

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-61456; File No. SR-BX-2010-011)

February 1, 2010

Self-Regulatory Organizations; NASDAQ OMX BX, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Add 75 Classes to the Penny Pilot Program

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹, and Rule 19b-4 thereunder,² notice is hereby given that on January 27, 2010, NASDAQ OMX BX, Inc. (the “Exchange”) filed with the Securities and Exchange Commission (“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

NASDAQ OMX BX, Inc. (the “Exchange”) proposes to designate 75 options classes to be added to the Penny Pilot Program, as referenced in Chapter V, Section 33 of the Rules of the Boston Options Exchange Group, LLC (“BOX”). The Exchange intends to notify BOX Options Participants of the classes to be added to the Penny Pilot Program via Regulatory Circular. The text of the proposed Regulatory Circular is attached as Exhibit 2.³

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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ The Commission notes that the text of the proposed Regulatory Circular is attached at Exhibit 2 to the Form 19b-4, but is not attached to this Notice.

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

On October 19, 2009 the Exchange submitted a proposed rule change⁴ with the Securities and Exchange Commission ("Commission") to, among other things, expand the number of classes included in the Penny Pilot Program over four successive quarters, with 75 classes added in each of November 2009,⁵ February 2010, May 2010, and August 2010.⁶ Options classes with high premiums will be excluded for the quarterly additions.⁷

Based on trading activity for the six months ending December 31, 2009, the Exchange proposes to add the following 75 classes to the Penny Pilot Program on February 1, 2010:

⁴ See Securities and Exchange Act Release No. 60886 (October 27, 2009), 74 FR 56897 (November 3, 2009) (SR-BX-2009-067). This proposal was effective immediately upon filing.

⁵ The Exchange filed a proposal similar to the present proposal for the November 2, 2009 expansion of 75 classes. See Securities and Exchange Act Release No. 60950 (November 6, 2009), 74 FR 58666 (November 6, 2009) [sic] (SR-BX-2009-069). This proposal was effective immediately upon filing.

⁶ The quarterly additions will be effective on November 2, 2009, February 1, 2010, May 3, 2010 and August 2, 2010, respectively. For purposes of identifying the classes to be added per quarter, the Exchange shall use data from the prior six calendar months preceding the implementation month, except that the month immediately preceding their addition to the Pilot would not be utilized for purposes of the six month analysis. For example, the quarterly additions to be added on February 1, 2010 shall be determined using data from the six month period ending December 31, 2009.

⁷ The threshold for designation as "high priced" at the time of selection of new classes to be included in the Penny Pilot Program is \$200 per share or a calculated index value of 200. The determination of whether a security is trading above \$200 or above a calculated index value of 200 shall be based on the price at the close of trading on the Expiration Friday prior to being added to the Penny Pilot Program.

| Symbol | Company Name | Symbol | Company Name |
|--------|---------------------------------------|--------|----------------------------------------------|
| ABT | Abbott Laboratories | LEAP | Leap Wireless International Inc |
| AEM | Agnico-Eagle Mines Ltd | LLY | Eli Lilly & Co |
| AET | Aetna Inc | LO | Lorillard Inc |
| AFL | Aflac Inc | LOW | Lowe's Cos Inc |
| AKAM | Akamai Technologies Inc | M | Macy's Inc |
| AMAT | Applied Materials Inc | MCO | Moody's Corp |
| AMR | AMR Corp | MET | MetLife Inc |
| ANF | Abercrombie & Fitch Co | MMM | 3M Co |
| APC | Anadarko Petroleum Corp | MU | Micron Technology Inc |
| ATVI | Activision Blizzard Inc | NUE | Nucor Corp |
| BBD | Banco Bradesco SA | OXY | Occidental Petroleum Corp |
| BCRX | BioCryst Pharmaceuticals Inc | PARD | Poniard Pharmaceuticals Inc ⁸ |
| BK | Bank of New York Mellon Corp/The | PEP | PepsiCo Inc/NC |
| BRCM | Broadcom Corp | PM | Philip Morris International Inc |
| BTU | Peabody Energy Corp | PNC | PNC Financial Services Group Inc |
| BX | Blackstone Group LP | QID | ProShares UltraShort QQQ |
| CAL | Continental Airlines Inc | SHLD | Sears Holdings Corp |
| CF | CF Industries Holdings Inc | SLM | SLM Corp |
| CMCSA | Comcast Corp | SLW | Silver Wheaton Corp |
| CSX | CSX Corp | SQNM | Sequenom Inc |
| CVS | CVS Caremark Corp | STEC | STEC Inc |
| CX | Cemex SAB de CV | STX | Seagate Technology |
| DD | EI du Pont de Nemours & Co | SU | Suncor Energy Inc |
| ERTS | Electronic Arts Inc | TCK | Teck Resources Ltd |
| EWJ | iShares MSCI Japan Index Fund | TEVA | Teva Pharmaceutical Industries Ltd |
| FDX | FedEx Corp | TLT | iShares Barclays 20+ Year Treasury Bond Fund |
| FNM | Federal National Mortgage Association | TZA | Direxion Daily Small Cap Bear 3X Shares |
| FRE | Federal Home Loan Mortgage Corp | UAUA | UAL Corp |
| GILD | Gilead Sciences Inc | URE | ProShares Ultra Real Estate |
| GLW | Corning Inc | UTX | United Technologies Corp |
| HBC | HSBC Holdings PLC | WFR | MEMC Electronic Materials Inc |
| HES | Hess Corp | WFT | Weatherford International Ltd |
| HL | Hecla Mining Co | WLP | WellPoint Inc |
| HOG | Harley-Davidson Inc | XLB | Materials Select Sector SPDR Fund |
| HON | Honeywell International Inc | XRX | Xerox Corp |

⁸ Please note that PARD is presently not listed for trading on BOX. If PARD is listed for trading on BOX at a later date it will be subject to the applicable minimum trading increments as set forth in Chapter V, Section 6(b) of the BOX Rules.

| | | | |
|------|-----------------|------|-------------------|
| JOYG | Joy Global Inc | XTO | XTO Energy Inc |
| JWN | Nordstrom Inc | YRCW | YRC Worldwide Inc |
| KFT | Kraft Foods Inc | | |

2. Statutory Basis

The Exchange believes that the proposal is consistent with the requirements of Section 6(b) of the Act,⁹ in general, and Section 6(b)(5) of the Act,¹⁰ 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, by identifying the options classes added to the Penny Pilot Program in a manner consistent with prior rule changes.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(i) of the Exchange Act¹¹ and Rule 19b-4(f)(1) thereunder,¹² because it constitutes a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing BOX rule.

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

¹¹ 15 U.S.C. 78s(b)(3)(A)(i).

¹² 17 CFR 240.19b-4(f)(1).

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate the rule change if it appears to the Commission that the action is necessary or appropriate in the public interest, for the protection of investors, or would otherwise further 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. Please include File Number SR-BX-2010-011 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-2010-011. 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 inspection and copying 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 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 No. SR-BX-2010-011 and should be submitted on or before [insert date 21 days from date of publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹³

Florence E. Harmon
Deputy Secretary

¹³ 17 CFR 200.30-3(a)(12).