

company, except as permitted by the order requested hereby.

4. Notwithstanding sections 17(a) and 17(d) of the Act, an affiliated person (as defined in section 2(a)(3) of the Act) of BHBC may engage in a transaction that otherwise would be prohibited by these sections with BHBC:

(a) If such proposed transaction is first approved by a bankruptcy court on the basis that (i) the terms thereof, including the consideration to be paid or received, are reasonable and fair to BHBC, and (ii) the participation of BHBC in the proposed transaction will not be on a basis less advantageous to BHBC than that of other participants; and

(b) In connection with each such transaction, BHBC shall inform the bankruptcy court of: (i) The identity of all of its affiliated persons who are parties to, or have a direct or indirect financial interest in, the transaction; (ii) the nature of the affiliation; and (iii) the financial interests of such persons in the transaction.

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

**Kevin M. O'Neill,**  
*Deputy Secretary.*

[FR Doc. 2012-9772 Filed 4-23-12; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

### Sunshine Act Meeting; Notice

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Public Law 94-409, that the Securities and Exchange Commission will hold a Closed Meeting on Thursday, April 26, 2012 at 2 p.m.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the Closed Meeting. Certain staff members who have an interest in the matters also may be present.

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)(3), (5), (7), 9(B) and (10) and 17 CFR 200.402(a)(3), (5), (7), 9(ii) and (10), permit consideration of the scheduled matters at the Closed Meeting.

Commissioner Walter, as duty officer, voted to consider the items listed for the Closed Meeting in a closed session.

The subject matter of the Closed Meeting scheduled for Thursday, April 26, 2012 will be:

Institution and settlement of injunctive actions;

Institution and settlement of administrative proceedings;

Other matters relating to enforcement proceedings; and

An opinion.

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: April 19, 2012.

**Elizabeth M. Murphy,**  
*Secretary.*

[FR Doc. 2012-9933 Filed 4-20-12; 4:15 pm]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-66825; File No. SR-ICC-2012-01]

### Self-Regulatory Organizations; ICE Clear Credit LLC; Order Approving Proposed Rule To Provide That One Hundred Percent (100%) of the Initial Margin Requirement for Client-Related Positions Cleared in a Clearing Participant's Customer Account Origin May Be Satisfied by a Clearing Participant Utilizing US Treasuries

April 18, 2012.

#### I. Introduction

On February 17, 2012, ICE Clear Credit LLC ("ICC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change SR-ICC-2012-01 pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act").<sup>1</sup> The proposed rule change was published for comment in the **Federal Register** on March 7, 2012.<sup>2</sup> The Commission received no comment letters. For the reasons discussed below, the Commission is granting approval of the proposed rule change.

#### II. Description

This rule change will allow clearing participants to satisfy the initial margin-related liquidity requirements for client-related positions cleared in a clearing participant's customer account origin by posting US Treasuries.

The proposed rule changes provide that one hundred percent (100%) of the initial margin requirement for client-related positions cleared in a clearing participant's customer account origin

may be satisfied by the clearing participant utilizing US Treasuries.<sup>3</sup>

The ICC rules currently provide that for all accounts at least forty-five percent (45%) of initial margin must be posted in US dollar cash. The next twenty percent (20%) must be posted in US dollar cash or US Treasuries. The remaining thirty-five percent (35%) must be posted in US dollar cash or US Treasuries or G7 cash.

The proposed rules provide that at least sixty-five percent (65%) of the initial margin requirement for client-related positions cleared in a clearing participant's customer account origin must be posted in US dollar denominated assets (US dollar cash and/or US Treasuries) and the remaining thirty-five percent (35%) must be posted in US dollar cash, US Treasuries, or G7 cash. The proposed changes will apply only to the initial margin liquidity requirements associated with the initial margin requirement for client-related positions cleared in a clearing participant's customer account origin. The proposed changes will not apply to the ICC liquidity requirements for house initial margin and the guaranty fund.

The proposed rule changes are intended to facilitate client-related clearing. Customers of ICC's clearing participants have indicated that the current US dollar cash liquidity requirement is too restrictive and serves as a barrier to clearing. The proposed rule changes are consistent with the recently promulgated CFTC regulation 39.11(e)(1) that provides that the CFTC's "cash" liquidity requirement includes US Treasury obligations. ICC routinely monitors its potential liquidity needs and reevaluates its liquidity requirements to ensure that it has sufficient intraday liquidity to manage cash payments in the event of a member default.<sup>4</sup>

<sup>3</sup> ICC applies haircuts to US Treasuries to mitigate liquidity risk. The haircuts as of April 1, 2012 are: 1.25% for US Treasuries maturing in less than one year, 2.5% for US Treasuries maturing in one to five years, 5.0% for US Treasuries maturing in five to ten years, and 10.0% for US Treasuries maturing in more than ten years (available at: [https://www.theice.com/publicdocs/clear\\_credit/ICE\\_Clear\\_Credit\\_Collateral\\_Management.pdf](https://www.theice.com/publicdocs/clear_credit/ICE_Clear_Credit_Collateral_Management.pdf)).

<sup>4</sup> Currently at least 45% of house initial margin and the guaranty fund requirements must be posted in US dollar cash and the ICC contribution to the guaranty fund is in US dollar cash. Additionally, ICC requires all members to meet and maintain their minimum guaranty fund requirement deposit of \$20 million in US dollar cash regardless of the amount of each member's total guaranty fund requirement. In addition, in the event of immediate liquidity needs in the event of a member's default, ICC may borrow (through IntercontinentalExchange, Inc.) up to an aggregate principal amount of \$100 million against IntercontinentalExchange, Inc.'s senior unsecured revolving credit facility.

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

<sup>2</sup> Securities Exchange Act Release No. 34-66500 (March 1, 2012), 77 FR 13678 (March 7, 2012).

### III. Discussion

Section 19(b)(2)(B) of the Act<sup>5</sup> 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<sup>6</sup> requires, among other things, that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions and, to the extent applicable, derivative agreements, contracts, and transactions.

The proposed rule change is intended to facilitate client-related clearing. Because the proposed rule change will expand the use of US Treasuries for the initial margin requirement for client-related positions cleared in a clearing participant's customer account origin, it will help remove certain barriers to client-related clearing, thereby promoting the prompt and accurate clearance and settlement of derivative agreements, contracts, and transactions, and therefore is consistent with the requirements of Section 17A(b)(3)(F) of the Act.

### IV. Conclusion

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of the Act and in particular with the requirements of Section 17A of the Act<sup>7</sup> and the rules and regulations thereunder.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>8</sup> that the proposed rule change (File No. SR-ICC-2012-01) be, and hereby is, approved.<sup>9</sup>

For the Commission by the Division of Trading and Markets, pursuant to delegated authority.<sup>10</sup>

**Kevin M. O'Neill,**  
*Deputy Secretary.*

[FR Doc. 2012-9769 Filed 4-23-12; 8:45 am]

**BILLING CODE 8011-01-P**

### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-66827; File No. SR-ISE-2012-26]

#### Self-Regulatory Organizations; International Securities Exchange, LLC; Notice of Filing of Proposed Rule Change To List and Trade Option Contracts Overlying 10 Shares of a Security

April 18, 2012.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on April 9, 2012, International Securities Exchange, LLC (the "Exchange" or the "ISE") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the self-regulatory organization. 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

The Exchange proposes to list and trade option contracts overlying 10 shares of a security ("Mini Options"). The text of the proposed rule change is available on the Exchange's Internet Web site at <http://www.ise.com>, at the principal office of the Exchange, and at the Commission's Public Reference Room.

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

In its filing with the Commission, the self-regulatory organization 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. The self-regulatory organization 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

Pursuant to ISE Rule 502, the Exchange currently lists and trades

standardized options contracts on a number of equities and Exchange-Traded Fund Shares ("ETFs"), each with a unit of trading of 100 shares. The purpose of this proposed rule change is to expand investors' choices by listing and trading option contracts on a select number of high-priced and actively traded securities, each with a unit of trading ten times lower than those of the regular sized option contracts, or 10 shares. Specifically, the Exchange proposes to adopt Supplementary Material .12(a) to ISE Rule 504, which states that after an option class on a stock or Exchange-Traded Fund Share with a 100 share deliverable has been approved for listing and trading on the Exchange, series of option contracts with a 10 share deliverable on that stock or Exchange-Traded Fund Share may be listed for all expirations opened for trading on the Exchange. The Exchange further proposes that Mini Options may only be listed on stocks and Exchange-Traded Fund Shares that meet the following criteria, at the time of listing: (a) The industry average daily options volume over the previous three calendar months is at least 10,000 contracts, and (b) the price of the underlying security is at least \$150.

The Exchange notes that as a result of the proposed listing criteria, only a handful of securities, ones that have significant options liquidity, will be eligible to have Mini Options listed on them. Specifically, pursuant to the listing criteria established by the Exchange for Mini Options, the following securities currently qualify to have Mini Options listed: Apple, Inc., (AAPL), SPDR Gold Trust (GLD), Google, Inc. (GOOG), Amazon, Inc. (AMZN), International Business Machines (IBM), and Priceline.com, Inc. (PCLN). The Exchange believes that Mini Options will appeal to retail investors who may not currently be able to participate in the trading of options on such high priced securities.

Except for the difference in the deliverable of shares, the proposed Mini Options would have the same terms and contract characteristics as regular sized equity and ETF options, including exercise style. All existing Exchange rules applicable to options on equities and ETFs would apply to Mini Options, except with respect to position and exercise limits and hedge exemptions to those position limits, which would be tailored for the smaller size. Pursuant to proposed amendments to Rule 412, position limits applicable to the regular sized option contract will also apply to the Mini Options on the same underlying security, with 10 Mini Option contracts counting as one regular

<sup>5</sup> 15 U.S.C. 78s(b)(2)(B).

<sup>6</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>7</sup> 15 U.S.C. 78q-1.

<sup>8</sup> 15 U.S.C. 78s(b)(2).

<sup>9</sup> In approving the proposed rule change, the Commission considered the proposal's impact on efficiency, competition and capital formation. 15 U.S.C. 78c(f).

<sup>10</sup> 17 CFR 200.30-3(a)(12).

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

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