

relying on section 3(c)(1) or 3(c)(7) of the Act in excess of the limits contained in section 12(d)(1)(A) of the Act, except to the extent permitted by exemptive relief from the Commission permitting the Fund to purchase shares of other investment companies for short-term cash management purposes.

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

Elizabeth M. Murphy,
Secretary.

[FR Doc. 2011-20870 Filed 8-16-11; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-65047; File No. SR-NYSEAmex-2011-56]

Self-Regulatory Organizations; NYSE Amex LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Amending NYSE Amex Options Rule 985NY To Permit Qualified Contingent Cross Orders To Be Electronically Submitted to the NYSE Amex System From the Floor of the Exchange for Potential Execution

August 5, 2011.

Correction

In notice document 2011-20388 appearing on pages 49812-49815 in the issue of August 11, 2011, make the following correction:

On page 49815, in the third column, in the first full paragraph, in the last line, "August 31, 2011" should read "September 1, 2011."

[FR Doc. C1-2011-20388 Filed 8-16-11; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-65100; File No. SR-ISE-2011-33]

Self-Regulatory Organizations; International Securities Exchange, LLC; Order Granting Approval to a Proposed Rule Change Relating to Appointments to Competitive Market Makers

August 11, 2011.

I. Introduction

On June 10, 2011, the International Securities Exchange, LLC (the "Exchange" or the "ISE") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section

19(b)(1)¹ of the Securities Exchange Act of 1934 ("Act")² and Rule 19b-4 thereunder,³ a proposed rule change to revise the manner in which Competitive Market Makers are appointed to options classes. The proposed rule change was published for comment in the **Federal Register** on June 28, 2011.⁴ The Commission received no comments regarding the proposal. This order approves the proposed rule change.

II. Description of the Proposal

The ISE's membership is divided into three categories, Primary Market Makers ("PMMs"), Competitive Market Makers ("CMMs") and Electronic Access Members. There are 10 PMM trading rights and 160 CMM trading rights (collectively "market maker rights"). In order to access the Exchange as a market maker, a member must own or lease one or more market maker rights. EAMs are not required to purchase such a right in order to access the Exchange. Under the current structure, options traded on the Exchange are divided into 10 groups, with one of the 10 PMM trading rights and 16 of the 160 CMM trading rights appointed to each group. Thus, each PMM and CMM trading right is associated with a specific group of options. Under the existing structure, a member is required to own and/or lease 10 CMM trading rights (one in each of the 10 options groups) in order to have the ability to make markets in all of the options classes traded on the Exchange. Moreover, because the number of options classes contained in each group varies, CMM trading rights currently represent 10 different levels of participation.

The Exchange proposes to change the structure of CMM appointments to allow CMMs to seek appointment in the options classes listed on the Exchange across the groups of options assigned to particular PMMs. Under the proposal, the Exchange will assign points to each options class equal to its percentage of overall industry volume (not including exclusively-traded index options), rounded down to the nearest tenth of a percentage. A CMM will be able to seek appointments to options classes that total: (i) 20 points for the first CMM trading right it owns or leases; and (ii) 10 points for the second and each subsequent CMM trading right it owns or leases.⁵ CMMs will be able to change

their appointments at any time upon advance notification to the Exchange.⁶ The Exchange will provide members with a transition period of 30 to 60 days following approval of the proposed rule change. During the transition period, the Exchange will work with existing market makers to restructure their appointments within the new point-based structure.

The proposal seeks to standardize the level of access gained by owning or leasing a CMM trading right. In addition, the proposal will make additional memberships available. Specifically, by assigning 20 points to the first CMM trading right owned or leased by a member and 10 points to each subsequent CMM trading right owned or leased by the same member, only 9 CMM trading rights (instead of 10) will be required to cover the entire ISE market.

The Exchange also proposes to adjust its CMM quotation requirements to reflect the proposed elimination of specified groups of options associated with CMM trading rights. Under the current structure, CMMs are required to participate in the opening and provide continuous quotations in a minimum number of options classes in each of their assigned groups. Since CMMs will have the flexibility to choose the options classes to which they are appointed, rather than being appointed to a pre-determined group of options, the Exchange proposes to modify this requirement to limit the number of appointed options classes in which a CMM can initiate intraday quoting to the number of options classes in which it participates in the opening rotation.

Under the current rules, a CMM is required to participate in the opening in 60% of the options classes in its appointed group of options or 40 options classes, whichever is lesser. If, for example, a CMM is appointed to a group with 100 options classes, then it must participate in the opening for 40 options classes and may initiate intraday quoting in 60 options classes. Under the proposed structure, a CMM appointed to 100 options classes that participates in the opening in 40 options

appointments and to remove appointments from CMMs based on their performance. Under the proposal, either the Exchange or a committee designated by the Board will be permitted to make appointments.

⁶ The Exchange will notify CMMs of the procedure for requesting changes to their appointments, including the length of advance notification required. The Exchange will establish the shortest advance notification period that is operationally feasible, such as a specific time on the day prior to the intended effectiveness of a change in a CMM's appointments, or by a specified time prior to the opening on the same trading day.

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

⁴ See Securities Exchange Act Release No. 64719 (June 22, 2011), 76 FR 37863 ("Notice").

⁵ Under the proposal, CMMs can select the options classes to which they seek appointment, but the Exchange retains the authority to make such