

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-62615; File No. SR-BX-2010-052)

July 30, 2010

Self-Regulatory Organizations; NASDAQ OMX BX, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Add 75 Classes to the Penny Pilot Program

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup>, and Rule 19b-4<sup>2</sup> thereunder, notice is hereby given that on July 21, 2010, NASDAQ OMX BX, Inc. (the "Exchange") filed with the Securities and Exchange Commission ("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

NASDAQ OMX BX, Inc. (the "Exchange") proposes to designate 75 options classes to be added to the Penny Pilot Program, as referenced in Chapter V, Section 33 of the Rules of the Boston Options Exchange Group, LLC ("BOX"). The Exchange intends to notify BOX Options Participants of the classes to be added to the Penny Pilot Program via Regulatory Circular.

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.

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 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

On October 19, 2009 the Exchange submitted a proposed rule change<sup>3</sup> with the Securities and Exchange Commission (“Commission”) to, among other things, expand the number of classes included in the Penny Pilot Program over four successive quarters, with 75 classes added in each of November 2009, February 2010, May 2010, and August 2010.<sup>4</sup> Options classes with high premiums will be excluded for the quarterly additions.<sup>5</sup>

Based on trading activity for the six months ending June 30, 2010, the Exchange proposes to add the following 75 classes to the Penny Pilot Program on August 2, 2010:

Symbol	Company Name	Symbol	Company Name
MBI	MBIA Inc.	KMP	Kinder Morgan Energy Partners LP
MA	Mastercard Inc.	MRO	Marathon Oil Corp.
ATPG	ATP Oil & Gas Corp/ United	AGO	Assured Guaranty Ltd.

<sup>3</sup> See Securities and Exchange Act Release No. 60886 (Oct. 27, 2009), 74 FR 56897 (Nov. 3, 2009) (SR-BX-2009-067). This proposal was effective immediately upon filing.

<sup>4</sup> The quarterly additions will be effective on November 2, 2009, February 1, 2010, May 3, 2010 and August 2, 2010, respectively. For purposes of identifying the classes to be added per quarter, the Exchange shall use data from the prior six calendar months preceding the implementation month, except that the month immediately preceding their addition to the Pilot would not be utilized for purposes of the six month analysis. For example, the quarterly additions to be added on May 3, 2010 shall be determined using data from the six month period ending March 31, 2010. The Exchange has filed three (3) previous proposals similar to the present proposal, for the November 2, 2009, February 1, 2010 and May 3, 2010 expansions of 75 classes, respectively. See Securities and Exchange Act Release No. 60950 (Nov. 6, 2009), 74 FR 58666 (Nov. 6, 2009) [sic] (SR-BX-2009-069); Securities and Exchange Act Release No. 61456 (Feb. 1, 2010), 75 FR 6235 (Feb. 8, 2010) (SR-BX-2010-011); and 62039 (May 5, 2010), 75 FR 26313 (May 11, 2010) (SR-BX-2010-032). These proposals were effective immediately upon filing.

<sup>5</sup> The threshold for designation as “high priced” at the time of selection of new classes to be included in the Penny Pilot Program is \$200 per share or a calculated index value of 200. The determination of whether a security is trading above \$200 or above a calculated index value of 200 shall be based on the price at the close of trading on the Expiration Friday prior to being added to the Penny Pilot Program.

	States		
YUM	Yum! Brands Inc.	GIS	General Mills Inc.
RCL	Royal Caribbean Cruises Ltd.	ANR	Alpha Natural Resources Inc.
BPOP	Popular Inc.	GENZ	Genzyme Corp.
EK	Eastman Kodak Co.	CB	Chubb Corp.
CNX	Consol Energy Inc.	ADM	Archer-Daniels-Midland Co.
DCTH*	Delcath Systems Inc.	HSY	Hershey Co./The
MTG	MGIC Investment Corp.	TXT	Textron Inc.
PXP	Plains Exploration & Production Co.	GGP*	General Growth Properties Inc.
GPS	Gap Inc./The	NOV	National Oilwell Varco Inc.
TSL	Trina Solar Ltd.	TWX	Time warner Inc.
EWV	iShares MSCI Mexico Investable Market Index Fund	XOP	SPDR S&P Oil & Gas Exploration & Production ETF
CRM	Salesforce.com Inc.	MYL	Mylan Inc./PA
SWN	Southwestern Energy Co.	TSO	Tesoro Corp.
HBAN	Huntington Bancshares Inc./OH	CI	CIGNA Corp.
EOG	EOG Resources Inc.	ESI	ITT Educational Services Inc.
APA	Apache Corp.	NKE	NIKE Inc.
VVUS	Vivus Inc.	FIS*	Fidelity National Information Services Inc.
JDSU	JDS Uniphase Corp.	SUN	Sunoco Inc.
ACI	Arch Coal Inc.	BBBY	Bed Bath & Beyond Inc.
NE	Noble Corp.	APWR	A-Power Energy Generation Systems Ltd.
BAX	Baxter International Inc.	FWLT	Foster Wheeler AG
ADSK	Autodesk Inc.	LNC	Lincoln National Corp.
KRE	SPDR KBW Regional Banking ETF	RSH	RadioShack Corp.
XL	XL Group Plc.	TYC	Tyco International Ltd.
WLT	Walter Energy inc.	CL	Colgate-Palmolive Co.
IBN	ICICI Bank Ltd.	FXP	ProShares UltraShort FTSE/Xinhua China 25
EWY	iShares MSCI South Korea Index Fund	NTAP	NetApp Inc.
WHR	Whirlpool Corp.	SO	Southern Co.
BHI	Baker Huges Inc.	PHM	Pulte Group Inc.
HOT	Starwood Hotels & Resorts	ACAS	American Capital Ltd.
QLD	ProShares Ultra QQQ	XLNX	Xilinx Inc.
VRSN	VeriSign Inc	DO	Diamond Offshore Drilling Inc.
PCL	Plum Creek Timber Co. Inc	CMA	Comerica Inc.
NBR	Nabors Industries Ltd.	KEY	KeyCorp

ESRX	Express Scripts Inc.		
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\* Please note that the class is presently not listed for trading on BOX. If the class is listed for trading on BOX at a later date it will be subject to the applicable minimum trading increments as set forth in Chapter V, Section 6(b) of the BOX Rules.

## 2. Statutory Basis

The Exchange believes that the proposal is consistent with the requirements of Section 6(b) of the Act,<sup>6</sup> in general, and Section 6(b)(5) of the Act,<sup>7</sup> in particular, in that it is designed to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism for a free and open market and a national market system and, in general, to protect investors and the public interest, by identifying the options classes added to the Penny Pilot Program in a manner consistent with prior rule changes.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition 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 neither solicited nor received comments on the proposed rule change.

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

The proposed rule change is filed for immediate effectiveness pursuant to Section 19(b)(3)(A)<sup>8</sup> of the Act and Rule 19b-4(f)(1)<sup>9</sup> thereunder as it constitutes a stated policy,

<sup>6</sup> 15 U.S.C. 78f(b).

<sup>7</sup> 15 U.S.C. 78f(b)(5).

<sup>8</sup> 15 U.S.C. 78s(b)(3)(A).

practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of 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:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-BX-2010-052 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-BX-2010-052. 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

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<sup>9</sup> 17 CFR 240.19b-4(f)(1).

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-BX-2010-052 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.<sup>10</sup>

Florence E. Harmon  
Deputy Secretary

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<sup>10</sup> 17 CFR 200.30-3(a)(12).