SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-68226; File No. SR-NSX-2012-19)

November 14, 2012

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

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Exchange Act")[1] and Rule 19b-4 thereunder,[2] notice is hereby given that on November 2, 2012, National Stock Exchange, Inc. ("NSX®" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "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 comment 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 is proposing to amend its Fee and Rebate Schedule (the "Fee Schedule") issued pursuant to Exchange Rule 16.1(a) to modify the rebates for certain orders executed in the Exchange's Order Delivery and Automated Response ("Order Delivery") mode. The text of the proposed rule change is available on the Exchange's website at www.nsx.com, at the Exchange's principal office, 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 Exchange 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

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange is proposing to amend Section II of its Fee Schedule to modify the rebates for orders executed in the Exchange's Order Delivery mode in securities with quoted prices of at least one dollar. Under Section II of the Fee Schedule, the Exchange offers ETP Holders both a Primary and Alternate Fee Schedule with six (6) tiers of progressively greater rebates.[3] An ETP Holder's monthly average daily trading volume ("ADV") determines which rebate tier the ETP Holder meets. The Exchange proposes to consolidate tiers and increase the rebates under Section II of the Fee Schedule for Order Delivery participants as follows:

- Tier 1 – ADV range would change from 0 and < 10.0 million to 0 & < 12.0 million. Rebate amount is unchanged
- Tier 2 - ADV range would change from 10.0 and < 12.0 million to 12.0 & < 14.0 million. Rebates would change from $0.0011 to $0.0014 in the Primary Fee Schedule and from $0.0014 to $0.0017 in the Alternate Fee Schedule.
- Tier 3 - ADV range would change from 12.0 and < 15.0 million to 14.0 & < 16.0 million. Rebates would change from $0.0015 to $0.0018 in the Primary Fee Schedule and from $0.0018 to $0.0021 in the Alternate Fee Schedule.

[3] ETP Holders that are Order Delivery participants automatically receive the Alternate Fee Schedule upon meeting the minimum ADV threshold of 1,500,000 in Order Delivery Mode and 10,000,000 shares in Automatic Execution Mode. Under the Alternate Fee Schedule, ETP Holders will receive up to an additional $0.0003 liquidity adding rebate over the tiered rebates contained in the Primary Fee Schedule when the tier requirements are met.

- Tier 4 - ADV range would change from 15.0 and < 20.0 million to 16.0 million and above. Rebates would change from $0.0021 to $0.0024 in the Primary Fee Schedule and from $0.0024 to $0.0027 in the Alternate Fee Schedule.
- Tiers 5 and 6 would be deleted.[4]

The Exchange believes improving rebates is a reasonable method to incentivize ETP Holders that use Order Delivery to submit greater order volumes to the Exchange, which would result in increased revenues to the Exchange. 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 rebates to remain competitive with other exchanges. The Exchange believes that the proposed rule change reflects this competitive environment.

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 November 2, 2012.[5] 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).

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4 Order Delivery participants that met the ADV thresholds required by tiers 5 and 6 were eligible to receive a 25% market data rebate. NSX clarified that this rebate would apply to the Exchange's highest tier under the proposal, tier 4. See Email from Chris Solgan, Senior Regulatory Counsel, NSX to Ronesha A. Butler, Special Counsel and David A. Garcia, Attorney-Advisor, Division of Trading and Markets, dated November 8, 2012.

5 Because the proposed changes are effective November 2, 2012, trading activity occurring on November 1, 2012 will be billed under the then existing Fee Schedule when ETP Holders are invoiced at month end.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6(b) of the Securities Exchange Act of 1934[6] (the "Act"), in general, and Section 6(b)(4) of the Act,[7] in particular in that it 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. Moreover, the proposed rebate structure under Section II of the Fee Schedule is not discriminatory in that all ETP Holders are eligible to submit (or not submit) liquidity adding trades and quotes, and may do so at their discretion in the daily volumes they choose during the course of the measurement period. The volume adjustments are reasonable methods to incentivize the submission of such orders. All similarly situated ETP Holders are subject to the same fee structure, and access to the Exchange is offered on terms that are not unfairly-discriminatory. Volume-based rebates and discounts have been widely adopted in the equities markets, and are equitable because they are open to all ETP Holders on an equal basis and provide rebates that are reasonably related to the value of an exchange's market quality associated with the requirements for the favorable pricing tier.

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

The Exchange has neither solicited nor received written comments on the proposed rule change.

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[6] 15 U.S.C. 78f(b).

[7] 15 U.S.C. 78f(b)(4).

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

The proposed rule change has taken effect upon filing pursuant to Section 19(b)(3)(A)(ii) of the Exchange Act[8] and subparagraph (f)(2) of Rule 19b-4[9] thereunder, because, as provided in (f)(2), it changes "a due, fee or other charge applicable only to a member" (known on the Exchange as an ETP Holder). 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:

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-2012-19 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-NSX-2012-19. 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

8 15 U.S.C. 78s(b)(3)(A)(ii).

9 17 CFR 240.19b-4.

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 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-NSX-2012-19 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.[10]

Kevin M. O'Neill
Deputy Secretary

[10] 17 CFR 200.30-3(a)(12).