

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-64741; File No. SR-Phlx-2011-65)

June 24, 2011

Self-Regulatory Organizations; NASDAQ OMX PHLX LLC; Order Granting Approval of Proposed Rule Change Regarding Opening Index Option Months and Series

I. Introduction

On May 6, 2011, NASDAQ OMX PHLX LLC (“Phlx” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to regarding opening index option months and series. The proposed rule change was published for comment in the Federal Register on May 18, 2011.<sup>3</sup> The Commission received no comment letters on the proposal. This order approves the proposed rule change.

II. Description of the Proposal

The proposal seeks to harmonize the Exchange’s index option and equity option listing rules that govern the opening for trading of series and expiration months for approved options classes. The Exchange proposes to eliminate prescriptive guidelines stating which expiration months may be listed and replace them with simplified rules stating that the Exchange shall open a minimum of one expiration month and series for each class of approved stock index options, and that the Exchange may open additional series as needed (subject to certain conditions). The proposed rules are substantially identical to the rules in place for the listing of expiration months and series in stock or exchange-traded-fund (“ETF”) options.<sup>4</sup>

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

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> Securities Exchange Act Release No. 64480 (May 12, 2011), 76 FR 28836 (“Notice”).

<sup>4</sup> See Phlx Rule 1012(a)(1)(A); see also Nasdaq Rules Chapter IV, Section 6(b) and (e).

### III. Discussion

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.<sup>5</sup> Specifically, the Commission finds that the proposal is consistent with Section 6(b)(5) of the Act,<sup>6</sup> which requires, among other things, that the rules of a national securities exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. The Commission notes that it has previously approved language in exchange listing rules that provide an exchange will open at least one expiration month and one series for each class of equity and ETF options listed by the exchange.<sup>7</sup>

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<sup>5</sup> In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>6</sup> 15 U.S.C. 78f(b)(5).

<sup>7</sup> See Securities Exchange Act Release No. 57478 (March 12, 2008), 73 FR 14521 (March 18, 2008) (SR-Nasdaq-2007-004), at 14538 (approving rules for the Nasdaq Options Market, including specifically Chapter IV, Section 6(b) and (e)).

IV. Conclusion

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,<sup>8</sup> that the proposed rule change (SR-Phlx-2011-65) be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>9</sup>

Cathy H. Ahn  
Deputy Secretary

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<sup>8</sup> 15 U.S.C. 78s(b)(2).

<sup>9</sup> 17 CFR 200.30-3(a)(12).