

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-61470; File No. SR-ISE-2010-09)

February 2, 2010

Self-Regulatory Organizations; International Securities Exchange, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Add 75 Options Classes to the Penny Pilot Program

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”)¹, and Rule 19b-4 thereunder,² notice is hereby given that on January 29, 2010, the International Securities Exchange, LLC (the “Exchange” or the “ISE”) filed with the Securities and Exchange Commission the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. 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 ISE proposes to designate an additional 75 options classes to be added to the pilot program to quote and to trade certain options in pennies (the “Penny Pilot”) on February 1, 2010.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

ISE proposes to identify the next 75 options classes to be added to the Penny Pilot effective February 1, 2010. The Exchange recently filed to extend and expand the Penny Pilot through December 31, 2010.³ In that filing, the Exchange had proposed expanding the Penny Pilot on a quarterly basis to add the next 75 most actively traded multiply listed options classes based on national average daily volume for the six months prior to selection, closing under \$200 per share on the Expiration Friday prior to expansion, except that the month immediately preceding their addition to the Penny Pilot will not be used for the purpose of the six month analysis.⁴

ISE proposes to add the following 75 options classes to the Penny Pilot on February 1, 2010, based on national average daily volume for the six months ending December 31, 2009:

Symbol	Company Name	Symbol	Company Name
ABT	Abbott Laboratories	LEAP	Leap Wireless International Inc
AEM	Agnico-Eagle Mines Ltd	LLY	Eli Lilly & Co
AET	Aetna Inc	LO	Lorillard Inc
AFL	Aflac Inc	LOW	Lowe's Cos Inc
AKAM	Akamai Technologies Inc	M	Macy's Inc
AMAT	Applied Materials Inc	MCO	Moody's Corp
AMR	AMR Corp	MET	MetLife Inc
ANF	Abercrombie & Fitch Co	MMM	3M Co
APC	Anadarko Petroleum Corp	MU	Micron Technology Inc
ATVI	Activision Blizzard Inc	NUE	Nucor Corp
BBD	Banco Bradesco SA	OXY	Occidental Petroleum Corp
BCRX	BioCryst Pharmaceuticals Inc	PARD	Poniard Pharmaceuticals Inc

³ See Securities Exchange Act Release No. 60865 (October 22, 2009), 74 FR 55880 (October 29, 2009) (SR-ISE-2009-82).

⁴ Index products would be included in the expansion if the underlying index level was under 200.

BK	Bank of New York Mellon Corp.	PEP	PepsiCo Inc/NC
BRCM	Broadcom Corp	PM	Philip Morris International Inc
BTU	Peabody Energy Corp	PNC	PNC Financial Services Group Inc
BX	Blackstone Group LP	QID	ProShares UltraShort QQQ
CAL	Continental Airlines Inc	SHLD	Sears Holdings Corp
CF	CF Industries Holdings Inc	SLM	SLM Corp
CMCSA	Comcast Corp	SLW	Silver Wheaton Corp
CSX	CSX Corp	SQNM	Sequenom Inc
CVS	CVS Caremark Corp	STEC	STEC Inc
CX	Cemex SAB de CV	STX	Seagate Technology Inc.
DD	EI du Pont de Nemours & Co	SU	Suncor Energy Inc
ERTS	Electronic Arts Inc	TCK	Teck Resources Ltd
EWJ	iShares MSCI Japan Index Fund	TEVA	Teva Pharmaceutical Industries Ltd
FDX	FedEx Corp	TLT	iShares Barclays 20+ Year Treasury Bond Fund
FNM	Federal National Mortgage Association	TZA	Direxion Daily Small Cap Bear 3X Shares
FRE	Federal Home Loan Mortgage Corp	UAUA	UAL Corp
GILD	Gilead Sciences Inc	URE	ProShares Ultra Real Estate
GLW	Corning Inc	UTX	United Technologies Corp
HBC	HSBC Holdings PLC	WFR	MEMC Electronic Materials Inc
HES	Hess Corp	WFT	Weatherford International Ltd
HL	Hecla Mining Co	WLP	WellPoint Inc
HOG	Harley-Davidson Inc	XLB	Materials Select Sector SPDR Fund
HON	Honeywell International Inc	XRX	Xerox Corp
JOYG	Joy Global Inc	XTO	XTO Energy Inc
JWN	Nordstrom Inc	YRCW	YRC Worldwide Inc
KFT	Kraft Foods Inc		

2. Statutory Basis

The basis under the Securities Exchange Act of 1934 (the “Exchange Act”) for this proposed rule change is found in Section 6(b)(5) of the Act,⁵ in that the proposed rule change is designed to promote just and equitable principles of trade, remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest. In particular, the proposed rule change identifies the options classes to be added to the Penny Pilot in a manner consistent with prior rule changes.

⁵ 15 U.S.C. 78f(b)(5).

B. Self-Regulatory Organization's Statement on Burden on Competition

The proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any written comments from members or other interested parties.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The proposed rule change is effective upon filing pursuant to Section 19(b)(3)(A)(i) of the Exchange Act⁶ and Rule 19b-4(f)(1) thereunder,⁷ in that it constitutes a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule of the Exchange.

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate the rule change if it appears to the Commission that the action is necessary or appropriate in the public interest, for the protection of investors, or would otherwise further the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

⁶ 15 U.S.C. 78s(b)(3)(A)(i).

⁷ 17 CFR 240.19b-4(f)(1).

- Use the Commission’s Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-ISE-2010-09 on the subject line.

Paper Comments:

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

All submissions should refer to File Number SR-ISE-2010-09. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission’s Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for Web site viewing and printing in the Commission’s Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only

information that you wish to make available publicly. All submissions should refer to File No. SR-ISE-2010-09 and should be submitted on or before [insert date 21 days from date of publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁸

Florence E. Harmon
Deputy Secretary

⁸ 17 CFR 200.30-3(a)(12).