

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-56832; File No. SR-NYSEArca-2007-102)

November 21, 2007

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change to Trade Units of the United States 12 Month Oil Fund, LP and the United States 12 Month Natural Gas Fund, LP Pursuant to Unlisted Trading Privileges

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 2, 2007, NYSE Arca, Inc. (the “Exchange”), through its wholly owned subsidiary, NYSE Arca Equities, Inc. (“NYSE Arca Equities”), filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been substantially prepared by the Exchange. This order provides notice of the proposed rule change and approves the proposed rule change on an accelerated basis.

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

The Exchange proposes to trade pursuant to unlisted trading privileges (“UTP”) units (“Units”) of the United States 12 Month Oil Fund, LP (“12 Month Oil Fund”) and the United States 12 Month Natural Gas Fund, LP (“12 Month Natural Gas Fund”) (each, a “Partnership,” and collectively, the “Partnerships”). The text of the proposed rule change is available at the Exchange’s principal office, the Commission’s Public Reference Room, and [www.nyse.com](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 Exchange included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on

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

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

the proposed rule change. The text of these statements may be examined at the places specified in Item III below. The Exchange 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

Under NYSE Arca Equities Rule 8.300, which sets forth criteria to permit the trading of Partnership Units<sup>3</sup> either by listing or pursuant to UTP, the Exchange proposes to trade pursuant to UTP the Units of each Partnership. The Commission has approved the listing and trading of such Units on the American Stock Exchange LLC ("Amex").<sup>4</sup>

Ownership of each Partnership Unit represents a fractional undivided unit of a beneficial interest in the net assets of the applicable Partnership.<sup>5</sup> The net assets of each of the Partnerships will consist primarily of investments in futures contracts for crude oil, heating oil, gasoline, natural gas, and other petroleum-based fuels that are traded on the New York Mercantile Exchange ("NYMEX"), Intercontinental Exchange ("ICE Futures"), or other U.S. and foreign exchanges (collectively, the "Futures Contracts"). In the case of the 12 Month Oil Fund, the predominant investments are expected to be based on, or related to, crude oil. Similarly, for the

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<sup>3</sup> NYSE Arca Equities Rule 8.300(b)(2) defines Partnership Units as securities issued by a partnership that invests in any combination of futures contracts, options on futures contracts, forward contracts, commodities, and/or securities and that are redeemed daily in specified aggregate amounts at net asset value ("NAV").

<sup>4</sup> See Securities Exchange Act Release No. 56831 (November 21, 2007) (SR-Amex-2007-98) (granting approval to list and trade the Units on Amex); Securities Exchange Act Release No. 56719 (October 29, 2007), 72 FR 62277 (November 2, 2007) (SR-Amex-2007-98) (providing notice of Amex's proposal to list and trade the Units) ("Amex Notice").

<sup>5</sup> Each Partnership is a commodity pool that will issue Units that may be purchased and sold on the Exchange.

12 Month Natural Gas Fund, the predominant investments are expected to be based on, or related to, natural gas.

The investment objective of the 12 Month Oil Fund is for the changes in percentage terms of a Unit's NAV to reflect the changes in percentage terms of the price of light, sweet crude oil delivered to Cushing, Oklahoma, as measured by the changes in the average prices of 12 crude oil futures contracts traded on NYMEX (the "Oil Benchmark Futures Contracts"), less the 12 Month Oil Fund's expenses. The investment objective of the 12 Month Natural Gas Fund is for changes in percentage terms of a Unit's NAV to reflect the changes in percentage terms of the price of natural gas delivered to Henry Hub, Louisiana, as measured by the changes in the average of the prices of 12 futures contracts on natural gas traded on NYMEX (the "Natural Gas Benchmark Futures Contracts"), less the 12 Month Natural Gas Fund's expenses.<sup>6</sup>

The Exchange represents that quotes and last-sale information for the Futures Contracts are widely disseminated through a variety of market data vendors worldwide. The daily settlement prices for the NYMEX-traded Futures Contracts are publicly available on the NYMEX Web site at [www.nymex.com](http://www.nymex.com), and real-time futures data is available by subscription from various financial information services. NYMEX also provides delayed futures information

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<sup>6</sup> A detailed discussion of the crude oil, gasoline, heating oil, and natural gas markets; futures regulation and the structure and regulation of the Partnerships; investment strategies (including specific crude oil- and natural gas-related investments), objectives, procedures, and policies; impact of accountability and position limits on the Futures Contracts; creations and redemptions of baskets of Units; arbitrage; Partnership termination events; and calculation methodology of the NAV for the Units, among others, can be found in the Amex Notice. In addition, information regarding the Partnerships and the investment manager for each Partnership, the manner in which the Units will be offered and sold, and the investment strategy of the 12 Month Oil Fund and the 12 Month Natural Gas Fund is included in respective registration statements of the Partnerships regarding the offering of the Units filed with the Commission under the Securities Act of 1933. See 12 Month Oil Fund Form S-1 filed July 5, 2007, as amended (File No. 333-144348); 12 Month Natural Gas Fund Form S-1 filed July 6, 2007 (File No. 333-144409).

on current and past trading sessions and market news free of charge on its Web site. The specific contract specifications for the Futures Contracts are also available on the NYMEX Web site and the ICE Futures Web site at [www.icefutures.com](http://www.icefutures.com).

Amex will disseminate through the facilities of the Consolidated Tape Association (“CTA”) an updated Indicative Partnership Value (“Indicative Partnership Value”). The Indicative Partnership Value for each Partnership will be disseminated on a per-Unit basis at least every 15 seconds during the regular trading hours from 9:30 a.m. to 4:15 p.m. Eastern Time (“ET”). The Indicative Partnership Value is based on open-outcry trading of the relevant Oil or Natural Gas Benchmark Futures Contracts on NYMEX. Open outcry trading on NYMEX closes daily at 2:30 p.m. ET, while NYMEX’s energy futures contracts are traded on the Chicago Mercantile Exchange’s CME Globex® electronic trading platform on a 24-hour basis.<sup>7</sup> After the close of open outcry on NYMEX at 2:30 p.m. ET, the Indicative Partnership Value will reflect changes to the relevant Benchmark Futures Contracts as provided for through CME Globex®. The value of the relevant Benchmark Futures Contracts will be available on a 15-second delayed basis from 9:30 a.m. to 4:15 p.m. ET.

While NYMEX is open for trading, the Indicative Partnership Value can be expected to closely approximate the value per Unit of the Basket Amount. However, during Exchange trading hours when the Futures Contracts have ceased trading in NYMEX’s open outcry, spreads and resulting premiums or discounts may widen and, therefore, increase the difference between the price of the Units and the NAV of the Units. The Exchange submits that the Indicative

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<sup>7</sup> CME Globex® (“Globex”) is an open-access marketplace that operates virtually 24 hours each trading day. Electronic trading on Globex is conducted from 6:00 p.m. ET Sunday through 5:15 p.m. ET Friday each week. There is a 45-minute break each day between 5:15 p.m. ET and 6:00 p.m. ET.

Partnership Value disseminated from 9:30 a.m. to 4:15 p.m. ET, on a per-Unit basis, should not be viewed as a real-time update of the NAV, which is calculated only once daily.

Amex will make available on its Web site at [www.amex.com](http://www.amex.com) the following information: (1) the prior business day's NAV and the reported closing price; (2) the mid-point of the bid-ask price in relation to the NAV as of the time the NAV is calculated ("Bid-Ask Price");<sup>8</sup> (3) calculation of the premium or discount of such price against such NAV; (4) data in chart form displaying the frequency distribution of discounts and premiums of the Bid-Ask Price against the NAV, within appropriate ranges for each of the four previous calendar quarters; (5) the prospectus and the most recent periodic reports filed with the Commission or required by the Commodity Futures Trading Commission ("CFTC"); and (6) other applicable quantitative information.

The total portfolio composition of the 12 Month Oil Fund and the 12 Month Natural Gas Fund will be disclosed each business day that Amex is open for trading on their respective Web sites at [www.unitedstates12monthoilfund.com](http://www.unitedstates12monthoilfund.com) and [www.unitedstates12monthnaturalgasfund.com](http://www.unitedstates12monthnaturalgasfund.com). The 12 Month Oil Fund's Web site disclosure of portfolio holdings will be made daily and will include, as applicable, the name and value of each Futures Contract and other crude oil-related investments ("Crude Oil Interests"), the specific types and characteristics of the Crude Oil Interests, short-term obligations of the United States of two years or less ("Treasuries"), and the amount of cash and cash equivalents held in the portfolio of the 12 Month Oil Fund. The 12 Month Natural Gas Fund's Web site disclosure of portfolio holdings will be made daily and will include, as applicable, the name and value of each Futures Contract and other natural gas-related investments ("Natural Gas Interests"), the specific

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<sup>8</sup> The Bid-Ask Price of Units is determined using the highest bid and lowest offer as of the time of calculation of the NAV.

types and characteristics of the Natural Gas Interests, Treasuries, and the amount of cash and cash equivalents held in the portfolio of the 12 Month Natural Gas Fund.

The public Web site disclosure of the portfolio composition of each of the 12 Month Oil Fund and the 12 Month Natural Gas Fund will coincide with the disclosure on each business day of the NAV for the applicable Units and the Basket Amount<sup>9</sup> (for orders placed during the day) for each Partnership. Therefore, the same portfolio information will be provided on the public Web site for each Partnership as well as in the facsimile or e-mail message to Authorized Purchasers containing the NAV and Basket Amount (“Daily Dissemination”). The format of the public Web site disclosure and the Daily Dissemination will differ because the public Web site will list all portfolio holdings while the Daily Dissemination will provide the portfolio holdings in a format appropriate for Authorized Purchasers, *i.e.*, the exact components of a Creation Unit.

Each Partnership’s NAV will be calculated and disseminated daily.<sup>10</sup> Amex disseminates for each Partnership on a daily basis by means of the CTA/Consolidated Quote (“CQ”) High Speed Lines information with respect to the Indicative Partnership Value, recent NAV, Units

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<sup>9</sup> A “Basket Amount” is the amount equal to the NAV per Unit, times 100,000 Units (each such aggregation of Units, a “Basket”) calculated for the purpose of issuing Baskets to Authorized Purchasers. *See* Amex Notice, *supra* note 4, 72 FR at 62283. An “Authorized Purchaser” is a person, who, at the time of submitting an order to create or redeem Units, is (1) a registered broker-dealer or other market participant, such as a bank or other financial institution, that is exempt from broker-dealer registration; and (2) a Depository Trust Company participant. *See* Amex Notice, *supra* note 4, 72 FR at 62282 n.14.

<sup>10</sup> Amex will obtain a representation from each Partnership that the respective NAV per Unit will be calculated daily and made available to all market participants at the same time. *See* Amex Notice, *supra* note 4, 72 FR at 62283 n.18.

outstanding, Basket Amount, and Deposit Amount.<sup>11</sup> Amex will also make available on its Web site daily trading volume, closing prices, and the NAV for the Units.

The Exchange represents that it will cease trading the Units of a Partnership if the listing market stops trading the Units. The Exchange states further that UTP trading in the Units is governed by the trading halts provisions of NYSE Arca Equities Rule 7.34 relating to temporary interruptions in the calculation or wide dissemination of an Indicative Partnership Value or the value of the applicable underlying Benchmark Futures Contracts.<sup>12</sup> In addition, the Exchange may consider all relevant factors in exercising its discretion to halt or suspend trading in the Units. Trading may be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in the Units inadvisable. These may include: (1) the extent to which trading is not occurring in the underlying Futures Contracts; or (2) whether other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present. In addition, trading in the Units could be halted pursuant to the Exchange's "circuit breaker" rule<sup>13</sup> or by the halt or suspension of trading of the underlying securities.

The Exchange deems the Units to be equity securities, thus rendering trading in the Units subject to the Exchange's existing rules governing the trading of equity securities. Units will

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<sup>11</sup> The "Deposit Amount" is the amount transferred from a purchaser to Brown Brothers Harriman & Co. for the purpose of purchasing a Basket of Units. See Amex Notice, supra note 4, 72 FR at 62283.

<sup>12</sup> The Exchange states that NYSE Arca Equities Rule 7.34(a) literally addresses temporary interruptions in the calculation or wide dissemination of the Indicative Intra-Day Value and the value of an underlying index. The Units of each Partnership, however, do not have an underlying index, but have underlying Benchmark Futures Contracts. Therefore, the Exchange hereby represents that the provisions in NYSE Arca Equities Rule 7.34(a) that address interruptions in the calculation or wide dissemination of the value of an underlying index shall also apply, in this case, to interruptions in the calculation or wide dissemination of the value of the underlying Benchmark Futures Contracts.

<sup>13</sup> See NYSE Arca Equities Rule 7.12.

trade on the Exchange from 4:00 a.m. to 8:00 p.m. ET in accordance with NYSE Arca Equities Rule 7.34 (Opening, Core, and Late Trading Sessions). The Exchange represents that it has appropriate rules to facilitate transactions in the Units during all trading sessions.

The Exchange intends to utilize its existing surveillance procedures applicable to derivative products to monitor trading in the Units. The Exchange represents that these procedures are adequate to properly monitor Exchange trading of the Units in all trading sessions and to deter and detect violations of Exchange rules. The Exchange notes that NYSE Arca Equities Rule 8.300(e) sets forth certain restrictions on ETP Holders<sup>14</sup> acting as registered Market Makers in Units to facilitate surveillance.

The Exchange may obtain information via the Intermarket Surveillance Group (“ISG”) from other exchanges who are members or affiliates of the ISG. In addition, the Exchange has an information sharing agreement in place with each of NYMEX and ICE Futures for the purpose of providing information in connection with trading in or related to futures contracts traded on NYMEX and ICE Futures, respectively. To the extent that a Partnership invests in Crude Oil Interests or Natural Gas Interests traded on other exchanges, the Exchange will seek to enter into information sharing agreements with those particular exchanges.

Prior to the commencement of trading, the Exchange will inform its ETP Holders in an Information Bulletin (“Bulletin”) of the special characteristics and risks associated with trading the Units. Specifically, the Bulletin will discuss the following: (1) the risks involved in trading the Units during the Opening and Late Trading Sessions when an updated Indicative Partnership

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<sup>14</sup> “ETP Holder” means a sole proprietorship, partnership, corporation, limited liability company, or other organization in good standing that has been issued an Equity Trading Permit or “ETP.” An ETP Holder must be a registered broker or dealer pursuant to Section 15 of the Act, 15 U.S.C. 78o(b).



Value will not be calculated or publicly disseminated;<sup>15</sup> (2) the procedures for purchases and redemptions of Units in Baskets (and that Units are not individually redeemable); (3) NYSE Arca Equities Rule 9.2(a), which imposes a duty of due diligence on its ETP Holders to learn the essential facts relating to every customer prior to trading the Units; (4) how information regarding the Indicative Partnership Value is disseminated; (5) the requirement that ETP Holders deliver a prospectus to investors purchasing newly issued Units prior to or concurrently with the confirmation of a transaction; and (6) trading information. In addition, the Bulletin will reference that each Partnership is subject to various fees and expenses described in the relevant registration statement; there is no regulated source of last-sale information regarding physical commodities; the Commission has no jurisdiction over the trading of crude oil, natural gas, heating oil, gasoline, or other petroleum-based fuels; and the CFTC has regulatory jurisdiction over the trading of crude-oil-based and natural-gas-based futures contracts and related options. The Bulletin will also discuss any exemptive, no-action, or interpretive relief granted by the Commission from any rules under the Act. The Bulletin will also disclose that the NAV for the Units will be calculated after 4:00 p.m. ET each trading day.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,<sup>16</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>17</sup> in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, and to remove impediments to and perfect the mechanism

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<sup>15</sup> See NYSE Arca Equities rule 7.34(e) (Customer Disclosures).

<sup>16</sup> 15 U.S.C. 78f(b).

<sup>17</sup> 15 U.S.C. 78f(b)(5).

of a free and open market and a national market system. In addition, the Exchange believes that the proposed rule change is consistent with Rule 12f-5 under the Act<sup>18</sup> because the Exchange deems the Units to be equity securities, thus rendering trading in the Units subject to the Exchange's existing rules governing the trading of equity securities.

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

Written comments on the proposed rule change were neither solicited nor received.

III. 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-2007-102 on the subject line.

Paper comments:

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-NYSEArca-2007-102. This file number should be included on the subject line if e-mail is used. To help the Commission process and review

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<sup>18</sup> 17 CFR 240.12f-5.

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 inspection and copying 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 offices 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-NYSEArca-2007-102 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

#### IV. Commission's Findings and Order Granting Accelerated Approval of the Proposed Rule Change

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.<sup>19</sup> In particular, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,<sup>20</sup> which requires that an exchange have rules designed, among other things, 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

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<sup>19</sup> In approving this rule change, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>20</sup> 15 U.S.C. 78f(b)(5).

system, and, in general, to protect investors and the public interest. The Commission believes that this proposal should benefit investors by increasing competition among markets that trade the Units. The Commission notes that it previously approved for trading on the Exchange pursuant to UTP Partnership Units issued by the United States Oil Fund, LP and the United States Natural Gas Fund, LP, which are similar to the Units that the Exchange proposes to trade herein.<sup>21</sup>

In addition, the Commission finds that the proposal is consistent with Section 12(f) of the Act,<sup>22</sup> which permits an exchange to trade, pursuant to UTP, a security that is listed and registered on another exchange.<sup>23</sup> The Commission notes that it has approved the original listing and trading of the Units on Amex.<sup>24</sup> The Commission finds that the proposal is consistent with Rule 12f-5 under the Act,<sup>25</sup> which provides that an exchange shall not extend UTP to a security unless the exchange has in effect a rule or rules providing for transactions in the class or type of security to which the exchange extends UTP. The Exchange has represented that it meets this

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<sup>21</sup> See Securities Exchange Act Release No. 53875 (May 25, 2006), 71 FR 32164 (June 2, 2006) (SR-NYSEArca-2006-11) (approving NYSE Arca Equities Rule 8.300 and the trading of Partnership Units of the United States Oil Fund, LP pursuant to UTP); Securities Exchange Act Release No. 56042 (July 11, 2007), 72 FR 39118 (July 17, 2007) (SR-NYSEArca-2007-45) (approving the trading of Partnership Units of the United States Natural Gas Fund, LP pursuant to UTP).

<sup>22</sup> 15 U.S.C. 78j(f).

<sup>23</sup> Section 12(a) of the Act, 15 U.S.C. 78j(a), generally prohibits a broker-dealer from trading a security on a national securities exchange unless the security is registered on that exchange pursuant to Section 12 of the Act. Section 12(f) of the Act excludes from this restriction trading in any security to which an exchange “extends UTP.” When an exchange extends UTP to a security, it allows its members to trade the security as if it were listed and registered on the exchange even though it is not so listed and registered.

<sup>24</sup> See *supra* note 4.

<sup>25</sup> 17 CFR 240.12f-5.

requirement because it deems the Units to be equity securities, thus rendering trading in the Units subject to the Exchange's existing rules governing the trading of equity securities.

The Commission further believes that the proposal is consistent with Section 11A(a)(1)(C)(iii) of the Act,<sup>26</sup> which sets forth Congress' finding that it is in the public interest and appropriate for the protection of investors and the maintenance of fair and orderly markets to assure the availability to brokers, dealers, and investors of information with respect to quotations for and transactions in securities. Quotations for and last-sale information regarding the Units will be disseminated through the Consolidated Quotation System and CTA, respectively.<sup>27</sup> In addition, Amex will disseminate a variety of information for each Partnership on a daily basis through the facilities of the CTA/CQ High Speed Lines including the Indicative Partnership Value on a per-Unit basis, at least every 15 seconds during regular Amex trading hours, the recent NAV, the number of Units outstanding, the Basket Amount, and the Deposit Amount. The daily closing and settlement prices for the NYMEX-traded Futures Contracts held by each Partnership, delayed futures information on current and past trading sessions, and market news are publicly available on the NYMEX Web site. Quotations and last-sale information for the Futures Contracts are widely disseminated through a variety of market data vendors worldwide. Amex's Web site contains information related to the NAV, the premium or discount of the Bid-Ask Price against the NAV, the prospectus and other periodically-filed reports, daily trading volume data, Unit closing prices, and other quantitative information. Finally, the 12 Month Oil

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<sup>26</sup> 15 U.S.C. 78k-1(a)(1)(C)(iii).

<sup>27</sup> E-mail from Timothy J. Malinowski, Director, NYSE Euronext, to Edward Cho, Special Counsel, Division of Trading and Markets, Commission, dated November 15, 2007 (confirming the dissemination of information concerning quotations and last-sale information).

Fund and the 12 Month Natural Gas Fund's Web sites will disclose, on each business day that the Amex is open for trading, the total portfolio composition.

The Commission also believes that the Exchange's trading halt rules are reasonably designed to prevent trading in the Units when transparency is impaired. Existing NYSE Arca Equities Rule 7.34(a)(4), which will apply to the trading of the Units, provides that, if the Benchmark Futures Contract or Indicative Partnership Value is no longer calculated or disseminated as required (a) during the Opening Session (4:00 a.m. to 9:30 a.m. ET), the Exchange may continue to trade the Units for the remainder of the Opening Session; (b) during the Core Trading Session (9:30 a.m. to 4:00 p.m. ET), the Exchange must halt trading in the Units; and (c) during the Late Trading Session (4:00 p.m. to 8:00 p.m. ET), the Exchange may continue trading in the Units only if the original listing market traded such Units until the close of its regular trading session without halt. If the Benchmark Futures Contract or Indicative Partnership Value continues not to be calculated or disseminated as of the next business day's Opening Session, the Exchange will not commence trading in the Units in such Opening Session.<sup>28</sup>

The Commission notes that, if the Units should be delisted by the listing exchange, the Exchange would no longer have authority to trade the Units pursuant to this order.

In support of this proposal, the Exchange has made the following representations:

- (1) The Exchange's surveillance procedures are adequate to properly monitor the trading of the Units on a UTP basis during all trading sessions.

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<sup>28</sup> The Exchange may resume trading in the Units only if the calculation and dissemination of the Benchmark Futures Contract or Indicative Partnership Value resumes, or trading in the Units resumes in the original listing market. See NYSE Arca Equities Rule 7.34(a)(4)(C)(2).

- (2) The Exchange would inform its ETP Holders in an Information Bulletin of the special characteristics and risks associated with trading the Units, including risks inherent with trading the Units during the Opening and Late Trading Sessions when the updated Indicative Partnership Value is not calculated and disseminated and suitability recommendation requirements.
- (3) The Exchange would require its members to deliver a prospectus to investors purchasing Units prior to or concurrently with a transaction in such Units and will note this prospectus delivery requirement in the Information Bulletin.

This approval order is based on the Exchange's representations.

The Commission finds good cause for approving this proposal before the thirtieth day after the publication of notice thereof in the Federal Register. As noted above, the Commission has approved the original listing and trading of the Units on Amex.<sup>29</sup> The Commission presently is not aware of any regulatory issue that should cause it to revisit that finding or would preclude the trading of the Units on the Exchange pursuant to UTP. Accelerating approval of this proposal should benefit investors by creating, without undue delay, additional competition in the market for such Units.

V. Conclusion

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,<sup>30</sup> that the

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<sup>29</sup> See supra note 4.

<sup>30</sup> 15 U.S.C. 78s(b)(2).

proposed rule change (SR-NYSEArca-2007-102) be, and it hereby is, approved on an accelerated basis.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>31</sup>

Florence E. Harmon  
Deputy Secretary

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<sup>31</sup> 17 CFR 200.30-3(a)(12).