

Text of the Proposed Rule Change:<sup>1</sup>

**Rules of The NYSE Arca, Inc.**

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**RULE 6**

**OPTIONS TRADING**

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**Rule 6.4.**

**Series of Options Open for Trading**

(a) – (f) No Change

***Commentary:***

**.01 - .03** No Change

**.04** (a) The Exchange may select a limited number of its listed options on individual stocks for which the interval of strike prices will be \$1.00 (“\$1 strike prices”) provided the strike price is \$50 or less, but not less than \$1. The listing of \$1 strike prices will be limited to options issues overlying no more than 150 individual stocks (“the \$1 Strike Program”) as specifically designated by the Exchange. The Exchange may list \$1 strike prices on any other option issues if those issues are specifically designated by other securities exchanges that employ a \$1 Strike Program under their respective rules. To be eligible for inclusion into the \$1 Strike Program, an underlying stock must close below \$50 in its primary market on the previous trading day. After a stock is added to the \$1 Strike Program, the Exchange may list \$1 strike prices from \$1 to \$50 that are no more than \$5 from the closing price of the underlying on the preceding day. For example, if the underlying stock closes at \$13, the Exchange may list strike prices from \$8 to \$18. The Exchange may not list series with \$1.00 intervals within \$0.50 of an existing strike price in the same series, except that strike prices of \$2, \$3, [and] \$4, \$5, and \$6 shall be permitted within \$0.50 of an existing strike price for classes also selected to participate in the \$0.50 Strike Program, and may not list \$2.50 intervals (e.g. \$12.50, \$17.50) below \$50 under Commentary .03 of this Rule for any issue included within the \$1 Strike Program if the addition of \$2.50 intervals would cause the issue to have strike price intervals that are \$.50 apart. Additionally, the Exchange may not list long-term option series (“LEAPS”) at \$1 strike price intervals for any option class selected for the \$1 Strike Program.

<sup>1</sup>

New text is underscored; deleted text is in brackets.

A stock shall remain in the \$1 Strike Program until otherwise designated by the Exchange.

(b) The Exchange may select a limited number of its listed options on individual stocks for which the interval of strike prices will be \$0.50 or greater beginning at \$[1].50 where the strike price is \$[3]5.50 or less, but only for options classes whose underlying securities closed at or below \$[3]5.00 in its primary market on the previous trading day and which have national average daily volume that equals or exceeds 1,000 contracts per day as determined by the Options Clearing Corporation during the preceding three calendar months. The listing of \$0.50 strike prices shall be limited to options classes overlying no more than [5]20 individual stocks (the "\$0.50 Strike Program") as specifically designated by the Exchange. The Exchange may list \$0.50 strike prices in any other option classes if those classes are specifically designated by other securities exchanges that employ a similar \$0.50 Strike Program under their respective rules. A stock shall remain in the \$0.50 Strike Program until otherwise designated by the Exchange.

(c) No Change

**.05 - .08**      No Change