

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-OCC-2012-20 and should be submitted on or before November 30, 2012.

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

**Kevin M. O'Neill,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-68150; File No. SR-NYSE-2012-56]

### Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Proposing To Make Changes to Certain Fees and Credits Within the New York Stock Exchange LLC Price List

November 5, 2012.

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 October 22, 2012, New York Stock Exchange LLC (the "Exchange" or "NYSE") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II and III 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 changes to certain fees and credits within its Price List, which the Exchange proposes to become operative on November 1, 2012. The text of the proposed rule change is available on the Exchange's Web site at [www.nyse.com](http://www.nyse.com), at the principal office of the Exchange, 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 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 changes to certain fees and credits within its Price List, which the Exchange proposes to become operative on November 1, 2012.

Currently, for transactions in stocks with a per share stock price of \$1.00 or more, the Exchange charges a transaction fee of \$0.00055 per share for all market at-the-close ("MOC") and limit at-the-close ("LOC") orders from any member organizations that execute an average daily trading volume ("ADV") of MOC and LOC activity on the Exchange in that month of at least 14 million shares. Member organizations that do not execute an ADV of MOC and LOC activity on the Exchange of at least 14 million shares are charged a transaction fee of \$0.00095 per share. The Exchange proposes to modify the threshold for the \$0.00055 transaction fee for MOC and LOC orders from an ADV of at least 14 million shares to an ADV of at least 0.375% of consolidated average daily volume in NYSE-listed securities during the billing month ("NYSE CADV").

The Exchange believes that modifying the transaction fee threshold for MOC and LOC orders with a per share stock price of \$1.00 or more as proposed would provide a more flexible method by which member organizations may qualify for the lower fee for MOC and LOC orders by changing from a fixed volume to one that will adjust automatically based on higher or lower NYSE CADV. The Exchange believes that the proposed change would continue to allocate a lower fee to member organizations that make significant contributions to market quality by providing higher volumes of liquidity.

Currently, the Exchange provides a credit of \$0.0018 per share for transactions in stocks with a per share stock price of \$1.00 or more when adding displayed liquidity to the Exchange if either:

(i) The member organization has ADV that adds liquidity to the Exchange during the billing month ("Adding ADV," which excludes any liquidity added by a Designated Market Maker ("DMM")) that is at least 1.5% of NYSE CADV, and executes MOC and LOC orders of at least 0.375% of NYSE CADV; or

(ii) The member organization has Adding ADV that is at least 0.8% of NYSE CADV, executes MOC and LOC orders of at least 0.12% of NYSE CADV, and adds liquidity to the Exchange as a Supplemental Liquidity Provider ("SLP") for all assigned SLP securities in the aggregate (including shares of both an SLP proprietary trading unit ("SLP-Prop") and an SLP market maker ("SLMM") of the same member organization) of more than 0.25% of NYSE CADV.

The Exchange proposes to modify the second method by which member organizations may qualify for the credit and add a third method by which member organizations may qualify for the credit when adding displayed liquidity. More specifically, the Exchange proposes to revise the second method to qualify for the credit such that a member organization would qualify for the credit if the member organization has Adding ADV that is at least 0.8% of NYSE CADV, executes MOC and LOC orders of at least 0.12% of NYSE CADV, and adds liquidity to the Exchange as a SLP for all assigned SLP securities in the aggregate (including shares of both an SLP-Prop and an SLMM of the same member organization) of more than 0.15% of NYSE CADV. Currently, a member organization would have to provide liquidity to the Exchange as an SLP for all assigned SLP securities in the aggregate of more than 0.25% of NYSE CADV, as opposed to the proposed 0.15% of NYSE CADV. The Exchange believes that reducing the threshold to 0.15% of NYSE CADV would allow more member organizations to qualify for the higher credit, and therefore, in turn, attract multiple sources of liquidity to the Exchange.

Finally, the Exchange proposes that a member organization would qualify for the credit of \$0.0018 per share if the member organization has ADV that adds liquidity in customer electronic orders to the Exchange ("Customer Electronic Adding ADV," which would exclude any liquidity added by a Floor broker,

<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.

DMM, or SLP) during the billing month that is at least 0.5% of NYSE CADV, executes MOC and LOC orders of at least 0.12% of NYSE CADV, and has Customer Electronic Adding ADV during the billing month that, taken as a percentage of NYSE CADV, is at least equal to the member organization's Customer Electronic Adding ADV during September 2012 as a percentage of consolidated average daily volume in NYSE-listed securities during September 2012 ("September 2012 NYSE CADV") plus 15%.<sup>3</sup> For example, if a member organization's Customer Electronic Adding ADV during September 2012 was 0.10% of September 2012 NYSE CADV, then the member organization's Customer Electronic Adding ADV during the billing month must be at least 0.115% of NYSE CADV in order to qualify for the proposed credit.

The Exchange believes that adding this third method by which member organizations may qualify for the \$0.0018 per share credit would encourage additional displayed liquidity on the Exchange. In addition, the method would provide discounts that are reasonably related to the value to the Exchange's market quality associated with higher volumes and would encourage multiple sources of liquidity by providing member organizations without a DMM, SLP, or Floor broker unit an alternative method to qualify for the credit when adding displayed liquidity.

The proposed changes are not otherwise intended to address any other problem, and the Exchange is not aware of any significant problem that the affected member organizations would have in complying with the proposed changes.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Securities Exchange Act of 1934 (the "Act"),<sup>4</sup> in general, and

further the objectives of Section 6(b)(4) of the Act,<sup>5</sup> in particular, because it provides for the equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers, or dealers.

The Exchange believes that modifying the transaction fee threshold for MOC and LOC orders with a per share stock price of \$1.00 or more is reasonable because it provides a more flexible method by which member organizations may qualify for the lower fee for MOC and LOC orders. In addition, the proposed change is reasonable because the threshold would adjust automatically based on higher or lower NYSE CADV. The Exchange believes that the proposed change to MOC and LOC orders is equitable and not unfairly discriminatory because all similarly situated member organizations would be subject to the same fee structure, which automatically adjusts based on prevailing market conditions, and would continue to allocate a lower fee to member organizations that make significant contributions to market quality by providing higher volumes of liquidity.

The Exchange believes that modifying the second method by which member organizations may qualify for the credit of \$0.0018 per share for transactions in stocks with a per share stock price of \$1.00 or more when adding displayed liquidity is reasonable because lowering the threshold for SLP provide volume to 0.15% of NYSE CADV would allow more member organizations to qualify for the reduced fee, which in turn would attract multiple sources of liquidity to the Exchange. In addition, the proposed change is equitable and not unfairly discriminatory because it would continue to provide a higher credit to member organizations that is reasonably related to the value to the Exchange's market quality associated with higher volumes.

The Exchange believes the new method by which member organizations may qualify for the credit for transactions in stocks with a per share stock price of \$1.00 or more when adding displayed liquidity is reasonable because it would encourage additional displayed liquidity on the Exchange. The Exchange believes the new method is equitable and not unfairly discriminatory because it is open to all member organizations on an equal basis and provides discounts that are reasonably related to the value to the Exchange's market quality associated

with higher volumes. In addition, the Exchange believes that the proposed change is equitable and not unfairly discriminatory because it would encourage multiple sources of liquidity by providing member organizations without a DMM, SLP, or Floor broker unit an alternative method to qualify for the credit.

Finally, the Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues. In such an environment, the Exchange must continually review, and consider adjusting, its fees and credits to remain competitive with other exchanges. For the reasons described above, the Exchange believes that the proposed rule change reflects this competitive environment.

## 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 foregoing rule change is effective upon filing pursuant to Section 19(b)(3)(A)<sup>6</sup> of the Act and subparagraph (f)(2) of Rule 19b-4<sup>7</sup> thereunder, because it establishes a due, fee, or other charge imposed by the NYSE.

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:

<sup>6</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>7</sup> 17 CFR 240.19b-4(f)(2).

<sup>3</sup> For purposes of determining whether a firm that becomes a member organization after September 2012 qualifies for this proposed third method by which member organizations may qualify for the \$0.0018 per share credit, the new member organization's September 2012 NYSE CADV would be zero, and therefore, the member organization would only need to have Customer Electronic Adding ADV of at least 0.5% of NYSE CADV and execute MOC and LOC orders of at least 0.12% of NYSE CADV to qualify for the credit of \$0.0018 per share. Additionally, the September 2012 NYSE CADV of a firm that becomes a member organization during September 2012 would be calculated based on the number of trading days during September 2012, not the number of trading days during September 2012 during which the firm was a member organization.

<sup>4</sup> 15 U.S.C. 78f(b).

<sup>5</sup> 15 U.S.C. 78f(b)(4).

*Electronic Comments*

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-NYSE-2012-56 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-2012-56. This file number should be included on the subject line if email 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 the 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-NYSE-2012-56 and should be submitted on or before November 30, 2012.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>8</sup>

**Kevin M. O'Neill,**  
Deputy Secretary.

[FR Doc. 2012-27353 Filed 11-8-12; 8:45 am]

**BILLING CODE 8011-01-P**

**SMALL BUSINESS ADMINISTRATION****Community Advantage Pilot Program**

**AGENCY:** U.S. Small Business Administration.

**ACTION:** Notice of extension of and changes to Community Advantage Pilot Program and request for comments.

**SUMMARY:** The Community Advantage ("CA") Pilot Program is a pilot program to increase SBA-guaranteed loans to small businesses in underserved areas. SBA continues to refine and improve the design of the Community Advantage Pilot Program. To support SBA's commitment to expanding access to capital for small businesses and entrepreneurs in underserved markets, SBA is issuing this Notice to extend the term of the CA Pilot Program, to modify the loan loss reserve requirements for CA loans, and to revise other program requirements, including certain of the regulatory waivers.

**DATES:** *Effective Date:* The changes to the CA Pilot Program identified in this Notice will be effective November 9, 2012, and the CA Pilot Program will remain in effect until March 15, 2017.

*Comment Date:* Comments must be received on or before January 8, 2013.

**ADDRESSES:** You may submit comments, identified by SBA docket number SBA-2012-0016 by any of the following methods:

- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- Mail: Community Advantage Pilot Program Comments—Office of Financial Assistance, U.S. Small Business Administration, 409 Third Street SW., Suite 8300, Washington, DC 20416.
- Hand Delivery/Courier: Grady B. Hedgespeth, Director, Office of Financial Assistance, U.S. Small Business Administration, 409 Third Street SW., Washington, DC 20416.

SBA will post all comments on [www.regulations.gov](http://www.regulations.gov). If you wish to submit confidential business information (CBI) as defined in the User Notice at [www.regulations.gov](http://www.regulations.gov), please submit the information to Grady B. Hedgespeth, Director, Office of Financial Assistance, U.S. Small Business Administration, 409 Third Street SW., Washington, DC 20416, or send an email to [communityadvantage@sba.gov](mailto:communityadvantage@sba.gov). Highlight the information that you consider to be CBI and explain why you believe SBA should hold this information as confidential. SBA will review the information and make the final determination whether it will publish the information.

**FOR FURTHER INFORMATION CONTACT:**

Grady B. Hedgespeth, Director, Office of Financial Assistance, U.S. Small Business Administration, 409 Third Street SW., Washington DC 20416; (202) 205-7562; [grady.hedgespeth@sba.gov](mailto:grady.hedgespeth@sba.gov). For information regarding revisions to the loan loss reserve requirements, contact Brent Ciurlino, Director, Office of Credit Risk Management, U.S. Small Business Administration, 409 Third Street SW., Washington DC 20416; (202) 205-6538; [brent.ciurlino@sba.gov](mailto:brent.ciurlino@sba.gov).

**SUPPLEMENTARY INFORMATION:****1. Background**

On February 18, 2011, SBA issued a notice and request for comments introducing the CA Pilot Program (76 FR 9626). The CA Pilot Program was introduced to increase the number of SBA-guaranteed loans made to small businesses in underserved markets. The February 18, 2011 notice provided an overview of the CA Pilot Program requirements and, pursuant to the authority provided to SBA under 13 CFR 120.3 to suspend, modify or waive certain regulations in establishing and testing pilot loan initiatives, SBA modified or waived as appropriate certain regulations which otherwise apply to 7(a) loans for the CA Pilot Program. On September 12, 2011, SBA issued a second notice modifying certain of those regulatory waivers in order to permit Community Advantage Lenders ("CA Lenders") to pledge loans made under the CA Pilot Program ("CA loans") as collateral for certain lender financings approved by SBA. (76 FR 56262).

SBA continues to refine and improve the design of the CA Pilot Program and, on February 8, 2012, SBA issued a third notice revising certain program requirements in order to, among other things, change the maximum allowable interest rate for CA loans and permit CA Lenders to contract with Lender Service Providers. (77 FR 6619). To further support SBA's commitment to expanding access to capital for small businesses and entrepreneurs in underserved markets, SBA is issuing this fourth notice to further revise program requirements as described more fully below.

**2. Comments**

Although the extension of and changes to the CA Pilot Program will be effective November 9, 2012, comments are solicited from interested members of the public on all aspects of the CA Pilot Program. Comments must be submitted on or before the deadline for comments listed in the **DATES** section. The SBA will consider these comments and the

<sup>8</sup> 17 CFR 200.30-3(a)(12).