



**RULE  
ADOPTION  
NOTICE**

**RAN-06-42  
September 27, 2006**

**TO: All OTP Holders and OTP Firms**

**FROM: Office of the General Counsel**

**SUBJECT: Quarterly Options Series  
(File No. SR-NYSEArca-2006-66)**

On September 25, 2006, the NYSE Arca, Inc. ("Exchange") filed with the Securities and Exchange Commission ("Commission") a proposed rule change in order to establish a new cut-off time for the exercise of Quarterly Option Series. The proposed rule change was effective upon filing.

The following is the text of the rule change. Questions regarding this bulletin may be directed to Glenn Gsell at 415-835-4805.

**EXHIBIT 5**

**Text of the Proposed Rule Change:<sup>1</sup>**

**Rules of the NYSE Arca, Inc.**

**Rule 6**

**Option Contracts Traded on the Exchange**

**Rule 6.24. Exercise of Option Contracts**

(a) – (b) - No change.

(c) Exercise cut-off time. Option holders have until 2:30 p.m. (PST) on the business day immediately prior to the expiration date or, in the case of Quarterly Options Series, on the expiration date, to make a final decision to exercise or not exercise an expiring option. For customer accounts, OTP Holders and OTP Firms may not accept exercise instructions after 2:30 p.m. (PST) but have until 3:30 p.m. (PST) to submit a Contrary Exercise Advice. For non-customer accounts, OTP Holders and OTP Firms may not accept exercise instructions after 2:30 p.m. (PST) but have until 3:30 p.m. (PST) to submit a Contrary Exercise Advice if such OTP

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<sup>1</sup> New text is underscored. Deleted text is bracketed.

Holder and OTP Firm employs an electronic submission procedure with time stamp for the submission of exercise instructions by option holders. Consistent with Commentary .04, OTP Holder and OTP Firm are required to submit a Contrary Exercise Advice by 2:30 p.m. (PST) for non-customer accounts if such OTP Holder and OTP Firm do not employ an electronic submission procedure with time stamp for the submission of exercise instructions by option holders.

(d) – (g) – No change

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