

receives securities of another investment company as a dividend or as a result of a plan of reorganization of a company (other than a plan devised for the purpose of evading section 12(d)(1) of the Act); or (b) acquires (or is deemed to have acquired) securities of another investment company pursuant to exemptive relief from the Commission permitting such Underlying Fund to: (i) Acquire securities of one or more investment companies for short-term cash management purposes, or (ii) engage in interfund borrowing and lending transactions.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

**Florence E. Harmon,**

*Deputy Secretary.*

[FR Doc. E9-1083 Filed 1-21-09; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

### Sunshine Act Meeting

**FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT:** [74 FR 1734, January 13, 2009].

**STATUS:** Closed Meeting.

**PLACE:** 100 F Street, NE., Washington, DC.

**DATE AND TIME OF PREVIOUSLY ANNOUNCED MEETING:** Thursday, January 15, 2009 at 1 p.m.

**CHANGE IN THE MEETING:** Additional Item.

The following item has been added to the Thursday, January 15, 2009 Closed Meeting agenda:

A matter related to a financial institution.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552(b)(7), (8) (9)(B) and 17 CFR 200.402(a)(7), (8) and (9)(B) permit consideration of the scheduled matter at the Closed Meeting.

Commissioner Aguilar, as duty officer, determined that Commission business required the above change and that no earlier notice thereof was possible.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact the Office of the Secretary at (202) 551-5400.

Dated: January 15, 2009.

**Florence E. Harmon,**

*Deputy Secretary.*

[FR Doc. E9-1241 Filed 1-21-09; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

**[Release No. 34-59250; File No. SR-ISE-2008-90]**

### Self-Regulatory Organizations; International Securities Exchange, LLC; Order Approving Proposed Rule Change Relating to Alternative Primary Market Makers

January 14, 2009.

#### I. Introduction

On November 21, 2008, the International Securities Exchange, LLC ("ISE" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change relating to the introduction of Alternative Primary Market Makers ("Alternative PMMs") on the Exchange. The proposed rule change was published for comment in the **Federal Register** on December 15, 2008.<sup>3</sup> The Commission received no comments on the proposal. This order approves the proposed rule change.

#### II. Description of the Proposal

The Exchange proposes to amend ISE Rule 802 to provide for Alternative PMMs. Currently, when the ISE lists new options classes, it allocates them to one of its Primary Market Makers ("PMMs") under ISE Rule 802. Pursuant to power delegated to the Board, an Allocation Committee, which consists of representatives of Electronic Access Members, makes allocation decisions according to the guidelines contained in ISE Rule 802. Under ISE Rule 802, allocations are voluntary.<sup>4</sup> To better enable the Exchange to list and retain options classes that PMMs do not wish

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Securities Exchange Act Release No. 59053 (December 4, 2008), 73 FR 76078 (the "Notice").

<sup>4</sup> According to ISE, at times, the Exchange is unable to list new products because existing PMMs are not interested in trading the options class. At other times, ISE must delist certain products due to lack of PMM interest. ISE represents that this occurs most frequently with respect to options on stocks that have pending corporate actions and options products that are not listed at any other options exchange. ISE believes that despite the lack of PMM interest, these products may be of interest to other market making firms at the Exchange.

to trade, ISE proposes to appoint Competitive Market Makers ("CMMs") that meet certain qualifications as Alternative PMMs when none of the PMMs want an allocation.<sup>5</sup>

Under the proposal, if no PMMs or Second Market PMMs (as applicable) want the allocation, the Alternative PMMs would be offered the opportunity to serve as PMM in the options class in accordance with the Exchange's regular allocation procedures. Once appointed to an options class, the Alternative PMM would have all of the responsibilities and privileges of a PMM under the ISE Rules with respect to all appointed options classes.<sup>6</sup> If an Alternative PMM ceases trading of an options class, that options class will be reallocated by the Exchange. An Alternative PMM will not have any transferable rights in options classes to which it is appointed nor will it have any PMM voting rights.

#### III. Discussion and Commission Findings

After careful review, 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.<sup>7</sup> In particular, the Commission finds that the proposal is consistent with Section 6(b)(5) of the Act,<sup>8</sup> which requires that an exchange have rules designed to promote just and equitable principles of trade, 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 rule change, which is intended to allow the Exchange to allocate more new products and to facilitate the continued listing of existing products, is consistent with the Act. The Commission believes that the introduction of Alternative PMMs on

<sup>5</sup> Only CMMs that own or lease CMM Rights shall be eligible to be appointed as an Alternative PMM. That is, Electronic Access Members acting as market makers in the Second Market will not be eligible to be appointed as Alternative PMMs.

<sup>6</sup> For example, Alternative PMMs would enjoy privileges that include, among other things, participation rights and small order execution preference while accepting responsibilities that include, among other things, the obligation to provide continuous quotations in the options class to which the Alternative PMM is appointed, and the obligation to conduct the opening rotation on a daily basis for as long as the Alternative PMM is appointed to that options class.

<sup>7</sup> In approving this proposed rule change, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>8</sup> 15 U.S.C. 78f(b)(5).