In the Notice, the Exchange stated that the principal reason for the proposed
expansion is market demand for additional STO classes and series. The Exchange stated that it has had to turn
Away STO customers because it could not list, or had to delist, STO Series or
could not open adequate STO Series because of restrictions in the STO Program.

The Exchange also stated that it has analyzed its capacity, and represented
that it and the Options Price Reporting Authority (“OPRA”) have the necessary
systems capacity to handle the potential additional traffic associated with trading
of an expanded number of classes in the 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.
Specifically, the Commission finds that the proposal is consistent with Section 6(b)(5) of the
Act, 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, 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 Commission believes that the proposal strikes a
reasonable balance between the Exchange’s desire to offer a wider array
of investment opportunities and the need to avoid unnecessary proliferation
of options series.

In approving this proposal, the
Commission notes that Exchange has
represented that it and OPRA have the
necessary systems capacity to handle
the potential additional traffic associated with trading of an expanded number of classes in the Program. The Commission expects the Exchange to
monitor the trading volume associated
with the additional options series listed
as a result of this proposal and the impact of these additional series on market
fragmentation and on the capacity of the Exchange’s, OPRA’s, and vendors’
automated systems.

IV. Conclusion

It is therefore ordered, pursuant to
Section 19(b)(2) of the Act, that
the proposed rule change (SR–Phlx–2011–131) be, and it hereby is, approved.

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

Kevin M. O’Neill,
Deputy Secretary.

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SECURITIES AND EXCHANGE
COMMISSION


Self-Regulatory Organizations;
NASDAQ OMX PH LX LLC; Order
Granting Approval of Proposed Rule
Change Expanding the Short Term
Option Series Program

November 17, 2011.

I. Introduction

On September 28, 2011, NASDAQ
OMX PH LX LLC (“Phlx” 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
expand the Short Term Option Program
(“Program”) to allow the Exchange to:
(1) Increase the number of series permitted
per class in the Short Term Option Series
Program

II. Description of the Proposal

The Exchange proposed to amend
Rule 1012 (Series of Options Open for
Trading) and Rule 1101A (Terms of
Option Contracts) to expand the Short
Term Option Series Program (“STO
Program”) or “Program”) to: (1) Increase
from 15 to 30 the number of option
classes on which STO Series may be
opened; and (2) allow the Exchange to
open STO Series that are opened by
other securities exchanges (the “STO
Exchanges”) in option classes selected by
such exchanges under their
respective short term option rules.

In approving this proposed rule change, the
Commission has considered the proposed rule’s impact on efficiency, competition, and capital

(October 11, 2011), 76 FR 64144 (“Notice”).

1 In approving this proposed rule change, the
Commission has considered the proposed rule’s impact on efficiency, competition, and capital

4 In 2005, the Commission approved the Weeklys
Program on a pilot basis. See Securities Exchange
Act Release No. 52011 (July 12, 2005), 70 FR
41451 (July 19, 2005) (SR–CBOE–2004–63). In 2009, the
Commission approved the Weeklys Program on a
permanent basis. See Securities Exchange Act...