For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.9
Florence E. Harmon,
Deputy Secretary.
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SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; BATS Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Add Seventy-Five Options Classes to the Penny Pilot Program


Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),1 and Rule 19b–4 thereunder,2 notice is hereby given that on July 26, 2010, BATS Exchange, Inc. (the “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II 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 is filing with the Commission a proposal for the BATS Exchange Options Market (“BATS Options”) to designate seventy-five options classes to be added to the Penny Pilot effective August 2, 2010. In the Exchange’s filing to adopt rules to govern BATS Options,4 the Exchange proposed commencing operations for BATS Options by trading all options classes that were, as of such date, traded by other options exchanges pursuant to Rule 21.5 regarding the Penny Pilot.5 The purpose of this filing is to identify the next seventy-five options classes to be added to the Penny Pilot on a quarterly basis, 75 classes at a time, through August 2010. Each such quarterly expansion would be of the seventy-five most actively traded multiply listed options classes based on the national average daily volume (“ADV”) for the six months prior to selection, closing under $200 per share on the Expiration Friday prior to expansion, except that the month immediately preceding the addition of options to the Penny Pilot would not be used for the purpose of the six month analysis. Index option products would be included in the quarterly expansions if the underlying index levels were under 200.

The Exchange is identifying, in the chart below, seventy-five options classes that it will add to the Penny Pilot on August 2, 2010, based on ADVs for the six months ending June 30, 2010.

<table>
<thead>
<tr>
<th>Natl ranking</th>
<th>Symbol</th>
<th>Security name</th>
<th>Natl ranking</th>
<th>Symbol</th>
<th>Security name</th>
</tr>
</thead>
<tbody>
<tr>
<td>199 ..........</td>
<td>MBI</td>
<td>MBIA Inc</td>
<td>316 ..........</td>
<td>CB</td>
<td>Chubb Corp</td>
</tr>
<tr>
<td>205 ..........</td>
<td>MA</td>
<td>Mastercard Inc</td>
<td>320 ..........</td>
<td>ADM</td>
<td>Archer-Daniels-Midland Co</td>
</tr>
<tr>
<td>224 ..........</td>
<td>ATPG</td>
<td>ATP Oil &amp; Gas Corp/United States</td>
<td>322 ..........</td>
<td>HSY</td>
<td>Hershey Co/The</td>
</tr>
<tr>
<td>226 ..........</td>
<td>YUM</td>
<td>Yum! Brands Inc</td>
<td>323 ..........</td>
<td>TXT</td>
<td>Textron Inc</td>
</tr>
<tr>
<td>232 ..........</td>
<td>RCL</td>
<td>Royal Caribbean Cruises Ltd</td>
<td>324 ..........</td>
<td>GGP</td>
<td>General Growth Properties Inc</td>
</tr>
</tbody>
</table>

8 See Rule 21.5 regarding the Penny Pilot.
2. Statutory Basis

The Exchange believes that its proposal is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6(b) of the Act.\(^5\) In particular, the Exchange believes that the proposal is consistent with Section 6(b)(5) of the Act,\(^6\) because it would promote just and equitable principles of trade, remove impediments to, and perfect the mechanism of, a free and open market and a national market system, by identifying the options classes to be added to the Penny Pilot in a manner consistent with prior approvals and filings.

B. Self-Regulatory Organization’s Statement on Burden on Competition

The Exchange does not believe that the proposed rule change imposes any burden on competition.

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.

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

Pursuant to Section 19(b)(3)(A)(i) of the Act \(^7\) and paragraph (f)(1) of Rule 19b–4 thereunder,\(^8\) the Exchange has designated this proposal as one constituting a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule. At any time within the 60-day period beginning on the date of the filing of the 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 proposal is consistent with the Act. Comments may be submitted by any of the following methods:

- 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 No. SR–BATS–2010–019 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 No. SR–BATS–2010–019. This file number should be included on the subject line if e-mail is used. To help the

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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 a.m. and 3 p.m. Copies of such filing will also 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 No. SR–BATS–2010–019 and should be submitted on or before August 25, 2010.

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

Florence E. Harmon,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by NYSE Arca, Inc. Regarding Listing and Trading of the PMICO Build America Bond Strategy Fund


Pursuant to Section 19(b)(1)10 of the Securities Exchange Act of 1934 (the “Act”)2 and Rule 19b–4 thereunder,3 notice is hereby given that, on July 14, 2010, NYSE Arca, Inc. (the “Exchange” or “NYSE Arca”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. 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 list and trade the shares of the following fund of the PIMCO ETF Trust (the “Trust”) under NYSE Arca Equities Rule 8.600 (Managed Fund Shares): PIMCO Build America Bond Strategy Fund (the “Fund”). The shares of the Fund are collectively referred to herein as the “Shares.”

The text of the proposed rule change is available at the Exchange, the Commission’s Public Reference Room, and 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 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 list and trade the Shares of the Fund under NYSE Arca Equities Rule 8.600, which governs the listing and trading of Managed Fund Shares on the Exchange.4 The Fund will be an actively managed exchange traded fund. The Shares will be offered by the Trust, which is a Delaware statutory trust. The Trust is registered with the Commission as an investment company.5

Description of the Shares and the Fund

Pacific Investment Management Company LLC (“PIMCO”) is the investment adviser (“Adviser”) to each Fund.6 State Street Bank & Trust Co. is the custodian and transfer agent for the Fund. The Trust’s Distributor is Allianz Global Investors Distributors LLC (the “Distributor”), an indirect subsidiary of Allianz Global Investors of America L.P. (“AGI”), PIMCO’s parent company. The Distributor is a registered broker-dealer.7

Commentary .06 to Rule 8.600 provides that, if the investment adviser to the Investment Company issuing

5 See Registration Statement on Amendment No. 15 to Form N–1A for the Trust filed with the Securities and Exchange Commission on March 10, 2010 (File Nos. 313–15535 and 811–22556, the “Registration Statement”). The descriptions of the Fund and the Shares contained herein are based on information in the Registration Statement.
6 The Exchange represents that the Adviser, as the investment adviser of the Fund, and its related personnel, are subject to Investment Advisers Act Rule 204A–1. This Rule specifically requires the adoption of a code of ethics by an investment advisor to include, at a minimum: (i) Standards of business conduct that reflect the firm’s/personnel fiduciary obligations; (ii) provisions requiring supervised persons to comply with applicable federal securities laws; (iii) provisions that require all access persons to report, and the firm to review, their personal securities transactions and holdings periodically as specifically as set forth in Rule 204A–1; (iv) provisions requiring supervised persons to report any violations of the code of ethics promptly to the chief compliance officer (“CCO”) or, provided the CCO also receives reports of all violations, to other persons designated in the code of ethics; and (v) provisions requiring the investment advisor to provide each of the supervised persons with a copy of the code of ethics with an acknowledgement by said supervised persons. In addition, Rule 204A–7 under the Advisers Act makes it unlawful for an investment advisor to provide investment advice to clients unless such investment advisor has adopted and implemented written policies and procedures reasonably designed to prevent violation, by the investment advisor and its supervised persons, of the Advisers Act and the Commission rules adopted thereunder; (ii) implemented, at a minimum, an annual review regarding the adequacy of the policies and procedures established pursuant to subparagraph (i) above and the effectiveness of their implementation; and (iii) designated an individual (who is a supervised person) responsible for administering the policies and procedures adopted under subparagraph (i) above.
7 The Fund has received an order granting certain exemptive relief to the Trust under the Investment Company Act of 1940 (15 U.S.C. 80a–1) (“1940 Act”). In compliance with Commentary .04 to NYSE Arca Equities Rule 8.600, which applies to Managed Fund Shares based on an international or global portfolio, the Trust’s application for exemptive relief under the 1940 Act states that the Fund will comply with the federal securities laws in accepting securities for deposits and satisfying redemptions with redemption securities, including that securities accepted for deposits and the securities used to satisfy redemption requests are sold in transactions that would be exempt from registration under the Securities Act of 1933 (15 U.S.C. 77a).