

Text of the Proposed Rule Change:¹

Rules of The NYSE Arca, Inc.

RULE 6

OPTIONS TRADING

Rule 6.4.

Series of Options Open for Trading

- (a) After a particular class of options (call option contracts or put option contracts relating to a specific underlying stock, Exchange-Traded Fund Share or calculated index) has been approved for listing and trading on the Exchange, the Exchange shall from time to time open for trading series of options therein. Prior to the opening of trading in any series of options, the Exchange shall fix the expiration month and exercise price of option contracts included in each such series. For One Week Option Series, the Exchange will fix a specific expiration date and exercise price, as provided in Commentary .07 below. For Quarterly Options Series, the Exchange will fix a specific expiration date and exercise price, as provided in Commentary .08 below. Except for One Week Option Series and Quarterly Options Series, at the commencement of trading on the Exchange of a particular class of options, series of options therein having four different expiration months will normally be opened. Additional series of options of the same class may be opened for trading on the Exchange at or about the time a prior series expires. The exercise price of each series of options opened for trading on the Exchange shall be fixed at a price per share which is reasonably close to the price per share at which the underlying stock or Exchange-Traded Fund Share is traded in the primary market at or about the time such series of options is first opened for trading on the Exchange. Additional series of options of the same class may be opened for trading on the Exchange as the market price of the underlying stock or Exchange-Traded Fund Share moves substantially from the initial exercise price or prices. Exercise price setting parameters adopted as part of the Options Listing Procedures Plan are set forth in Rule 6.4A. The opening of a new series of options on the Exchange shall not affect any other series of options of the same class previously opened. Commentary .07 will govern the procedures for opening One Week Option Series. Commentary .08 will govern the procedures for opening Quarterly Options Series.

- (b) – (d) No Change

¹ New text is underscored; deleted text is in brackets.

LEAPS**(e) Long-Term Equity Option Series**

(i) The Exchange may open for trading up to six extended far term expiration months for any index, Exchange-Trade Fund Share, or equity option class. The Exchange rules regarding strike price interval, bid/ask differentials and continuity shall not apply to such series until the time to expiration is less than twelve months for index options, and less than nine months for equity options or Exchange-Traded Fund Shares. When open for trading, trading in such option series shall commence either when there is buying or selling interest, or forty minutes prior to the close of trading for the day, whichever occurs first. Quotations will not be posted for extended far term option series until trading in such series is commenced on the day.

(ii) With regard to the listing of new January LEAPS series on equity options classes, options on Exchange Traded Funds ("ETFs"), or options on Trust Issued Receipts ("TIRs"), the Exchange shall not add new LEAP series on a currently listed and traded option class:

(A) Earlier than September (which is 28 months before the expiration), for an option class on the January expiration cycle;

(B) Earlier than October (which is 27 months before expiration), for an option class on the February expiration cycle; and

(C) Earlier than November (which is 26 months before expiration), for an option class on the March expiration cycle.

Pursuant to the Options Listing Procedures Plan, exchanges that list and trade the same equity option class, ETF option class, or TIR option class are authorized to jointly determine and coordinate with the Options Clearing Corporation on the date of introduction of new LEAP series for that option class consistent with this paragraph (ii).

(iii) The Exchange shall not list new LEAP series on equity option classes, options on ETFs, or options on TIRs in a new expiration year if the national average daily contract volume, excluding LEAP and FLEX series, for that option class during the preceding three calendar months is less than 1,000 contracts, unless the new LEAP series has an expiration year that has already been listed on another exchange for that option class. The preceding volume threshold does not apply during the first six months an equity option class, option on an ETF, or option on a TIR is listed on any exchange.

Commentary:

.01 - .08 No Change

Rule 6.4A.

Select Provisions of Options Listing Procedures Plan

(a) The provisions set forth in this Rule 6.4A were adopted by the Exchange as a quote mitigation strategy and are codified in the Options Listing Procedures Plan (“OLPP”). A complete copy of the current OLPP may be accessed at: http://www.optionsclearing.com/products/options_listing_procedures_plan.pdf.

(b) The exercise price of each options series listed by the Exchange shall be fixed at a price per share which is reasonably close to the price of the underlying equity security, Exchange Traded Fund (“ETF” and referred to as Exchange-Traded Fund Shares in Rule 5.3(g)) or Trust Issued Receipt (“TIR”) at or about the time the Exchange determines to list such series. Additionally,

(i) **Exercise Price Range Limitations** - Except as provided in subparagraphs (ii) through (iv) below, if the price of the underlying security is less than or equal to \$20, the Exchange shall not list new options series with an exercise price more than 100% above or below the price of the underlying security. However, the foregoing restriction shall not prohibit the listing of at least three exercise prices per expiration month in an options class. If the price of the underlying security is greater than \$20, the Exchange shall not list new options series with an exercise price more than 50% above or below the price of the underlying security.

The price of the underlying security is measured by:

(1) for intra-day add-on series and next-day series additions, the daily high and low of all prices reported by all national securities exchanges;

(2) for new expiration months, the daily high and low of all prices reported by all national securities exchanges on the day the Exchange determines its preliminary notification of new series; and

(3) for options series to be added as a result of pre-market trading, the most recent share price reported by all national securities exchanges between 8:45 a.m. and 9:30 a.m. Eastern Time.

(ii) The series exercise price range limitations contained in subparagraph (i) above do not apply with regard to:

(1) the listing of \$1 strike prices in options classes participating in the \$1 Strike Program. Instead, the Exchange shall be permitted to list \$1 strike prices to the fullest extent as permitted under its rules for the \$1 Strike Program; or

(2) the listing of series of Flexible Exchange Options.

(iii) The Exchange may designate up to five options classes to which the series exercise price range may be up to 100% above and below the price of the underlying security (which underlying security price shall be determined in accordance with subparagraph (i) above). Such designations shall be made on an annual basis and shall not be removed during the calendar year unless the options class is delisted by the Exchange, in which case the Exchange may designate another options class to replace the delisted class. If a designated options class is delisted by the Exchange but continues to trade on at least one options exchange, the options class shall be subject to the limitations on listing new series set forth in subparagraph (i) above unless designated by another exchange.

(iv) If the Exchange that has designated five options classes pursuant to subparagraph (iii) above requests that one or more additional options classes be excepted from the limitations on listing new series set forth in subparagraph (i) above, the additional options class(es) shall be so designated upon the unanimous consent of all exchanges that trade the options class(es). Additionally, pursuant to the Exchange's request, the percentage range for the listing of new series may be increased to more than 100% above and below the price of the underlying security for an options class, by the unanimous consent of all exchanges that trade the designated options class.

Exceptions for an additional class or for an increase of the exercise price range shall apply to all standard expiration months existing at the time of the vote, plus the next standard expiration month to be added, and also to any non-standard expirations that occur prior to the next standard monthly expiration.

(v) The provisions of this subparagraph (b) shall not permit the listing of series that are otherwise prohibited by the rules of the Exchange or the OLPP. To the extent the rules of the Exchange permit the listing of new series that are otherwise prohibited by the provisions of the OLPP, the provisions of the OLPP shall govern.

(vi) The Exchange may list an options series that is listed by another options exchange, provided that at the time such series was listed it was not prohibited under the provisions of the OLPP or the rules of the exchange that initially listed the series.