Certification is available via the Edgar database on the Commission’s Web site at http://www.sec.gov or at the offices of the Commission in the 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.

Pursuant to Rule 12g–4 of the Exchange Act, termination of the registration of a class of securities under Section 12(g) of the Exchange Act shall take place 90 days, or such shorter period as the Commission may determine, after the Applicant certifies to the Commission on Form 15 that the class of securities is held of record by less than 300 persons or less than 500 persons where the total assets of the issuer have not exceeded $10 million on the last day of each of the Applicant’s most recent three fiscal years. The Applicant’s Certification declares that the Applicant has approximately 692 holders of record as of October 29, 2010. Based on the fact that the Applicant’s Certification does not comply with the record holder requirements of Rule 12g–4 of the Exchange Act, the Applicant’s request for termination should be denied.

Notice is further given that any interested person not later than February 16, 2011 may submit to the Commission in writing views on any substantial facts bearing on the certification or the utility of a hearing thereon. Submissions should state briefly the nature of the interest of the person submitting such information or requesting a hearing, the reason for such request, and the issues of facts and law raised by the certification which he desires to contest. Submissions may be made by any of the following methods:

Electronic Submissions

Send an e-mail to rule-comments@sec.gov. Please include File Number 0–49764 on the subject line.

Paper Submissions

Send paper submissions to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549–1090.

All submissions should refer to File Number 0–49764. To help us process and review submissions more efficiently, please use only one method. The Commission will post all submissions on the Commission’s Internet Web site (http://www.sec.gov/rules/other.shtml). Submissions are also available for public inspection and copying 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. All submissions received will be posted without change: we do not edit personal identifying information. You should submit only information that you wish to make available publicly.

Persons who request a hearing or submit views as to whether a hearing should be ordered will receive any notices and orders issued in this matter, including the date of any hearing ordered and any postponement thereof. If a request for a hearing or other submissions are not received, the Commission may, at any time after February 16, 2011, issue an order denying termination of Applicant’s registration. If the Commission receives information through submission which shows that the Applicant has met the requirements for filing a Form 15 certification, the Commission may issue either a notice of effectiveness or set this matter down for a hearing. Termination of registration shall be deferred pending final determination on the question of denial.

By the Commission.

Elizabeth M. Murphy,
Secretary.

[FR Doc. 2011–2126 Filed 1–31–11; 8:45 am]
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SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; NYSE Arca, Inc.; Order Granting Approval of Proposed Rule Change Regarding the Listing of Options Series with $1 Strike Prices

January 25, 2011.

I. Introduction

On November 24, 2010, NYSE Arca, Inc. (“NYSE Arca” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)1 and Rule 19b–4 thereunder,2 a proposed rule change to allow the Exchange to modify the operation of the $1 Strike Price Program. The proposed rule change was published for comment in the Federal Register on December 13, 2010.3 The Commission received no comment letters on the proposal. This order approves the proposed rule change.

II. Description of the Proposal

The Exchange has proposed to amend Rule 6.4 Commentary .04 to modify the operation of the $1 Strike Price Program.4 Currently, the $1 Strike Price Program allows the listing of new series with strike prices at $1 intervals only if such series have strike prices within $5 of the previous day’s closing price in the primary listing market.5 The proposal would allow the Exchange also to: (a) List new series with $1 interval strike prices within $5 of the official opening price in the primary listing market, and (b) add $1 interval strike prices between the closing price and the opening price, regardless of whether such strikes are within $5 of the previous day’s closing price or the day’s opening price.

In support of allowing the listing of $1 interval strike between the closing and opening prices, the Exchange stated that, on occasion, the price movement in an underlying security has been so great that listing series with strikes within $5 of the previous day’s closing price and the day’s opening price would leave a gap in the continuity of strike prices. Thus, if an issue closes at $14 one day, and the next day opens above $27, the $21 and $22 strikes would be more than $5 from either benchmark. The Exchange proposed that any such discontinuity be avoided by allowing the listing of options on all $1 interval strike prices that fall between the previous day’s closing price and the opening price.

The Exchange also has proposed to prohibit the listing of $2.50 interval strikes below $50 in all classes chosen for the $1 Strike Price Program, and in all long-term option series. According to the Exchange, this change is designed to eliminate discontinuities in strike prices and a lack of parallel strikes in different expiration months of the same issue. Currently, Exchange rules provide that the Exchange may not list series within $1 strike price intervals within $0.50 of an existing strike price in the same class, unless the class in question has been selected to participate in the $0.50 Strike Program.3 In addition, Exchange rules currently stipulate that the Exchange may not list series with $1 strike price intervals for any long-term options (i.e., options having greater than nine months to expiration) under the $1 Strike Price Program.6

4 Rule 6.4 Commentary .04(a).
5 See id.
6 See id. The standard strike interval for Long-Term Equity Option Series (LEAPS) is $2.50 where the strike price is $25 or less. See Rule 19b–4(b).

However, as the Exchange noted in its proposal, due to the prohibition on $1 strike price intervals within $0.50 of an existing strike price, the existence of series with $2.50 interval strikes for classes selected for the $1 Strike Price Program could lead to discontinuities in strike prices and a lack of parallel strikes in different expiration months of the same issue. For example, if a $12.50 strike series was open in a class selected for the $1 Strike Price Program, the Exchange would not be able to list series with a $12 or $13 strike, potentially resulting in sequence of strike prices at irregular intervals (i.e., $10, $11, $12.50, $14, and $15).

To replace these now-forbidden $2.50 interval strikes, the Exchange proposes to allow the listing of one additional series within each natural $5 interval, as follows. The Exchange proposed to permit the listing of a series with a strike $2 above the $5-interval strike for each such $5-interval strike above the price of the underlying security at the time of listing. Conversely, the Exchange’s proposal would permit the listing of a series with a strike $2 below the $5-interval strike for each such $5-interval strike below the price of the underlying security at the time of listing. For example, if the underlying security was trading at $19, the Exchange could list a $27 strike between the $25 and the $30 strikes, and a $32 strike between the $30 and $35 strikes; as well as a $13 strike between the $10 and $15 strikes, and an $8 strike between the $10 and $15 strikes. The Exchange also notes that each such additional series may be listed only if such listing is consistent with the Options Listing Procedures Plan ("OLPP") Provisions in Rule 6.4A. The foregoing provisions would apply to all classes selected for the $1 Strike Price Program, both with respect to standard and long-term options. In addition, since series with $1-interval strikes are not permitted for most long-term options, the proposal would allow the Exchange to list the long-term strike that is $2 above the $5-interval just below the underlying price at the time of listing. For example, if the underlying

security is trading at $21.25, this provision would allow the Exchange to add a $22 strike ($2 above the $20 strike) for the long-term option series. In support of its proposal, the Exchange stated that the proposed rule change seeks to reduce investor confusion resulting from discontinuous strike prices that has 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. The Exchange further represented that it has the necessary systems capacity to support the potential increase in new options series that will result from the proposed changes to the $1 Strike Price Program.

III. Discussion

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.8 Specifically, the Commission finds that the proposal is consistent with Section 6(b)(5) of the Act,9 which requires, among other things, that the rules of a national securities exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts and practices, 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.

As the Exchange notes, the proposal is intended to reduce investor confusion resulting from the operation of the $1 Strike Price Program by reducing the occurrences of discontinuities in strike prices and non-parallel strikes in different expiration months of the same issue. The Commission believes that the proposal strikes a reasonable balance between the Exchange’s desire to accommodate market participants and the need to avoid unnecessary proliferation of options series and the corresponding increase in quotes and market fragmentation. The Commission expects the Exchange to monitor the trading and quotation volume associated with the additional options series listed as a result of this proposal and the effect of these additional series on market fragmentation and on the capacity of the Exchange’s, OPRA’s, and vendors’ automated systems. In approving this proposal, the Commission notes that Exchange has represented that it has the necessary systems capacity to support the potential increase in new options series that will result from the proposed changes to the $1 Strike Price Program.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,10 that the proposed rule change (SR–NYSEArca–2010–106) be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.11

Elizabeth M. Murphy,
Secretary.

[FR Doc. 2011–2115 Filed 1–31–11; 8:45 am]
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SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; NASDAQ OMX BX, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Regarding the Listing of $1 Strike Prices on the Boston Options Exchange Facility

January 25, 2011.

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 January 21, 2011, NASDAQ OMX BX, Inc. (the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change 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 Rules of the Boston Options Exchange Group, LLC ("BOX") regarding the listing of $1 strike prices. 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 also on the Exchange’s Internet Web site at http://