

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-60962; File No. SR-ISE-2009-86)

November 6, 2009

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 as Modified by Amendment No. 1

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 October 27, 2009, 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. On November 6, 2009, the Exchange filed Amendment No. 1 to the proposed rule change.³ The Commission is publishing this notice, as amended, 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 75 options classes to be added to the pilot program to quote and to trade certain options in pennies (the "Penny Pilot") on November 2, 2009.

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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ In Amendment No. 1, ISE proposed to correct a technical error in Section III. The change does not effect the substance of the proposed rule change.

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.

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

Purpose – ISE proposes to identify the next 75 options classes to be added to the Penny Pilot effective November 2, 2009. The Exchange recently filed to extend and expand the Penny Pilot through December 31, 2010.⁴ 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.⁵

ISE proposes adding the following 75 options classes to the Penny Pilot on November 2, 2009, based on national average daily volume from April 1, 2009 through September 30, 2009:

Symbol	Company Name
ABX	Barrick Gold Corp
AUY	Yamana Gold Inc
AXP	American Express Co
BA	Boeing Co/The
BBT	BB&T Corp
BBY	Best Buy Co Inc
BP	BP PLC
CHK	Chesapeake Energy Corp
CIT	CIT Group Inc
COF	Capital One Financial Corp
CVX	Chevron Corp
DE	Deere & Co
DOW	Dow Chemical Co/The

Symbol	Company Name
MS	Morgan Stanley
NLY	Annaly Capital Management Inc
NOK	Nokia OYJ
NVDA	Nvidia Corp
ORCL	Oracle Corp
PALM	Palm Inc
PBR	Petroleo Brasileiro SA
PG	Procter & Gamble Co/The
POT	Potash Corp of Saskatchewan Inc
RF	Regions Financial Corp
RIG	Transocean Ltd
RMBS	Rambus Inc
S	Sprint Nextel Corp

⁴ See Securities Exchange Act Release No. 60865 (October 22, 2009) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Expand the Penny Pilot Program).

⁵ Index products would be included in the expansion if the underlying index level was under 200.

DRYS	DryShips Inc	SDS	ProShares UltraShort S&P500
EFA	iShares MSCI EAFE Index Fund	SKF	ProShares UltraShort Financials
ETFC	E*Trade Financial Corp	SLB	Schlumberger Ltd
EWZ	iShares MSCI Brazil Index Fund	SLV	iShares Silver Trust
FAS	Direxion Daily Financial Bull 3X Shares	SRS	ProShares UltraShort Real Estate
FAZ	Direxion Daily Financial Bear 3X Shares	SSO	ProShares Ultra S&P500
FITB	Fifth Third Bancorp	STI	SunTrust Banks Inc
FSLR	First Solar Inc	SVNT	Savient Pharmaceuticals Inc
FXI	iShares FTSE/Xinhua China 25 Index Fund	TBT	ProShares UltraShort 20+ Year Treasury
GDX	Market Vectors - Gold Miners ETF	UNG	United States Natural Gas Fund LP
GG	Goldcorp Inc	UNH	UnitedHealth Group Inc
GLD	SPDR Gold Trust	UPS	United Parcel Service Inc
HGSI	Human Genome Sciences Inc	USB	US Bancorp
HIG	Hartford Financial Services Group Inc	USO	United States Oil Fund LP
HPQ	Hewlett-Packard Co	UYG	ProShares Ultra Financials
IBM	International Business Machines Corp	V	Visa Inc
IYR	iShares Dow Jones US Real Estate Index Fund	WFC	Wells Fargo & Co
JNJ	Johnson & Johnson	WYNN	Wynn Resorts Ltd
JNPR	Juniper Networks Inc	X	United States Steel Corp
KO	Coca-Cola Co/The	XHB	SPDR S&P Homebuilders ETF
LVS	Las Vegas Sands Corp	XLI	Industrial Select Sector SPDR Fund
MCD	McDonald's Corp	XLU	Utilities Select Sector SPDR Fund
MGM	MGM Mirage	XRT	SPDR S&P Retail ETF
MON	Monsanto Co		
MOS	Mosaic Co/The		
MRK	Merck & Co Inc/NJ		

(b) 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), 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 allows for a measured expansion of the Penny Pilot Program for the benefit of market participants.

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)⁶ of the Exchange Act and Rule 19b-4(f)(1)⁷ thereunder, 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 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. Please include File No. SR-ISE-2009-86 on the subject line.

Paper comments:

⁶ 15 U.S.C. 78s(b)(3)(A)(i).

⁷ 17 C.F.R. 240.19b-4(f)(1).

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

All submissions should refer to File Number SR-ISE-2009-86. 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 Commissions 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 inspection and copying 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 ISE. 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 Number SR-ISE-2009-86 and should be submitted by [insert date 21 days from the 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).