

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-62829; File No. SR-BX-2010-061)

September 2, 2010

Self-Regulatory Organizations; NASDAQ OMX BX, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Permit Concurrent Listing of \$2.50 and \$1 Strikes on MNX Options

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that, on August 30, 2010, NASDAQ OMX BX, Inc. (the “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. 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

The Exchange proposes to amend Chapter XIV, Section 10 (Terms of Index Options Contracts) of the Rules of the Boston Options Exchange Group, LLC (“BOX”) to allow the Exchange to concurrently list \$2.50 and \$1 strikes on Mini- Nasdaq-100 Index (“MNX”) options, and that certain listing parameters only apply to \$1 strikes on MNX options. The text of the proposed rule change is available from the principal office of the Exchange, on the Commission’s website at [www.sec.gov](http://www.sec.gov), at the Commission’s Public Reference Room and also on the Exchange’s Internet website at

<http://nasdaqomxbx.cchwallstreet.com/NASDAQOMXBX/Filings/>.

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

---

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

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

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.

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

1. Purpose

The purpose of the proposed rule change is to allow BOX to concurrently list \$2.50 and \$1 strikes on MNX options, and that certain listing parameters only apply to \$1 strikes on MNX options. BOX believes that the availability of \$2.50 and \$1 strike price intervals in MNX option series will provide investors with greater flexibility by allowing them to establish positions that are better tailored to meet their investment objectives.

Since December 2008, BOX has had the ability to list \$1 strikes on MNX options.<sup>3</sup> In connection with the proposal to permit \$1 strikes for MNX options, BOX established parameters subject to which \$1 strikes may be added and delisted. For example, the number of initial series that BOX may add is limited to 11 series.<sup>4</sup> Also, the total number of additional series that may be added for \$1 strikes is sixty (60) per expiration month for each series in MNX options.<sup>5</sup>

Similar parameters do not exist with regard to the listing of \$2.50 strikes, and BOX now seeks to clarify that the parameters adopted with the proposal to permit \$1 strikes for MNX

---

<sup>3</sup> See Securities Exchange Act Release No. 59129 (Dec. 22, 2008), 73 FR 79945 (Dec. 30, 2008) (SR-BSE-2008-57) (rule change permitting \$1 strikes for MNX options).

<sup>4</sup> See Chapter XIV, Section 10(c)(5)(i) of the BOX Rules.

<sup>5</sup> See Chapter XIV, Section 10(c)(5)(ii) of the BOX Rules.

options do not apply to the listing of \$2.50 strikes for MNX options.<sup>6</sup> In addition, BOX is proposing to codify a bracketing provision that prohibits the Exchange from listing strike prices with \$1 intervals within \$0.50 of an existing strike price in the same series. This bracketing provision is identical to an existing provision in effect for the \$1 Strike Program, which permits the concurrent listing of \$2.50 and \$1 strikes.<sup>7</sup>

Finally, the Exchange proposes to change Section 10 (c) (5) (iii) providing that BOX shall not list LEAPS on Mini-NDX options at intervals less than \$5.00 to provide that BOX shall not list LEAPS on Mini-NDX options at intervals less than \$2.50.

BOX has analyzed its capacity and represents that it believes the Exchange and the Options Price Reporting Authority have the necessary systems capacity to handle the additional traffic associated with the concurrent listing and trading of \$1 and \$2.50 strikes for MNX options.

## 2. Statutory Basis

The Exchange believes that the proposal is consistent with the requirements of Section 6(b) of the Act,<sup>8</sup> in general, and Section 6(b)(5) of the Act,<sup>9</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. In particular, the Exchange believes that allowing the concurrent listing and trading of \$1 and \$2.50 strikes for MNX options

---

<sup>6</sup> See Chapter XIV, Section 10(c)(1) of the BOX Rules.

<sup>7</sup> See Supplementary Material .02(c) to Chapter IV, Section 6 of the BOX Rules.

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

<sup>9</sup> 15 U.S.C. 78f(b)(5).

will result in a continuing benefit to investors by giving them more flexibility to closely tailor their investment decisions in a greater number of securities.

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

Because the foregoing proposed rule change does not significantly affect the protection of investors or the public interest, does not impose any significant burden on competition, and, by its terms, does not become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>10</sup> and Rule 19b-4(f)(6) thereunder.<sup>11</sup>

The Exchange has requested that the Commission waive the 30-day operative delay. The Commission believes that waiver of the operative delay is consistent with the protection of investors and the public interest because the proposal is substantially similar to a rule of another exchange.<sup>12</sup> Therefore, the Commission designates the proposal operative upon filing.<sup>13</sup>

---

<sup>10</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>11</sup> 17 C.F.R. 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires the self-regulatory organization to submit to the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Commission has waived the five-day pre-filing requirement in this case.

<sup>12</sup> See CBOE Rules 5.5 and 24.9 and Interpretations and Policies .01 (j) to Rule 24.9. See also Securities Exchange Act Release No. 34-61270 (Dec. 31, 2009), 75 FR 1444 (Jan. 11, 2010) (SR-CBOE-2009-099).

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend 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-2010-061 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-2010-061. 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 website (<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

---

<sup>13</sup> For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

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 website 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 the 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 Number SR-BX-2010-061 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>14</sup>

Florence E. Harmon  
Deputy Secretary

---

<sup>14</sup> 17 CFR 200.30-3(a)(12).