates that the Exchange will insert the date 12 months from the next full month from approval. *Id.*

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

<sup>6</sup> 15 U.S.C. 78f(b)(5).

#### 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 proposed rule change is effective upon filing pursuant to Section 19(b)(3)(A) of the Act<sup>7</sup> and Rule 19b-4(f)(1) thereunder.<sup>8</sup> The Exchange designates the proposed rule change as an interpretation with respect to the meaning, administration, or enforcement of an existing rule.

At any time within 60 days of the filing of the 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](mailto:rule-comments@sec.gov). Please include File Number SR-NYSEArca-2010-102 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-NYSEArca-2010-102. 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

<sup>7</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>8</sup> 17 CFR 240.19b-4(f)(1).

<sup>9</sup> 17 CFR 200.30-3(a)(12).

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

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