

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 60391 / July 28, 2009**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-11892**

**In the Matter of**

**New York Stock Exchange LLC (f/k/a  
New York Stock Exchange, Inc.)**

**Respondent.**

**ORDER AMENDING ORDER  
INSTITUTING PUBLIC ADMINISTRATIVE  
PROCEEDINGS PURSUANT TO SECTIONS  
19(h)(1) AND 21C OF THE SECURITIES  
EXCHANGE ACT OF 1934, MAKING  
FINDINGS, ORDERING COMPLIANCE  
WITH UNDERTAKINGS, AND IMPOSING  
A CENSURE AND A CEASE-AND-DESIST  
ORDER**

**I.**

On April 12, 2005, the Securities and Exchange Commission (“Commission”) issued an Order Instituting Public Administrative Proceedings Pursuant to Sections 19(h)(1) And 21C Of The Securities Exchange Act Of 1934, Making Findings, Ordering Compliance With Undertakings, And Imposing A Censure And A Cease-And-Desist Order against Respondent New York Stock Exchange LLC (f/k/a “New York Stock Exchange, Inc.”) (collectively “NYSE”) relating to the NYSE’s failure to properly detect, investigate and discipline widespread unlawful proprietary trading by specialists on the floor of the NYSE (“Order”). See Securities Exchange Act Release No. 51524. Pursuant to the Undertakings at Paragraph IV.C.3 of the Order, the NYSE was required to implement an 18 month pilot program to establish an on-floor video and audio surveillance program to track floor trading activity at the NYSE trading posts (“Pilot Program”).

The Undertaking, at Paragraph IV.C.3(c), further required that within 360 days of implementation of the Pilot Program, the NYSE’s internal audit group, Regulatory Quality Review (“RQR”), submit a report to the Director of the Commission’s Office of Compliance Inspections and Examinations (“OCIE”) and the Director of the Commission’s Division of Market Regulation (“Market Regulation”) (collectively, “Commission Officials”) setting forth RQR’s independent evaluation of the Pilot Program and RQR’s recommendation as to whether to expand, modify, or eliminate the Pilot Program. The Undertakings further provide at Paragraph IV.C.3(c) that within 120 days of receipt of RQR’s report on the Pilot Program, the Commission Officials shall submit to the Commission, for Commission

approval, their own recommendation as to whether the Commission should modify or eliminate the Pilot Program, or expand the program to the entire floor of the NYSE.

The Commission Officials have conducted their own independent evaluation of the Pilot Program and submitted their own recommendation to the Commission.

The Commission has determined that the Pilot Program has played a helpful role in supplementing the NYSE's routine surveillance, examination, and enforcement programs. While the nature of the NYSE trading has changed significantly in recent years, floor-based trading remains an important component of the NYSE's current market structure.

The Commission recognizes, however, that allowing the NYSE greater flexibility in its usage of the on-floor surveillance hardware installed pursuant to the Pilot Program and the resulting data would allow it to devote additional resources to regulatory issues that arise. As such, the Commission has determined to amend the Order and to no longer require the NYSE to operate the Pilot Program so that the NYSE may be afforded greater flexibility in determining the appropriate regulatory usage of its audio-visual surveillance technology and data to maximize the potential benefit to the NYSE's surveillance, examination, and enforcement process.

## **II.**

Accordingly, it is hereby ORDERED that the Order be amended so that the NYSE's requirement to operate the Pilot Program, as implemented pursuant to Paragraph IV.C.3 thereof, be eliminated. With the exception of Paragraph IV.C.3, all other findings, remedial sanctions, and undertakings in the Order remain in full effect.

By the Commission.

Elizabeth M. Murphy  
Secretary