

apply to securities of an acquired company purchased by an acquiring company if: (i) The acquired company and acquiring company are part of the same group of investment companies; (ii) the acquiring company holds only securities of acquired companies that are part of the same group of investment companies, government securities, and short-term paper; (iii) the aggregate sales loads and distribution-related fees of the acquiring company and the acquired company are not excessive under rules adopted pursuant to section 22(b) or section 22(c) of the Act by a securities association registered under section 15A of the Exchange Act or by the Commission; and (iv) the acquired company has a policy that prohibits it from acquiring securities of registered open-end investment companies or registered unit investment trusts in reliance on section 12(d)(1)(F) or (G) of the Act.

3. Rule 12d1-2 under the Act permits a registered open-end investment company or a registered unit investment trust that relies on section 12(d)(1)(G) of the Act to acquire, in addition to securities issued by another registered investment company in the same group of investment companies, government securities, and short-term paper: (i) Securities issued by an investment company that is not in the same group of investment companies, when the acquisition is in reliance on section 12(d)(1)(A) or 12(d)(1)(F) of the Act; (ii) securities (other than securities issued by an investment company); and (iii) securities issued by a money market fund, when the investment is in reliance on rule 12d1-1 under the Act. For the purposes of rule 12d1-2, "securities" means any security as defined in section 2(a)(36) of the Act.

4. Section 6(c) of the Act provides that the Commission may exempt any person, security, or transaction from any provision of the Act, or from any rule under the Act, if such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policies and provisions of the Act.

5. Applicants state that the Funds of Funds will comply with Rule 12d1-2 under the Act, but for the fact that the Funds of Funds may invest a portion of their assets in Other Investments. Applicants request an order under section 6(c) of the Act for an exemption from rule 12d1-2(a) to allow the Funds of Funds to invest in Other Investments. Applicants assert that permitting the Funds of Funds to invest in Other Investments as described in the application would not raise any of the

concerns that the requirements of section 12(d)(1) were designed to address.

Applicants' Condition

Applicants agree that any order granting the requested relief will be subject to the following condition:

Applicants will comply with all provisions of rule 12d1-2 under the Act, except for paragraph (a)(2) to the extent that it restricts any Fund of Funds from investing in Other Investments as described in the application.

For the Commission, by the Division of Investment Management, under delegated authority.

Florence E. Harmon,
Deputy Secretary.

[FR Doc. 2010-31256 Filed 12-13-10; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-63463; File No. SR-NYSEAmex-2010-109]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by NYSE Amex LLC Amending Its Rules Regarding the Listing of Options Series With \$1 Strike Prices

December 8, 2010.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that, on November 24, 2010, NYSE Amex LLC (the "Exchange" or "NYSE Amex") filed with the Securities and Exchange Commission (the "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 proposes to amend its rules regarding the listing of \$1 strike prices. The text of the proposed rule change is available at the principal office of the Exchange, the Commission's Public Reference Room, on the Commission's Web site at <http://www.sec.gov>, and <http://www.nyse.com>.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend Rule 903 Commentary .06 to improve the operation of the \$1 Strike Price Program.

Currently, the \$1 Strike Price Program only allows the listing of new \$1 strikes within \$5 of the previous day's closing price. In certain circumstances this has led to situations where there are no at-the-money \$1 strikes for a day, despite significant demand. For instance, on November 15, 2010, the underlying shares of Isilon Systems Inc. opened at \$33.83. It had closed the previous trading day at \$26.29. Options were available in \$1 intervals up to \$31, but because of the restriction to only listing within \$5 of the previous close, the Exchange was not able to add \$32, \$33, \$34, \$36, \$37 or \$38 strikes during the day.

The Exchange proposes that \$1 interval strike prices be allowed to be added immediately within \$5 of the official opening price in the primary listing market. Thus, on any day, \$1 Strike Program strikes may be added within \$5 of either the opening price or the previous day's closing price.

On occasion, the price movement in the underlying security has been so great that listing within \$5 of either the previous day's closing price or the day's opening price will leave a gap in the continuity of strike prices. For instance, if an issue closes at \$14 one day, and the next day opens above \$27, the \$21 and \$22 strikes will be more than \$5 from either benchmark. The Exchange proposes that any such discontinuity be avoided by allowing the listing of all \$1 Strike Program strikes between the closing price and the opening price.

Additionally, issues that are in the \$1 Strike Price Program may currently have \$2.50 interval strike prices added that

are more than \$5 from the underlying price or are more than a nine months to expiration (long-term options series). In such cases, the listing of a \$2.50 interval strike may lead to discontinuities in strike prices and also a lack of parallel strikes in different expiration months of the same issue. For instance, under the current rules, the Exchange may list a \$12.50 strike in a \$1 Strike Program issue where the underlying price is \$24. This allowance was provided to avoid too large of an interval between the standard strike prices of \$10 and \$15. The unintended consequence, however, is that if the underlying price should decline to \$16, the Exchange would not be able to list a \$12 or \$13 strike. If the underlying stayed near this level at expiration, a new expiration month would have the \$12 and \$13 strike but not the \$12.50, leading to a disparity in strike intervals in different months of the same option class. This has also led to investor confusion, as they regularly request the addition of inappropriate strikes so as to roll a position from one month to another at the same strike level.

To avoid this problem, the Exchange proposes to prohibit \$2.50 interval strikes below \$50 in all \$1 Strike Price Program issues, including long term option series. At each standard \$5 increment strike more than \$5 from the price of the underlying security, the Exchange proposes to list the strike \$2 above the standard strike for each interval above the price of the underlying security, and \$2 below the standard strike, for each interval below the price of the underlying security, provided it meets the Options Listing Procedures Plan ("OLPP") Provisions in Rule 903A.³ For instance, if the underlying security was trading at \$19, the Exchange could list, for each month, the following strikes: \$3, \$5, \$8, \$10, \$13, \$14, \$15, \$16, \$17, \$18, \$19, \$20, \$21, \$22, \$23, \$24, \$25, \$27, \$30, \$32, \$35, and \$37.

Instead of \$2.50 strikes for long-term options, the Exchange proposes to list one long-term \$1 Strike option series strike in the interval between each standard \$5 strike, with the \$1 Strike being \$2 above the standard strike price for each interval above the price of the underlying security, and \$2 below the standard strike price, for each interval

³ Rule 903A codifies the limitation on strike price ranges outlined in the OLPP, which, except in limited circumstances, prohibits options series with an exercise price more than 100% above or below the price of the underlying security if that price is \$20 or less. If the price of the underlying security is greater than \$20, the Exchange shall not list new options series with an exercise price more than 50% above or below the price of the underlying security.

below the price of the underlying security. In addition, the Exchange may list the long-term \$1 strike which is \$2 above the standard strike just below the underlying price at the time of listing, and may add additional long-term options series strikes as the price of the underlying security moves, consistent with the OLPP. For instance, if the underlying is trading at \$21.25, long-term strikes could be listed at \$15, \$18, \$20, \$22, \$25, \$27, and \$30. If the underlying subsequently moved to \$22, the \$32 strike could be added. If the underlying moved to \$19.75, the \$13, \$10, \$8, and \$5 strikes could be added.

The Exchange also proposes that additional long-term option strikes may not be listed within \$1 of an existing strike until less than nine months to expiration.

Finally, the Exchange represents that it has the necessary systems capacity to support the small increase in new options series that will result from these changes to the \$1 Strike Price Program.

2. Statutory Basis

The Exchange believes that this proposed rule change is consistent with Section 6(b) of the Securities Exchange Act of 1934 ("Act"),⁴ in general, and furthers the objectives of Section 6(b)(5) of the Act⁵ in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, 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, and, in general, to protect investors and the public interest. In particular, the proposed rule change seeks to reduce investor confusion and address issues that have arisen in the operation of the \$1 Strike Price Program by providing a consistent application of strike price intervals for issues in the \$1 Strike Price Program.

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

No written comments were solicited or received with respect to the proposed rule change.

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(5).

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) By order approve or disapprove the proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

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-NYSEAmex-2010-109 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-NYSEAmex-2010-109. 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 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 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-NYSEAmex-2010-109 and should be submitted on or before January 4, 2011.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority,⁶

Florence E. Harmon,
Deputy Secretary.

[FR Doc. 2010-31228 Filed 12-13-10; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-63461; File No. SR-BX-2010-085]

Self-Regulatory Organizations; NASDAQ OMX BX, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Establish Strike Price Intervals and Trading Hours for Options on Index-Linked Securities

December 8, 2010.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that, on December 2, 2010, NASDAQ OMX BX, Inc. (the “Exchange”) filed with the Securities and Exchange Commission (the “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 proposes to amend the Supplementary Material to Chapter IV, Section 6 (Series of Options Contracts Open for Trading) and Chapter V, Section 3 (Days and Hours of Business) of the Rules of the Boston Options Exchange Group, LLC (“BOX”) to establish strike price intervals and trading hours for options on Index-Linked Securities. The text of the proposed rule change is available from

the principal office of the Exchange, on the Commission’s Web site at <http://www.sec.gov>, at the Commission’s Public Reference Room, and on the Exchange’s Web site at <http://nasdaqomxbx.cchwallstreet.com/NASDAQOMXBX/Filings/>.

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 these statements may be examined at the places specified in Item IV below. The self-regulatory organization 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

Prior to the commencement of trading options on Index-Linked Securities on BOX, the Exchange is proposing to establish strike price intervals and trading hours for these products.

The Securities and Exchange Commission (the “Commission”) has approved BOX’s and other option exchanges’ proposals to enable the listing and trading of options on Index-Linked Securities.³ BOX has not commenced trading options on Index-Linked Securities to date. Trading in options on Index-Linked Securities has commenced on other exchanges following the Commission’s approval of The Options Clearing Corporation’s (“OCC”) May 2010 supplement to the Options Disclosure Document (“ODD”) that provides disclosure regarding options on Index-Linked Securities.⁴

\$1 Strikes for Options on Index-Linked Securities

Prior to the commencement of trading on BOX of options on Index-Linked Securities that satisfy the criteria set forth in Chapter IV, Section 3(k) of the

³ See Securities Exchange Act Release Nos. 58941 (Nov. 13, 2008), 73 FR 70392 (Nov. 20, 2008) (SR-BSE-2008-50); 58985 (Nov. 10, 2008), 73 FR 72538 (Nov. 28, 2008) (SR-ISE-2008-86); 58204 (July 22, 2008), 73 FR 43807 (July 28, 2008) (SR-CBOE-2008-64); and 58203 (July 22, 2008), 73 FR 43812 (July 28, 2008) (SR-NYSEArca-2008-57).

⁴ OCC previously received Commission approval to clear options based on Index-Linked Securities. See Securities Exchange Act Release No. 60872 (Oct. 23, 2009), 74 FR 55878 (Oct. 29, 2009) (SR-OCC-2009-14).

BOX Rules, the Exchange is proposing to establish that strike price intervals of \$1 will be permitted where the strike price is less than \$200. Where the strike price is greater than \$200, \$5 strikes will be permitted. These proposed changes are reflected by the proposed addition of Supplementary Material .01(c) to Chapter IV, Section 6 of the BOX Rules.

Without discounting the differences between exchange-traded funds (“ETFs”) and Index-Linked Securities, BOX seeks to extend the trading conventions applicable to options on ETFs to options on Index-Linked Securities. BOX contends that the proposed strike price intervals for options on Index-Linked Securities are consistent with the strike price intervals currently permitted for options on ETFs. BOX believes that \$1 strike price intervals for options on Index-Linked Securities will provide investors with greater flexibility by allowing them to establish positions that are better tailored to meet their investment objectives. BOX has analyzed its capacity and represents that it and the Options Price Reporting Authority have the necessary systems capacity to handle the additional traffic associated with the listing and trading of an expanded number of series as proposed by this filing.

Trading Hours for Options on Index-Linked Securities

Similar to the trading hours for ETF options, the Exchange proposes to amend Chapter V, Section 3(b) of the BOX Rules to provide that options on Index-Linked Securities may be traded on BOX until 4:15 p.m. each business day.

2. Statutory Basis

The Exchange believes that the proposal is consistent with the requirements of the Securities and Exchange Act of 1934 (“Exchange Act”), in general, and Section 6(b)(5) of the Exchange Act,⁵ in particular, that an exchange has rules that are designed to promote just and equitable principles of trade, and to remove impediments to and perfect the mechanism for a free and open market and a national market system and, in general, to protect investors and the public interest. In particular, the Exchange believes the proposal will lessen investor confusion by having strike price intervals and trading hours established prior to the commencement of trading on BOX of options on Index-Linked Securities.

⁵ 15 U.S.C. 78f(b)(5).

⁶ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.