

should refer to File Number SR-Phlx-2011-01 and should be submitted on or before February 10, 2011.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹²

Elizabeth M. Murphy,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-63711; File No. SR-ODD-2011-01]

Self-Regulatory Organizations; The Options Clearing Corporation; Order Granting Approval of Accelerated Delivery of Supplement to the Options Disclosure Document Reflecting Certain Changes to Disclosure Regarding Credit Default Options in, and Making Certain Technical Amendments to, the June 2007 Supplement to the Options Disclosure Document

January 12, 2011.

On October 25, 2010, The Options Clearing Corporation (“OCC”) submitted to the Securities and Exchange Commission (“Commission”), pursuant to Rule 9b-1 under the Securities Exchange Act of 1934 (“Act”),¹ five preliminary copies of a supplement to amend and restate the June 2007 Supplement to its options disclosure document (“ODD”) to reflect certain changes to disclosure regarding credit default options.² The supplement also proposes certain technical amendments.³ On December 21, 2010, the OCC submitted to the Commission five definitive copies of the January 2011 Supplement.⁴

The ODD currently contains general disclosures on the characteristics and risks of trading standardized options. The June 2007 Supplement amended the ODD to provide disclosure regarding credit default options in response to the Commission’s approval of Chicago Board Options Exchange’s (“CBOE”) proposal to list and trade credit default

options.⁵ In November 2010, the Commission approved a proposed rule change that, among other things, permits the CBOE to list credit default options that contemplate only a single credit event.⁶ The current proposed January 2011 Supplement amends the June 2007 Supplement disclosure to accommodate the listing of credit default options that contemplate only a single credit event, as now permitted under CBOE rules.⁷ In addition, the supplement proposes certain technical amendments, as described below, to the June 2007 Supplement. The January 2011 Supplement also restates the June 2007 Supplement, as amended, in its entirety.

Specifically, the proposed supplement to the June 2007 Supplement deletes the summary of the disclosure regarding the characteristics and risks of credit default options because this summary had previously been added to the ODD by the May 2010 Supplement. In addition, the proposed supplement amends the June 2007 Supplement to clarify that a listing options market has the ability to specify only a single credit event for automatic exercise of a series of credit default options, in addition to multiple credit events which were already disclosed in the June 2007 Supplement. Further, the OCC is proposing to make technical changes to the June 2007 Supplement by replacing the term “booklet” with “Booklet,” and to clarify the place in the ODD where the section entitled “Credit Default Options and Credit Default Basket Options” is inserted. The proposed supplement is intended to be read in conjunction with the more general ODD, which discusses the characteristics and risks of options generally.⁸

⁵ See Securities Exchange Act Release No. 55871 (June 6, 2007), 72 FR 32372 (June 12, 2007) (SR-CBOE-2006-84) (order approving CBOE’s proposed rules to list and trade credit default options); and Securities Exchange Act Release No. 56275 (August 17, 2007), 72 FR 47097 (August 22, 2007) (SR-CBOE-2007-26) (order approving CBOE’s proposed rules to list and trade credit default basket options).

⁶ See Securities Exchange Act Release No. 63352 (November 19, 2010), 75 FR 73155 (November 29, 2010) (SR-CBOE-2010-046) (order approving proposed rule change to amend certain rules pertaining to credit options).

⁷ The proposed January 2011 Supplement amends and restates the June 2007 Supplement to the February 1994 version of the booklet entitled “Characteristics and Risks of Standardized Options.”

⁸ The Commission notes that the options markets must continue to ensure that the ODD is in compliance with the requirements of Rule 9b-1(b)(2)(i) under the Act, 17 CFR 240.9b-1(b)(2)(i), including when changes regarding credit default options are made in the future. Any future changes to the rules of the options markets concerning credit default options would need to be submitted to the

Rule 9b-1(b)(2)(i) under the Act⁹ provides that an options market must file five copies of an amendment or supplement to the ODD with the Commission at least 30 days prior to the date definitive copies are furnished to customers, unless the Commission determines otherwise, having due regard to the adequacy of information disclosed and the public interest and protection of investors.¹⁰ In addition, five copies of the definitive ODD, as amended or supplemented, must be filed with the Commission not later than the date the amendment or supplement, or the amended ODD, is furnished to customers. The Commission has reviewed the proposed supplement and amendment and finds, having due regard to the adequacy of the information disclosed and the public interest and protection of investors, that they may be furnished to customers as of the date of this order.

It is therefore ordered, pursuant to Rule 9b-1 under the Act,¹¹ that definitive copies of the January 2011 Supplement and amendment to the ODD (SR-ODD-2011-01), reflecting changes to disclosure regarding credit default options and technical changes to the ODD, may be furnished to customers as of the date of this order.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹²

Elizabeth M. Murphy,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-63709; File No. SR-FINRA-2011-001]

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Provide Additional Time To Report Certain Reportable TRACE Transactions and Waive Certain Transaction Reporting Fees

January 12, 2011.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934

Commission under Section 19(b) of the Act. 15 U.S.C. 78s(b).

⁹ 17 CFR 240.9b-1(b)(2)(i).

¹⁰ This provision permits the Commission to shorten or lengthen the period of time which must elapse before definitive copies may be furnished to customers.

¹¹ 17 CFR 240.9b-1.

¹² 17 CFR 200.30-3(a)(39).

¹² 17 CFR 200.30-3(a)(12).

¹ 17 CFR 240.9b-1.

² See letter from Jean M. Cawley, Senior Vice President and Deputy General Counsel, OCC, to Sharon Lawson, Senior Special Counsel, Division of Trading and Markets (“Division”), Commission, dated October 22, 2010.

³ See *id.*

⁴ See letter from Jean M. Cawley, Senior Vice President and Deputy General Counsel, OCC, to Sharon Lawson, Senior Special Counsel, Division of Commission, dated December 20, 2010.