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SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-67319; File No. SR-NSX-2012-09)

June 29, 2012

Self-Regulatory Organizations; National Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Modify the NSX Fee and Rebate Schedule

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 28, 2012, National Stock Exchange, Inc. 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 National Stock Exchange, Inc. The Commission is publishing this notice to solicit comment on the proposed rule change from interested persons.

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

National Stock Exchange, Inc. (“NSX®” or “Exchange”) is proposing to amend its Fee and Rebate Schedule (the “Fee Schedule”) issued pursuant to Exchange Rule 16.1(c) to increase the rebates for certain orders executed in the Exchange’s Order Delivery Mode.

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

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 amend the Fee Schedule with respect to the rebates applicable to liquidity adding order executions in securities priced at least one dollar in the Exchange's Order Delivery Mode of order interaction ("Order Delivery"). The proposed changes are further addressed below.

Rebates for Executions of Displayed Orders of Securities Priced at Least One Dollar in Order Delivery

As reflected in Section II of the Fee Schedule, for all liquidity adding displayed orders of securities priced at least one dollar in Order Delivery, the Exchange currently offers four tiers of progressively greater rebates in the amounts of \$0.0008 per share (tier 1), \$0.0024 per share (tier 2), \$0.0027 per share plus 25% of market data revenues attributable to such orders (tier 3), or \$0.0027 per share plus 50% of market data revenues attributable to such orders (tier 4). The applicable rebate tier depends on an ETP Holder's ADV. Endnote 3 provides that "ADV" means, with respect to an ETP Holder, the number of shares such ETP Holder has executed on average per trading day (excluding partial trading days) in AutoEx or Order Delivery, as applicable, across all tapes in securities priced at least one dollar on NSX for the calendar month (or partial month, as applicable) in which the executions occurred. Endnote 3 further clarifies that "ADV" as used with respect to the Exchange's Automatic Execution mode of order interaction ("AutoEx") shall mean only those executed shares of the ETP Holder that are submitted in AutoEx mode, and that ADV as used with respect to Order Delivery shall mean only those executed shares of the ETP Holder that are submitted in Order Delivery mode.

Specifically, the current Fee Schedule provides that a \$0.0008 per share rebate (with no market data revenue sharing) applies to an ETP Holder's Order Delivery, dollar or higher displayed order executions that add liquidity where the ETP Holder's ADV is less than 15,000,000 shares; a \$0.0024 per share rebate (with no market data revenue sharing) applies to an ETP Holder's Order Delivery, dollar or higher displayed order executions that add liquidity where the ETP Holder's ADV is at least 15,000,000 shares but less than 25,000,000 shares; a \$0.0027 per share rebate (plus 25% market data revenue sharing) applies to an ETP Holder's Order Delivery, dollar or higher displayed order executions that add liquidity where the ETP Holder's ADV is at least 25,000,000 shares but less than 30,000,000 shares; and a \$0.0027 per share rebate (plus 50% market data revenue sharing) applies to an ETP Holder's Order Delivery, dollar or higher displayed order executions that add liquidity where the ETP Holder's ADV is at least 30,000,000 shares. Currently, an ETP Holder's "ADV" with respect to the rebate in Order Delivery for securities priced at least one dollar is calculated to include only the ETP Holder's volumes in Order Delivery, and excludes sub-dollar securities.

The proposed rule change provides that each of the above-referenced four rebate dollar amounts in Order Delivery may be increased by \$0.0003 per share (to the amounts of \$0.0011 per share in tier 1, \$0.0027 per share in tier 2, or \$0.0030 per share in each of tiers 3 and 4) if an ETP Holder achieves, in the same measurement period, a combined ADV in both AutoEx and Order Delivery of at least 11.5 million shares, of which at least one million five hundred thousand are Order Delivery ADV. Endnote 5, which is proposed to apply to each of the four rebate tiers in Order Delivery, provides that an ETP Holder shall receive an additional \$0.0003 per share rebate (with respect to executions of Displayed Orders in Order Delivery that are priced at least \$1) in the event such ETP Holder achieves an Order Delivery ADV of at least

1,500,000 and an AutoEx ADV (in the same period) of at least 10,000,000. No changes are proposed to the market data sharing program component that is applicable to the third and fourth tier.

A conforming edit adding the clause “except as otherwise noted” is proposed to be made to the definition of ADV in Endnote 3 to allow for explicit exceptions (as is contained in proposed Endnote 5) to the general definition of ADV as set forth in Endnote 3. In addition, certain non-substantive formatting edits (rearranging the header “All Tapes”) are proposed to the headers in Section I for the purpose of streamlining the text of the Fee Schedule.

Rationale

The proposed increase to the dollar amounts of the rebates applicable to displayed liquidity providing Order Delivery executions in securities priced at least one dollar is a reasonable method to incentivize ETP Holders that use Order Delivery to submit increased volumes in both Order Delivery and AutoEx, and ultimately to increase the revenues of the Exchange for the purpose of continuing to adequately fund its regulatory and general business functions. The Exchange believes that the proposed rebate changes will not impair its ability to carry out its regulatory responsibilities. The modifications are reasonable and equitably allocated among those ETP Holders that opt to submit orders in Order Delivery and AutoEx, and are not unfairly discriminatory because qualified ETP Holders are free to elect whether or not to send such orders to the Exchange. Based upon the information above, the Exchange believes that the adjustments to the Fee Schedule are consistent with the protection of investors and the public interest.

Operative Date and Notice

The Exchange currently intends to make the proposed modifications, which are effective on filing of this proposed rule, operative as of commencement of trading on July 2, 2012. Pursuant to Exchange Rule 16.1(c), the Exchange will “provide ETP Holders with notice of all relevant dues, fees, assessments and charges of the Exchange” through the issuance of a Regulatory Circular of the changes to the Fee Schedule and will post a copy of the rule filing on the Exchange’s website (www.nsx.com).

2. Statutory Basis

The Exchange believes that the rule changes as described herein are consistent with the provisions of Section 6(b) of the Act, in general, and Section 6(b)(4) of the Act,³ in particular in that each change 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.

The changes to the rebates payable for executions in securities priced at least one dollar in Order Delivery are reasonable because they are designed to incentivize the submission of such orders as well as displayed orders of at least one dollar in AutoEx, and to generally increase order volume on the Exchange. The changes are equitably allocated and not unfairly discriminatory because all qualified ETP Holders are eligible to submit (or not submit) displayed liquidity providing orders of securities priced at least one dollar in Order Delivery and AutoEx on the Exchange. The rebate adjustments are reasonable methods to incentivize the submission of such orders. All similarly situated members are subject to the same fee structure, and access to the Exchange is offered on terms that are not unfairly discriminatory.

³ 15 U.S.C. 78f(b)(4).

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.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act⁴ and subparagraph (f)(2) of Rule 19b-4 thereunder.⁵ 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. Please include File Number SR-NSX-2012-09 on the subject line.

⁴ 15 U.S.C. 78s(b)(3)(A)(ii).

⁵ 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-NSX-2012-09. 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, 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-NSX-2012-09 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.⁶

Kevin M. O'Neill
Deputy Secretary

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⁶ 17 CFR 200.30-3(a)(12).