SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations;
International Securities Exchange, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to the $5 Strike Price Program

January 6, 2011.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”) and Rule 19b–4 thereunder, notice is hereby given that on January 5, 2011, the International Securities Exchange, LLC (the “Exchange” or the “ISE”) 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 proposes to amend ISE Rule 504 to clarify that the Exchange may list option classes designated by other securities exchanges that employ a similar $5 Strike Program under their respective rules. The text of the proposed rule change is available on the Exchange’s Web site http://www.ise.com, at the principal office of the Exchange, and at the Commission’s Public Reference Room.

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.

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

Elizabeth M. Murphy,
Secretary.

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7 The Exchange believes that its proposal is consistent with Section 6(b) of the Act in general, and further the objectives of Section 6(b)(5) of the Act in particular, in that it is designed 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 system, and, in general to protect investors and the public interest. The Exchange believes that clarifying that the Exchange may list and trade options in series that are listed by the Exchange or other securities exchanges that employ a similar $5 Strike Program will provide its members greater clarity on the types of options that may be listed by the Exchange.
8 The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any unsolicited written comments from members or other interested parties.
The Exchange has requested that the Commission waive the 30-day operative delay. The Commission believes that waiver of the operative delay is consistent with the protection of investors and the public interest because the proposed reciprocity provision is similar to reciprocity provisions in place for other option strike price programs, which have been previously approved by the Commission. Therefore, the Commission designates the proposal operative upon filing.

At any time within 60 days 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 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–ISE–2011–02 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–ISE–2011–02 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 shall be available publicly. All submissions should refer to File Number SR–ISE–2011–02 and should be submitted on or before February 2, 2011.

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

Elizabeth M. Murphy,
Secretary.

[BFR Doc. 2011–442 Filed 1–11–11; 8:45 am]

SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; International Securities Exchange, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Establish a $5 Strike Price Program

January 6, 2011.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”) and Rule 19b–4 thereunder, notice is hereby given that, on January 4, 2011, the International Securities Exchange, LLC (“ISE” or the “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “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 ISE Rule 504 to allow the Exchange to list and trade series in intervals of $5 or greater where the strike price is more than $200 in up to five option classes on individual stocks. The text of the proposed rule change is available on the Exchange’s Web site http://www.ise.com, at the principal office of the Exchange, and at the Commission’s Public Reference Room.

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

The purpose of this proposed rule change is to adopt Supplementary Material .09 to ISE Rule 504 to allow the Exchange to list and trade series in intervals of $5 or greater where the strike price is more than $200 in up to five option classes on individual stocks (“$5 Strike Price Program”) to provide investors and traders additional opportunities and strategies to hedge high priced securities.

Currently, Exchange Rule 504(d) permits strike price intervals of $10 or greater where the strike price is $200 or more, except the Exchange may list options classes on individual stocks for which the interval of strike prices will be $2.50 where the strike price is greater than $25, and $2.50 or greater where the strike price is greater than $25 or less.

1 ISE Rule 504(d) also permits strike price intervals of $5 or greater where the strike price is greater than $25, and $2.50 or greater where the strike price is greater than $25 or less.