



**RULE
ADOPTION
NOTICE**

**RAN-06-31
July 7, 2006**

TO: All NYSE Arca OTP Holders and OTP Firms

FROM: Department of Regulatory Policy

**SUBJECT: One Week Options Pilot Program – Extension
(File No. SR-NYSEArca-2006-29)**

On June 16, 2006, the Exchange filed with the Securities and Exchange Commission NYSEArca-2006-29, a proposed rule change that extends the pilot program under which the Exchange lists One Week Options Series. The Pilot Program will now operate until July 12, 2007. The rule change, which was effective upon filing, was published by the Commission in the Federal Register on July 7, 2006.

The following is the text of the rule change. Questions regarding this bulletin may be directed to Arturo Hurtado at (415) 393-4067 or Glenn Gsell at (415) 835-4805.

Text of the Proposed Rule Change:¹

**Rules of
NYSE Arca, Inc.**

**Rule 6
Options Trading**

Series of Options Open for Trading

Rule 5.19(a)(1) – (2) – No Change.

Rule 5.19(a)(3) – Expiration Months. Index Option contracts may expire at three (3) month intervals or in consecutive months. The Exchange may list up to six (6) months at any one time, but will not list index options that expire more than twelve (12) months out.

¹ New text is underscored; deleted text is in brackets.

One Week Option Series Pilot Program. Notwithstanding the preceding restriction, after an index option class has been approved for listing and trading on the Exchange, the Exchange may open for trading on any Friday that is a business day (“One Week Option Opening Date”) series of options on that class that expire at the close of business on the next Friday that is a business day (“One Week Option Expiration Date”). If the Exchange is not open for business on a Friday, the One Week Option Opening Date will be the first business day immediately prior to that Friday. Similarly, if the Exchange is not open for business on a Friday, the One Week Option Expiration Date will be the first business day immediately prior to that Friday. One Week Option Series shall be PM settled, except for One Week Option Series on indexes. One Week Option Series on indexes shall be A.M. settled.

The Exchange may select up to five currently listed option classes on which One Week Option Series may be opened on any One Week Option Opening Date. In addition, to the five-option class restriction, the Exchange also may list One Week Option Series on any option classes that are selected by other securities exchanges that employ a similar Pilot Program under their respective rules. For each index option class eligible for participation in the One Week Option Series Pilot Program, the Exchange may open up to five One Week Option Series index options for each expiration date in that class. The strike price of each One Week Option Series will be fixed at a price per share, with at least two strike prices above and two strike prices below the calculated value of the underlying index value at about the time the One Week Option Series is opened for trading on the Exchange. No One Week Option Series on an index option class may expire in the same week during which any A.M. settled monthly option series on the same index class expire.

The Exchange may continue to list One Week Option Series until the One Week Option Series Pilot Program expires on July 12, [2006] 2007.

(4)-(c) – No Change

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Rule 6.4 Series of Options Open for Trading

(a) – Commentary .06 – No Change.

Commentary .07 – One Week Option Series Pilot Program. After an option class has been approved for listing and trading on the Exchange, the Exchange may open for trading on any Friday that is a business day (“One Week Option Opening Date”) series of options on that class that expire at the close of business on the next Friday that is a business day (“One Week Option Expiration Date”). If the Exchange is not open for business on a Friday, the One Week Option Opening Date will be the first business day immediately prior to that Friday. Similarly, if the Exchange is not open for business on a Friday, the One Week Option Expiration Date will be the first business day immediately prior to that Friday. One Week Option Series shall be PM settled, except for One Week Option Series on indexes. One Week Option Series on indexes shall be A.M. settled.

No new One Week Option Series may be added after the open of business on the One Week Option Opening Date and no One Week Option Series may expire in the same week in which monthly option series on the same class expire.

The Exchange may select up to five currently listed option classes on which One Week Option Series may be opened on any One Week Option Opening Date. In addition, to the five-option class restriction, the Exchange also may list One Week Option Series on any option classes that are selected by other securities exchanges that employ a similar Pilot Program under their respective rules. For each option class eligible for participation in the One Week Option Series Pilot Program, the Exchange may open up to five One Week Option Series for each expiration date in that class. The strike price of each One Week Option Series will be fixed at a price per share, with at least two strike prices above and two strike prices below the value of the underlying security or calculated index value at about the time the One Week Option Series is opened for trading on the Exchange.

The Exchange may continue to list One Week Option Series until the One Week Option Series Pilot Program expires on July 12, [2006.] 2007.

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