I. Introduction

On November 12, 2010, Fixed Income Clearing Corporation (“FICC”) filed with the Securities and Exchange Commission (“Commission”) proposed rule change SR–FICC–2010–09 pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Exchange Act” or “Act”). Notice of the proposed rule change was published in the Federal Register on November 30, 2010. The Commission initially received thirteen comments to the proposed rule change. FICC, as well as one of the commenters, submitted letters responding to the comments. For the reasons discussed below, the Commission is granting approval of the proposed rule change.

II. Description

The proposed rule change allows FICC to offer cross-margining of certain positions cleared at its Government Securities Division (“GSD”) and certain positions cleared at New York Portfolio Clearing, LLC (“NYPC”).

SECURITIES AND EXCHANGE COMMISSION

[File No. 500–1]

Advanced Optics Electronics, Inc.; Order of Suspension of Trading

March 2, 2011.

It appears to the Securities and Exchange Commission that there is a lack of current and accurate information concerning the securities of Advanced Optics Electronics, Inc. because it has not filed any periodic reports since the period ended March 31, 2007.

The Commission is of the opinion that the public interest and the protection of investors require a suspension of trading in Advanced Optics Electronics, Inc. Therefore, it is ordered, pursuant to Section 12(k) of the Securities Exchange Act of 1934, that trading in the securities of the above-listed company is suspended for the period from 9:30 a.m. EST on March 2, 2011, through 11:59 p.m. EDT on March 15, 2011.

By the Commission.

Jill M. Peterson,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; Fixed Income Clearing Corporation; Order Granting Approval of a Proposed Rule Change To Introduce Cross-Margining of Certain Positions Cleared at the Fixed Income Clearing Corporation and Certain Positions Cleared at New York Portfolio Clearing, LLC

February 28, 2011.

A. Cross-Margining With NYPC

Under the proposed rule, a member of FICC that is also an NYPC clearing member (“Joint Clearing Member”) could in accordance with the provisions of the GSD and NYPC Rules, elect to participate in the cross-margining arrangement. FICC’s rules permit a GSD netting member that is a member (or that has an affiliate that is a member) of one or more Futures Clearing Organizations (“FCOs”), such as NYPC, to become a cross-margining participant in a cross-margining arrangement between FICC and one or more FCOs with the consent of FICC and each such FCO. A netting member shall become a cross-margining participant upon acceptance of FICC and each applicable FCO of an agreement executed by such cross-margining participant in the form specified in the applicable cross-margining agreement.

Participating in the cross-margining arrangement would permit a Joint Clearing Member to have its margin requirement calculated taking into account both its positions at FICC and NYPC, which would provide a clearer picture of its risk exposure and generally facilitate better risk assessment by FICC. Specifically, each Joint Clearing Member has the option to satisfy its margin requirement with respect to Eligible Positions (i.e., positions in certain securities netted by FICC or certain futures contracts cleared by an FCO) in its proprietary account at pursuant to Section 5b of the Commodity Exchange Act and Part 39 of the Regulations of the CFTC.

“FCO” is defined in GSD Rule 1 as a clearing organization for a board of trade designated as a contract market under Section 5 of the Commodity Exchange Act that has entered into a Cross-Margining Agreement with FICC.

See GSD Rule 43, Cross-Margining Arrangements, Section 2. The cross-margining agreement between FICC and NYPC as well as the cross-margining participant agreements for joint and permitted affiliates are attached to FICC’s filing of proposed rule change SR–FICC–2010–09.

The term “Eligible Position” is currently defined in GSD’s rules as a position in certain Eligible Netting Securities netted by FICC, or certain Government securities futures contracts or interest rate futures contracts cleared by a FCO as identified in a Cross-Margining Agreement as eligible for cross-margining treatment.

“Eligible Netting Security” is defined in GSD Rule 1 as an Eligible Security that FICC has designed as eligible for netting.

“Eligible Security” is defined generally in GSD Rule 1 as a security issued or guaranteed by the