SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-66285; File No. SR-Phlx-2011-175)

February 1, 2012

Self-Regulatory Organizations; NASDAQ OMX PHLX LLC; Order Granting Approval of Proposed Rule Change Regarding Strike Price Intervals for SLV and USO Options

I. Introduction

On December 7, 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")[1] and Rule 19b-4 thereunder,[2] a proposed rule change regarding strike price intervals for options on iShares® Silver Trust ("SLV" or "SLV Trust") and United States Oil Fund ("USO" or "USO Fund"). The proposed rule change was published for comment in the Federal Register on December 22, 2011.[3] The Commission received no comment letters on the proposal. This order approves the proposed rule change.

II. Description of the Proposal

The proposed rule change seeks to amend Commentary .05 of Rule 1012 to allow trading of SLV and USO options at $0.50 strike price intervals where the strike price is less than $75.[4] The Exchange proposed no other changes to SLV and USO strike price intervals.

The Exchange stated that the proposed rule change is designed to address customer demand to hedge the SLV and USO options in smaller intervals and would, in part, allow better

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

3 Securities Exchange Act Release No. 65986 (December 16, 2011), 76 FR 79748 (December 22, 2011) ("Notice").

4 The Exchange also proposed certain non-substantive changes to Commentary .06 of Rule 1009.

tailored investment and hedging opportunities.[5]

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.[6] Specifically, the Commission finds that the proposal is consistent with Section 6(b)(5) of the Act,[7] 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 believes that the proposal strikes a reasonable balance between the Exchange's desire to offer a wider array of strike prices in SLV and USO options while minimizing the unnecessary proliferation of strike prices in such options. The Commission expects the Exchange to monitor the trading volume associated with the additional strike prices listed as a result of this proposal and the effect of these additional strike prices on market fragmentation and on the capacity of the Exchange's, OPRA's, and vendors' automated systems.

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5 See Notice at 79749.

6 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).

7 15 U.S.C. 78f(b)(5).

IV. Conclusion

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,[8] that the proposed rule change (SR-Phlx-2011-175) be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[9]

Kevin M. O'Neill
Deputy Secretary

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8 15 U.S.C. 78s(b)(2).

9 17 CFR 200.30-3(a)(12).