

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

Because the forgoing rule change does not: (1) Significantly affect the protection of investors or the public interest; (2) impose any significant burden on competition; and (3) become operative for 30 days after the date of this filing, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act¹¹ and Rule 19b-4(f)(6) thereunder.¹²

A proposed rule change filed under 19b-4(f)(6) normally may not become operative prior to 30 days after the date of filing.¹³ However, Rule 19b-4(f)(6)(iii)¹⁴ permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has requested that the Commission waive the 30-day operative delay. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest because such waiver would permit the Exchange rules to immediately reflect the new Trading Phase Date, March 5, 2007. For this reason, the Commission designates the proposed rule change to be operative upon filing with the Commission.¹⁵

At any time within 60 days of the filing of such proposed rule change the Commission may summarily abrogate 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. Please include File Number SR-NYSEArca-2007-18 on the subject line.

Paper Comments

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-NYSEArca-2007-18. 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. Copies of the filing also will be available for inspection and copying at the principal office of NYSE Arca. 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-NYSEArca-2007-18 and should be submitted on or before March 26, 2007.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁶

Florence E. Harmon,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55347; File No. SR-NYSEArca-2007-19]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Extend the Exchange's Standard Position and Exercise Limit Pilot Program

February 26, 2007.

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 February 23, 2007, the NYSE Arca, Inc. ("NYSE Arca" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been substantially prepared by the Exchange. The Exchange has filed the proposal as a "non-controversial" rule change pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(6) thereunder,⁴ which renders it effective upon filing with the Commission. 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

NYSE Arca proposes to amend its rules to extend the time period in NYSE Arca Rule 6.8(a), which covers the position limit and exercise limits pilot program for equity option contracts and options on the Nasdaq-100 Tracking Stock ("QQQQ") ("Pilot Program"). The text of the proposed rule change is available at NYSE Arca, the Commission's Public Reference Room, and <http://www.nysearca.com>.

¹⁶ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(6).

¹¹ 15 U.S.C. 78s(b)(3)(A).

¹² 17 CFR 240.19b-4(f)(6).

¹³ 17 CFR 240.19b-4(f)(6)(iii). In addition, Rule 19b-4(f)(6)(iii) requires that a self-regulatory organization 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. NYSE Arca has satisfied the five-day pre-filing notice requirement.

¹⁴ *Id.*

¹⁵ For the 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).

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

In its filing with the Commission, NYSE Arca 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. NYSE

Arca 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 this proposal is to extend the period for the Exchange's

Pilot Program relating to standard position and exercise limits for equity option contracts and for options on QQQs until September 1, 2007.⁵ Specifically, the Pilot Program increased the applicable position and exercise limits for equity options and options on the QQQ in accordance with the following levels:

Current equity option contract limit ⁶	Pilot Program Equity Option Contract Limit
13,500	25,000
22,500	50,000
31,500	75,000
60,000	200,000
75,000	250,000
Current QQQ option contract limit	Pilot program QQQ option contract limit
300,000	900,000

The Exchange believes that extending the Pilot Program until September 1, 2007 is warranted due to the positive feedback from OTP Holders and for the reasons cited in the original rule filing that proposed the Pilot Program.⁷ The Exchange has not encountered any problems or difficulties relating to the Pilot Program since its inception. For these reasons, the Exchange requests that the Commission extend the Pilot Program until September 1, 2007.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder and, in particular, the requirements of Section 6(b) of the Act.⁸ Specifically, the Exchange believes the proposed rule change is consistent with Section 6(b)(5) of the Act⁹ that requires that the rules of an exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts, 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.

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

Written comments on the proposed rule change were neither solicited nor received.

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

Because the foregoing rule change does not: (1) Significantly affect the protection of investors or the public interest; (2) impose any significant burden on competition; and (3) become operative for 30 days from the date of this filing, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act¹⁰ and Rule 19b-4(f)(6) thereunder.¹¹

A proposed rule change filed under Rule 19b-4(f)(6) normally may not

become operative prior to 30 days after the date of filing.¹² However, Rule 19b-4(f)(6)(iii)¹³ permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has requested that the Commission waive the 30-day operative delay. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and in the public interest because it will allow the Pilot Program to continue uninterrupted.¹⁴

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate 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 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:

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. NYSEArca has satisfied the five-day pre-filing requirement.

¹³ *Id.*

¹⁴ For purposes only of waiving the operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

⁵ The Pilot Program, which was effective upon filing on February 25, 2005 and subsequently extended, is due to expire on March 1, 2007. See Securities Exchange Act Release No. 51286 (March 1, 2005), 70 FR 11297 (March 8, 2005) (SR-PCX-2003-55) ("Pilot Program Notice"). See also Securities Exchange Act Release Nos. 54385 (August 30, 2006), 71 FR 53150 (September 8, 2006) (SR-NYSEArca-49); 53350 (February 22, 2006), 71 FR 10582 (March 1, 2006) (SR-PCX-2006-08); and 52263 (August 15, 2005), 70 FR 49003 (August 22, 2005) (SR-PCX-2005-95).

⁶ Except when the Pilot Program is in effect.

⁷ See Pilot Program Notice, *supra* note 5.

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(5).

¹⁰ 15 U.S.C. 78s(b)(3)(A).

¹¹ 17 CFR 240.19b-4(f)(6).

¹² 17 CFR 240.19b-4(f)(6)(iii). In addition, Rule 19b-4(f)(6)(iii) requires that a self-regulatory organization submit to the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the

Electronic Comments

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- Send an e-mail to rule-comments@sec.gov. Please include File No. SR-NYSEArca-2007-19 on the subject line.

Paper Comments

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, Station Place, 100 F Street, NE., Washington, DC 20549-1090.

All submissions should refer to File No. SR-NYSEArca-2007-19. 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. Copies of such filing will also be available for inspection and copying at the principal office of NYSE Arca. 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-NYSEArca-2007-19 and should be submitted on or before March 26, 2007.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁵

Florence E. Harmon,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55349; File No. SR-OCC-2006-08]

Self-Regulatory Organizations; The Options Clearing Corporation; Order Approving Proposed Rule Change To Revise Stock Futures Adjustment Methodology

February 26, 2007.

I. Introduction

On May 19, 2006, The Options Clearing Corporation ("OCC") filed with the Securities and Exchange Commission ("Commission") proposed rule change SR-OCC-2006-08 pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act").¹ Notice of the proposal was published in the **Federal Register** on December 14, 2006.² The Commission received no comment letters. For the reasons discussed below, the Commission is approving the proposed rule change.

II. Description

OCC is seeking to amend Article XII (Futures and Futures Options), Section 3 (Adjustments to Futures and Futures Options) of OCC's By-Laws to conform to the changes adopted in rule change SR-OCC-2006-01, which amended Article VI (Clearance of Exchange Transactions), Section 11A (Adjustments for Stock Option Contracts).³

On January 12, 2006, OCC filed with the Commission proposed rule change SR-OCC-2006-01. Pursuant to SR-OCC-2006-01, OCC proposed, among other things, to amend its adjustment rules in Article VI, Section 11A for stock option contracts with respect to stock dividends, stock distributions, and stock splits. Subject to the Commission approving proposed rule change SR-OCC-2006-01, OCC proposed to amend Article XII, Section 3 to ensure stock futures contracts can be adjusted in a manner consistent with adjustments made to stock option contracts on the same underlying security.

As described in rule change SR-OCC-2006-01, OCC amended certain of its adjustment rules with respect to stock option contracts to eliminate the need to

round strike prices and/or units of trading in the event of certain stock dividends, stock distributions, and stock splits.⁴ The adjustment rules for stock futures as currently provided in Article XII, Section 3 parallel the adjustment rules for stock options provided in Article VI, Section 11A. Uniformity of the two provisions would ensure that stock futures contracts can be adjusted in a manner consistent with adjustments made to stock option contracts on the same underlying security. The changes to Article XII, Section 3 that are the subject of this proposed rule change are made solely to track the changes made to Article VI, Section 11A and are intended to ensure that adjustments to stock options and to stock futures made for stock dividends, stock distributions, and stock splits will remain consistent with respect to an underlying security.

As noted above, the central purpose of the rule change in SR-OCC-2006-01 was to eliminate inequities which resulted from certain rounding practices previously required by OCC's By-Laws because stock option strike prices are quoted in and are therefore rounded to the nearest one-eighth. Stock futures do not have the same inequities because they are quoted in decimals.

Nevertheless, in order to ensure adjustments for stock options and for stock futures remain consistent, OCC proposes to revise the adjustment rules with respect to stock futures to match the revised adjustment rules with respect to stock options for stock dividends, stock distributions, and stock splits.

OCC will implement the proposed rule change described herein concurrently with the implementation of the changes approved in SR-OCC-2006-01.

III. Discussion

Section 19(b) of the Act directs the Commission to approve a proposed rule change of a self-regulatory organization if it finds that such proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to such organization. Section 17A(b)(3)(F) of the Act requires that the rules of a clearing agency be designed, in general, to protect investors and the public interest.⁵ The Commission believes that OCC's rule change is consistent with this Section because it is intended solely to keep the adjustment rules for stock futures with respect to stock

¹ 15 U.S.C. 78s(b)(1).

² Securities Exchange Act Release No. 54898 (December 8, 2006), 71 FR 75287.

³ Securities Exchange Act Release Nos. 55258 (February 8, 2007), 72 FR 7701 [File No. SR-OCC-2006-01] (order approving proposed rule change to revise stock options adjustment methodology) and 53400 (March 2, 2006), 71 FR 12226 [File No. SR-OCC-2006-01] (notice of filing of proposed rule change to revise stock options adjustment methodology).

⁴ The notice and order for SR-OCC-2006-01 describes OCC's proposed changes to and the rationale for the rule change to its adjustment rules for stock options.

⁵ 15 U.S.C. 78q-1(b)(3)(F).

¹⁵ 17 CFR 200.30-3(a)(12).