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) – (f)   No Change

Commentary:

.01 - .03   No Change

.04 (a) The Exchange may select a limited number of its listed options on individual stocks for which the interval of strike prices will be $1.00 ("$1 strike prices") provided the strike price is $50 or less, but not less than $1. The listing of $1 strike prices will be limited to options issues overlying no more than 150 individual stocks ("the $1 Strike Program") as specifically designated by the Exchange. The Exchange may list $1 strike prices on any other option issues if those issues are specifically designated by other securities exchanges that employ a $1 Strike Program under their respective rules. To be eligible for inclusion into the $1 Strike Program, an underlying stock must close below $50 in its primary market on the previous trading day. After a stock is added to the $1 Strike Program, the Exchange may list $1 strike prices from $1 to $50 that are no more than $5 from the closing price of the underlying on the preceding day, or no more than $5 from the opening price of the underlying on its primary market to be added intraday. For example, if the underlying stock closes at $13, the Exchange may list strike prices from $8 to $18. Also, for example, if the same issue were to open on its primary listing market the next day at $22.10, the Exchange could immediately list strike prices from $19 to $27. In instances where the overnight price movement in the underlying security has left a discontinuity in $1 strike prices, the Exchange may list all $1 strikes between the previous day's close and the opening price on the primary listing market. For instance, an underlying issue that closes at $14 may have $1 strikes from $9 to $19. If the same issue opens on its primary listing market the next day at $27.10, it may add $21 and $22, in addition to strikes from $23 to $32 (in addition to the standard interval strike of $20).

---

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

The Exchange may not list series with $1.00 intervals within $0.50 of an existing strike price in the same series, except that strike prices of $2, $3, $4, $5 and $6 shall be permitted within $0.50 of an existing strike price for classes also selected to participate in the $0.50 Strike Program, and may not list $2.50 intervals (e.g. $12.50, $17.50) below $50 under Commentary .03 of this Rule for any issue included within the $1 Strike Program [if the addition of $2.50 intervals would cause the issue to have strike price intervals that are $.50 apart]. The Exchange may list one $1 Strike option series strike above and below each standard $5 strike interval that is more than $5 from the price of the underlying security, with the strike being $2 above the standard strike for each interval above the price of the underlying security, and $2 below the standard strike, for each interval below the price of the underlying security, provided it meets the OLPP Provisions in Rule 6.4A. For instance, if the underlying security was trading at $19, the Exchange could list, for each month, the following strikes: $3, $5, $8, $10, $13, $14, $15, $16, $17, $18, $19, $20, $21, $22, $23, $24, $25, $27, $30, $32, $35, and $37. Additionally, the Exchange may not list long-term option series ("LEAPS") at [$1] $2.50 strike price intervals for any option class selected for the [$1] Strike Program.

For issues in the $1 Strike Program, the Exchange may list one long-term option series strike between each standard $5 strike interval, with the strike being $2 above the standard strike for each interval above the price of the underlying security, and $2 below the standard strike for each interval below the price of the underlying security. In addition, the Exchange may list the $1 strike which is $2 above the standard strike just below the underlying price at the time of listing, and may add additional long-term options series strikes as the price of the underlying security moves, consistent with the OLPP. For instance, if the underlying is trading at $21.25, long-term strikes could be listed at $15, $18, $20, $22, $25, $27, and $30. If the underlying subsequently moved to $22, the $32 strike could be added. If the underlying moved to $19.75, the $13, $10, $8, and $5 strikes could be added.

Additional long-term option strikes may not be listed within $1 of an existing strike until less than nine months to expiration.

A stock shall remain in the $1 Strike Program until otherwise designated by the Exchange.

(b) – (c)   No Change

Delisting Policy. With respect to options classes added pursuant to this Commentary .04, the Exchange will, on a monthly basis, review series in classes that had series that were listed under this provision with strike prices that are more than $5 from the current value of an options class and delist series with no open interest in both the put and the call series having a: (i) strike higher than the highest strike price with open interest in the put and/or call series for a given expiration month; and (ii) strike lower than the lowest strike price with open interest in the put and/or call series for a given expiration month.

Notwithstanding the above referenced delisting policy, member requests to add strikes and/or maintain strikes in series of options classes traded pursuant to this Commentary .04 eligible for delisting may be granted.

In connection with the above referenced delisting policy, if the Exchange identifies series for delisting, the Exchange shall notify other options exchanges with similar delisting policies regarding eligible series for delisting, and shall work with such other exchanges to develop a uniform list of series to be delisted, so as to ensure uniform series delisting of multiply listed options classes.

.05 - .09   No Change

*****