

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-57878; File No. SR-OPRA-2008-01)

May 28, 2008

Options Price Reporting Authority; Order Approving an Amendment to the Plan for Reporting of Consolidated Options Last Sale Reports and Quotation Information to Adopt New Form of Vendor Affiliate Agreement

I. Introduction

On March 3, 2008, the Options Price Reporting Authority (“OPRA”) submitted to the Securities and Exchange Commission (“Commission”), pursuant to Section 11A of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 608 thereunder,² an amendment to the Plan for Reporting of Consolidated Options Last Sale Reports and Quotation Information (“OPRA Plan”).³ The proposed OPRA Plan amendment would adopt a new form of “Vendor Affiliate Agreement” that may be used by an affiliate of an OPRA “Vendor” that wants also to become a Vendor. OPRA’s Fee Schedule would be modified to state that OPRA will waive its “Redistribution Fee” for all affiliates in a corporate family with which OPRA agrees to Vendor Affiliate Agreements. The proposed OPRA Plan amendment was published for comment in the

¹ 15 U.S.C. 78k-1.

² 17 CFR 242.608.

³ The OPRA Plan is a national market system plan approved by the Commission pursuant to Section 11A of the Act and Rule 608 thereunder. See Securities Exchange Act Release No. 17638 (March 18, 1981), 22 S.E.C. Docket 484 (March 31, 1981). The full text of the OPRA Plan is available at <http://www.opradata.com>.

The OPRA Plan provides for the collection and dissemination of last sale and quotation information on options that are traded on the participant exchanges. The seven participants to the OPRA Plan are the American Stock Exchange LLC, the Boston Stock Exchange, Inc., the Chicago Board Options Exchange, Incorporated, the International Securities Exchange, Inc., the NASDAQ Stock Market LLC, the NYSE Arca, Inc., and the Philadelphia Stock Exchange, Inc.

Federal Register on March 26, 2008.⁴ The Commission received no comment letters in response to the Notice. On May 16, 2008, OPRA submitted a revised version of Exhibit I to its proposed Plan Amendment.⁵

This order approves the proposed OPRA Plan amendment.

II. Description of the Proposal

OPRA's current form of Vendor Agreement authorizes only the Vendor itself, and not any of its affiliates, to disseminate OPRA Data. As a matter of policy, OPRA has permitted Vendors to disseminate OPRA Data through wholly-owned subsidiaries. However, OPRA has not permitted Vendors to disseminate OPRA Data through other affiliates that have not themselves signed Vendor Agreements with OPRA. Many Vendors conduct business through corporate families, for a variety of reasons. OPRA requires each OPRA Vendor to pay a monthly "Redistribution Fee,"⁶ and OPRA has from time to time received requests to alleviate the financial consequence that OPRA's current policy imposes on some Vendor families.

Accordingly, OPRA is proposing to amend its Fee Schedule to provide that OPRA will waive its Redistribution Fee for Vendor affiliates that themselves become Vendors pursuant to "Vendor Affiliate Agreements," and is proposing to adopt a new form of "Vendor Affiliate Agreement." In effect, the form of Vendor Affiliate Agreement is a "short form" Vendor Agreement that can be signed by an additional member of a Vendor's corporate family. The proposed form would require the additional member of a corporate family to acknowledge that it

⁴ See Securities Exchange Act Release No. 57530 (March 19, 2008), 73 FR 16078 ("Notice").

⁵ The revised Exhibit I made merely technical changes to the original Exhibit I and therefore need not be published for comment.

⁶ OPRA's Redistribution Fee is currently \$650/month for "Internet service only" Vendors, and \$1,500/month for all other Vendors.

is subject to and bound by the terms of the “lead” Vendor’s Vendor Agreement just as if it had signed the Agreement itself. The proposed form is designed so that it can be used by affiliates of a current OPRA Vendor without any need for the current Vendor to sign a new Vendor Agreement.⁷

III. Discussion

After careful review, the Commission finds that the proposed OPRA Plan amendment is consistent with the requirements of the Act and the rules and regulations thereunder.⁸

Specifically, the Commission finds that the proposed OPRA Plan amendment is consistent with Section 11A of the Act⁹ and Rule 608 thereunder¹⁰ in that it is appropriate in the public interest, for the protection of investors and the maintenance of fair and orderly markets, and to remove impediments to, and perfect the mechanism of, a national market system.

OPRA’s Vendor Agreement governs the terms and conditions under which vendors redistribute options market data to subscribers and other end users of the information. The Commission finds that OPRA’s proposal to adopt a new form of Vendor Affiliate Agreement and to waive its Redistribution Fee for an affiliate of an OPRA Vendor should facilitate distribution of OPRA Data through OPRA Vendors who conduct business within a corporate

⁷ However, the current Vendor (or a new “lead” Vendor) would be required to identify its affiliate(s) that will sign Vendor Affiliate Agreements in its “Description of Vendor’s Service” - Exhibit A to its Vendor Agreement - as in effect from time to time. The lead Vendor would also be required to describe the dissemination of OPRA Data by such affiliate(s) in its Exhibit A.

⁸ In approving this proposed OPRA Plan Amendment, the Commission has considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁹ 15 U.S.C. 78k-1.

¹⁰ 17 CFR 242.608.

family. Therefore, the Commission believes that OPRA's proposal is consistent with Section 11A of the Act¹¹ and the Rule 608 thereunder.¹²

IV. Conclusion

IT IS THEREFORE ORDERED, pursuant to Section 11A of the Act,¹³ and Rule 608 thereunder,¹⁴ that the proposed OPRA Plan amendment (SR-OPRA-2008-01) be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁵

Florence E. Harmon
Acting Secretary

¹¹ 15 U.S.C. 78k-1.

¹² 17 CFR 242.608.

¹³ 15 U.S.C. 78k-1.

¹⁴ 17 CFR 242.608.

¹⁵ 17 CFR 200.30-3(a)(29).