

proposed rule change, as modified by Amendment No. 1.

II. Description of the Proposal

The Exchange proposes to amend Commentary .10 to (i) expand the number of expirations available under the STOS Program; (ii) allow the Exchange to delist, in certain circumstances, series in the STOS program that do not have open interest; and (iii) allow the Exchange to list, in certain circumstances, additional series in the STOS program.

The proposed rule change allows the Exchange to open a maximum of five consecutive expirations under the STOS Program for trading on the Exchange. The Exchange notes that it will not add expirations in a STOS series if such expirations would coincide with an existing expiration of a monthly or quarterly series of an option in the same class of the STOS series.

The proposed rule change also amends the circumstances in which the Exchange may delist or list series in the STOS Program. Specifically, the proposed rule change provides that the Exchange will delist series in the STOS Program with no open interest in both the call and the put series having a: (i) Strike price higher than the highest strike price with open interest in the put and/or call series for a given expiration month; and (ii) strike price lower than the lowest strike price with open interest in the put and/or call series for a given month, so as to list series that are at least 10% but not more than 30% above or below the current price of the underlying security. The Exchange would also be permitted, under the proposed rule change, to list additional series in excess of the 30 series otherwise allowed⁴ under Commentary .10 that are between 10% and 30% above or below the price of the underlying security. The Exchange will only be allowed to delist or list series in accordance with the proposed rule change in the event that the underlying security has moved so that there are no series that are at least 10% above or below the current price of the underlying security.

The Exchange asserts that the ability to list five consecutive expirations under the STOS Program is designed to meet increased customer demand and provide market participants with the ability to hedge in a greater number of option classes and series.⁵ The

Exchange also claims that the proposed amendments regarding delisting or listing STOS series are designed to provide investors flexibility by ensuring that there are series within the band of at least 10% but not more than 30% above or below the current price of the underlying security.⁶

III. Discussion and Commission Findings

After careful review of the proposed rule change, 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.⁷ Specifically, the Commission finds that the proposal is consistent with Section 6(b)(5) of the Act,⁸ which requires, among other things, that the rules of a national securities 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 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 proposed change may provide the investing public and other market participants with greater flexibility to closely tailor their investment and hedging decisions in a greater number of series, thus allowing investors to better manage their risk exposure.

In approving this proposal, the Commission notes that the Exchange has represented that it and OPRA have the necessary systems capacity to handle the potential additional traffic associated with opening of up to five consecutive expirations under the STOS Program.⁹ The Commission expects the Exchange to monitor the trading volume associated with the additional options series listed as a result of this proposal and the effect of these additional series on market fragmentation and on the capacity of the Exchange's, OPRA's, and vendors' automated systems.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹⁰ that the proposed rule change, as modified by

⁶ See *id.*

⁷ In approving this proposed rule change, the Commission considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

⁸ 15 U.S.C. 78f(b)(5).

⁹ See Notice, *supra* note 3 at 59237.

¹⁰ 15 U.S.C. 78s(b)(2).

Amendment No. 1, (SR-NYSEMKT-2012-42) be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹¹

Kevin M. O'Neill,
Deputy Secretary.

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SMALL BUSINESS ADMINISTRATION

[Disaster Declaration #13365 and #13366]

New York Disaster Number NY-00130

AGENCY: U.S. Small Business Administration.

ACTION: Amendment 1.

SUMMARY: This is an amendment of the Presidential declaration of a major disaster for the State of New York (FEMA-4085-DR), dated 10/30/2012.

Incident: Hurricane Sandy.

Incident Period: 10/27/2012 and continuing.

Effective Date: 11/02/2012.

Physical Loan Application Deadline Date: 12/31/2012.

EIDL Loan Application Deadline Date: 07/31/2013.

ADDRESSES: Submit completed loan applications to: U.S. Small Business Administration Processing, And Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

FOR FURTHER INFORMATION CONTACT: A Escobar, Office of Disaster Assistance, U.S. Small Business Administration, 409 3rd Street SW., Suite 6050, Washington, DC 20416.

SUPPLEMENTARY INFORMATION: The notice of the Presidential disaster declaration for the State of NEW YORK, dated 10/30/2012 is hereby amended to include the following areas as adversely affected by the disaster:

Primary Counties: (Physical Damage and Economic Injury Loans): Rockland, Westchester.

Contiguous Counties: (Economic Injury Loans Only):

Connecticut: Fairfield.

New Jersey: Passaic.

New York: Orange, Putnam.

All other information in the original declaration remains unchanged.

(Catalog of Federal Domestic Assistance Numbers 59002 and 59008)

James E. Rivera,

Associate Administrator for Disaster Assistance.

[FR Doc. 2012-27781 Filed 11-14-12; 8:45 am]

BILLING CODE 8025-01-P

¹¹ 17 CFR 200.30-3(a)(12).

⁴ Commentary .10(a) provides, in part, that for each option class eligible for participation in the STOS Program, the Exchange may open up to 30 Short Term Option Series for each expiration date in that class.

⁵ See Notice, *supra* note 3 at 59237.