

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-61989; File No. SR-NYSEAmex-2010-37)

April 27, 2010

Self-Regulatory Organizations; NYSE Amex LLC; Notice of Filing of Proposed Rule Change Amending Commentary to Rule 915 and Rule 916

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (the “Act”)<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that, on April 8, 2010, NYSE Amex LLC (“NYSE Amex” or the “Exchange”) filed with the Securities and Exchange Commission (the “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

The Exchange proposes to amend Commentary .10 to Rule 915 and Commentary .11 to Rule 916 for the purpose of listing and trading options on the shares of the ETFS Palladium Trust and the ETFS Platinum Trust. The text of the proposed rule change is available on the Commission’s Web Site at <http://www.sec.gov>. A copy of this filing is available on the Exchange’s Web site at [www.nyse.com](http://www.nyse.com), at the Exchange’s principal office and at the Commission’s Public Reference Room.

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

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

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

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

1. Purpose

Recently, the U.S. Securities and Exchange Commission ("SEC" or "Commission") authorized the Exchange to list and trade options on the SPDR Gold Trust<sup>4</sup> ("GLD") the iShares COMEX Gold Trust ("IAU") the iShares Silver Trust ("SLV"),<sup>5</sup> the ETFS Silver Trust ("SIVR") and the ETFS Gold Trust ("SGOL").<sup>6</sup> Now, the Exchange proposes to list and trade options on the ETFS Palladium Trust ("PALL") and the ETFS Platinum Trust ("PPLT").

Currently, Amex Rule 915 deems appropriate for options trading Exchange-Traded Fund Shares ("ETFs" or "Fund Shares") that are traded on a national securities exchange and are defined as an "NMS stock" in Rule 600 of Regulation NMS and that represent (i) interests in registered investment companies (or series thereof) organized as open-end management investment companies, unit investment trusts or similar entities that hold portfolios of securities and/or financial instruments including, but not limited to, stock index futures contracts, options on futures, options on securities and indexes, equity caps, collars and floors, swap agreements, forward contracts, repurchase agreements and reverse purchase agreements (the "Financial Instruments"), and money market instruments, including, but not limited to, U.S. government

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<sup>4</sup> See Securities Exchange Act Release No. 57894 (May 30, 2008), 73 FR 32061 (June 5, 2008) (order approving SR-Amex-2008-15).

<sup>5</sup> See Securities Exchange Act Release No. 59055 (December 4, 2008), 73 FR 238 [sic] (December 10, 2008) (order approving SR-Amex-2008-68).

<sup>6</sup> See Securities Exchange Act Release No. 61483 (February 3, 2010), 75 FR 6753 (February 10, 2010).

securities and repurchase agreements (the "Money Market Instruments") comprising or otherwise based on or representing investments in indexes or portfolios of securities and/or Financial Instruments and Money Market Instruments (or that hold securities in one or more other registered investment companies that themselves hold such portfolios of securities and/or Financial Instruments and Money Market Instruments); or (ii) interests in a trust or similar entity that holds a specified non-U.S. currency deposited with the trust or similar entity when aggregated in some specified minimum number may be surrendered to the trust by the beneficial owner to receive the specified non-U.S. currency and pays the beneficial owner interest and other distributions on deposited non-U.S. currency, if any, declared and paid by the trust; or (iii) commodity pool interests principally engaged, directly or indirectly, in holding and/or managing portfolios or baskets of securities, commodity futures contracts, options on commodity futures contracts, swaps, forward contracts and/or options on physical commodities and/or non-U.S. currency ("Commodity Pool Units"), or (iv) represents an interest in a registered investment company ("Investment Company") organized as an open-end management investment company or similar entity, that invests in a portfolio of securities selected by the Investment Company's investment adviser consistent with the Investment Company's investment objectives and policies, which is issued in a specified aggregate minimum number in return for a deposit of a specified portfolio of securities and/or a cash amount with a value equal to the next determined net asset value ("NAV"), and when aggregated in the same specified minimum number, may be redeemed at a holder's request, which holder will be paid a specified portfolio of securities and/or cash with a value equal to the next determined NAV ("Managed Fund Share").<sup>7</sup> In addition, pursuant to Commentary .10 to Rule 915 the Exchange may also list options based on shares of GLD, IAU,

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<sup>7</sup> See Commentary .06 to Rule 915.

SLV, SIVR, and SGOL. This proposed rule change seeks to expand the current exception set forth in Commentary .10 to Rule 915 for Exchange-Traded Fund Shares that may be approved for options trading on the Exchange to include PALL and PPLT.

Apart from allowing PALL and PPLT to be underlyings for options traded on the Exchange as described above, the listing standards for Exchange-Traded Fund Shares will remain unchanged from those that apply under current Exchange rules. Exchange-Traded Fund Shares on which options may be listed and traded must still be listed and traded on a national securities exchange and must satisfy the other listing standards set forth in Commentary .06 to Rule 915. Specifically, in addition to satisfying the listing requirements set forth above, Exchange-Traded Fund Shares must meet either (1) the criteria and guidelines under Commentary .01 to Rule 915; or (2) be available for creation or redemption each business day from or through the issuer in cash or in kind at a price related to net asset value, and the issuer must be obligated to issue Exchange-Traded Fund Shares in a specified aggregate number even if some or all of the investment assets required to be deposited have not been received by the issuer, subject to the condition that the person obligated to deposit the investments has undertaken to deliver the investment assets as soon as possible and such undertaking is secured by the delivery and maintenance of collateral consisting of cash or cash equivalents satisfactory to the issuer, as provided in the respective prospectus.

This proposal is intended to provide appropriate standards for the listing and trading of options on PALL and PPLT. The proposed revision to Commentary .11 to Rule 916 specifically provides that shares of PALL and PPLT be deemed “Exchange-Traded Fund Shares” for purposes of Commentary .07 to Rule 916. Under the applicable continued listing criteria in Commentary .07 to Amex Rule 916, the Exchange will consider the suspension of opening

transactions in PALL or PPLT in any of the following circumstances: (1) following the initial twelve-month period beginning upon the commencement of trading of PALL or PPLT, there are fewer than 50 record and/or beneficial holders of PALL or PPLT for 30 or more consecutive trading days; (2) the value of the underlying silver or underlying gold [sic] is no longer calculated or available; or (3) such other event occurs or condition exists that in the opinion of the Exchange makes further dealing on the Exchange inadvisable. In addition, PALL or PPLT shall not be deemed to meet the requirements for continued approval, and the Exchange shall not open for trading any additional series of option contracts of the class covering PALL or PPLT, respectively, if PALL or PPLT ceases to be an “NMS Stock” as provided for in Commentary .07(2) to Rule 916 or PALL or PPLT is halted from trading on the primary listing market, or if PALL or PPLT is delisted.

The Exchange represents that the listing and trading of PALL options or PPLT options under NYSE Amex rules will not have any effect on the rules pertaining to position and exercise limits<sup>8</sup> or margin.<sup>9</sup>

The Exchange represents that it has an adequate surveillance program in place for options on PALL and PPLT. The Exchange may obtain trading information via the Intermarket Surveillance Group (“ISG”) from other exchanges who are members or affiliates of the ISG. The Exchange may also obtain trading information from various commodity futures exchanges worldwide that have entered into comprehensive surveillance sharing agreements with the Exchange. In connection with PALL and PPLT, the Exchange represents that it may obtain information from the New York Mercantile Exchange, Inc. (“NYMEX”), pursuant to a comprehensive surveillance sharing agreement, related to any financial instrument that is based,

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<sup>8</sup> See NYSE Amex Rules 904 and 905.

<sup>9</sup> See NYSE Amex Rule 462.

in whole or in part, upon an interest in or performance of silver or gold [sic]. Prior to listing and trading options on PALL or PPLT, the Exchange represents that it will either have the ability to obtain specific trading information via ISG or through a comprehensive surveillance sharing agreement with the marketplace or marketplaces with last sale reporting that represent(s) the highest volume in derivatives (options or futures) on the underlying palladium or platinum.

## 2. Statutory Basis

The proposed rule change is consistent with Section 6(b)<sup>10</sup> of the Securities Exchange Act of 1934 (the “Act”), in general, and furthers the objectives of Section 6(b)(5)<sup>11</sup> in particular in that it is 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, and to remove impediments to and perfect the mechanisms of a free and open market and a national market system.

### 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 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

No written comments were solicited or received with respect to the proposed rule change.

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

Within 35 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds

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<sup>10</sup> 15 U.S.C. 78f(b).

<sup>11</sup> 15 U.S.C. 78f(b)(5).

such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) by order approve the proposed rule change, or
- (B) institute proceedings to determine whether the proposed rule change should be disapproved.

#### 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 No. SR-NYSEAmex-2010-37 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 No. SR-NYSEAmex-2010-37. 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 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 NYSE Amex. 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-NYSEAmex-2010-37 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>12</sup>

Florence E. Harmon  
Deputy Secretary

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