



# California Corporate & Securities Law

## **Everything's [Even More] Up-To-Date In Kansas City!**

By Keith Paul Bishop on February 16, 2012

Last summer, I wrote about a new stock exchange – "[New U.S. Exchange – It's Better Than A Magic Lantern Show](#)". What Next? What Next?

In January, the Securities and Exchange Commission adopted an [amendment](#) to Rule 146 under Section 18 of the Securities Act of 1933 to designate certain securities listed, or authorized for listing, on BATS Exchange, Inc. as covered securities for purposes of Section 18 of the Securities Act. Covered securities under Section 18 of the Securities Act are not subject to state law qualification or registration requirements. The SEC's recent action follows its [approval](#) last summer of rules for the qualification, listing, and delisting of companies on the BATS Exchange.

The SEC also updated certain references in Rule 146. I was the only person to comment on the rule. Here is the SEC's polite response:

The commenter concurred with the Commission that Rule 146(b)(1)(iv) should be updated to reflect the term "NASDAQ OMX PHLX LLC" instead of "the Philadelphia Stock Exchange, Inc." The commenter also requested that the Commission review the current standards of the PHLX with respect to the listing and trading of securities to determine whether the current listing standards of PHLX are substantially similar to standards of Named Market. The Commission has carefully considered the comment letter, and believes that the request of the commenter with regard to the listing standards of Phlx is beyond the scope of the Commission's proposed rule. However, the Commission notes that, via its oversight, inspection and enforcement functions, it regularly monitors the operations of registered exchanges and their compliance with the securities laws and rules applicable to them.

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