

*January 30, 2013*

*Via Electronic Mail*

Ms. Elizabeth M. Murphy  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549-1090

**Re: SR-ISE-2013-08 Proposal to Amend ISE Rule 710, Minimum Trading Increments Applicable to Mini Option Classes that are in the Penny Pilot Program**

Dear Ms. Murphy:

TD Ameritrade, Inc.<sup>1</sup> (“TD Ameritrade” or “the Firm”) appreciates the opportunity to comment on the above referenced proposal filed by The International Securities Exchange, LLC (the “Exchange” or the “ISE”) with the Securities and Exchange Commission (“Commission”). ISE proposes to amend its Rule 710, Minimum Trading Increments, to permit the minimum quoting and trading increments applicable to Mini Option classes that are in the Penny Pilot Program to be \$0.01 per contract. Mini Options are option classes that overlie 10 equity or ETF shares rather than the standard 100 shares. Under the Exchange’s current rules, the minimum trading increment for a Mini Options contract trading at less than \$3.00 will be \$0.05, and for a Mini Options contract trading at \$3.00 or higher, the minimum trading increment will be \$0.10. The proposed amendment to Rule 710 would set the minimum trading increment for Mini Option classes that are in the Penny Pilot Program to be identical to the minimum trading increment applicable to standard options in these classes.

TD Ameritrade fully supports ISE’s proposed amendment to avoid investor confusion that quoting and trading in different classes would have on the success of this new product offering. Investor confusion would invariably result if Mini Options did not retain the important characteristics, such as the trading increments, of the underlying classes. TD Ameritrade agrees with the Exchange in that providing smaller increments will allow the Exchange market makers the opportunity to provide better fills to investors by quoting and trading within a lesser spread than the existing Rule 710 allows.

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<sup>1</sup> TD Ameritrade is a wholly owned broker-dealer subsidiary of TD Ameritrade Holding Corporation (“TD Ameritrade Holding”). TD Ameritrade Holding has a 36-year history of providing financial services to self-directed investors. TD Ameritrade serves an investor base comprised of over 5.6 million funded client accounts with approximately \$481 billion in assets. During December 2012, the Firm averaged a total of 331,000 client trades per day.

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In conclusion, TD Ameritrade believes that the Commission should approve the ISE's proposal to assure that standard options and Mini Options on the same underlying class will trade in similar increments in order to provide market participants the opportunity to trade Mini Options with meaningful price variations and to otherwise avoid investor confusion.

Please feel free to contact me at 402-970-5271 with any questions regarding our comments.

Respectfully Submitted,

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Gary J. Sjostedt  
Director, Order Routing Strategy  
TD Ameritrade