

identified above, as well as any others they may have identified with the proposed rule change, as amended. In particular, the Commission invites the written views of interested persons concerning whether the proposed rule change, as modified by Partial Amendment No. 1, is inconsistent with Section 15A(b)(6) or any other provision of the Exchange Act, or the rules and regulations thereunder.

Although there do not appear to be any issues relevant to approval or disapproval which would be facilitated by an oral presentation of views, data, and arguments, the Commission will consider, pursuant to Rule 19b-4, any request for an opportunity to make an oral presentation.<sup>27</sup>

Interested persons are invited to submit written data, views, and arguments by [insert date 30 days from publication in the **Federal Register**] concerning Partial Amendment No. 1 and regarding whether the proposed rule change, as modified by Partial Amendment No. 1, should be approved or disapproved. Any person who wishes to file a rebuttal to any other person's submission must file that rebuttal by March 12, 2012. Comments may be submitted by any of the following methods:

#### *Electronic Comments*

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-FINRA-2011-057 on the subject line.

#### *Paper Comments*

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-FINRA-2011-057. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/>

[rules/sro.shtml](#)). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street NE., Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of FINRA. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make publicly available.

All submissions should refer to File Number SR-FINRA-2011-057 and should be submitted on or before February 27, 2012. Rebuttal comments should be submitted by March 12, 2012.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>28</sup>

**Kevin M. O'Neil,**

*Deputy Secretary.*

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**BILLING CODE 8011-01-P**

## **SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-66209; File No. SR-Phlx-2012-02]**

### **Self-Regulatory Organizations; NASDAQ OMX PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Reformatting the Fee Schedule**

January 20, 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 January 9, 2012, NASDAQ OMX PHLX LLC ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. 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 relocate various fees within the Fee Schedule and provide more detail in the Table of Contents in order to group fees with other similar types of fees.

The text of the proposed rule change is available on the Exchange's Web site at <http://nasdaqomxphlx.cchwallstreet.com/NASDAQOMXPHLX/Filings/>, 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 Exchange 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 Exchange 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 the Statutory Basis for, the Proposed Rule Change*

##### **1. Purpose**

The purpose of the proposed rule change is to relocate various fees within the Fee Schedule and add more detail to the Table of Contents to group fees so that those fees may be easily located within the Fee Schedule. The Exchange is not proposing any substantive amendments, but rather proposes to merely rearrange text within the Fee Schedule and add detail to the Table of Contents.

Specifically, the Exchange is proposing revisions to the Table of Contents, Section IV, entitled "PIXL Pricing", Section VI, entitled "Access Service, Cancellation, Membership, Regulatory and other Fees", and Section VIII, entitled, "Other Member Fees," as specified below.

##### **Table of Contents**

The Exchange proposes to amend the title of Section IV "PIXL Pricing" to "Other Transaction Fees" and also add three subsections: (1) A. PIXL Pricing; (2) B. Cancellation Fee; and (3) C. Options Regulatory Fee. The Exchange

<sup>27</sup> Section 19(b)(2) of the Exchange Act, as amended by the Securities Acts Amendments of 1975, Public Law 94-29, 89 Stat. 97 (1975), grants the Commission flexibility to determine what type of proceeding—either oral or notice and opportunity for written comments—is appropriate for consideration of a particular proposal by a self-regulatory organization. See Securities Acts Amendments of 1975, Report of the Senate Committee on Banking, Housing and Urban Affairs to Accompany S. 249, S. Rep. No. 75, 94th Cong., 1st Sess. 30 (1975).

<sup>28</sup> 17 CFR 200.30-3(a)(12); 17 CFR 200.30-3(a)(57).

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

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

is proposing to amend the title of Section VI "Access Service, Cancellation, Membership, Regulatory and other Fees" to "Member Fees" and also add three subsections: (1) A. Permit and Registration Fees; (2) B. Streaming Quote Trader ("SQT") Fees; and (3) C. Remote Streaming Quote Trader ("RSQT") Fees. The Exchange also proposes to amend Section VII, which is currently reserved, as "Other Member Fees" and also add four subsections: (1) A. Options Trading Floor Fees; (2) B. Port Fees; (3) C. FINRA Fees; and (4) D. Appeal Fees.

#### Section IV. PIXL Pricing

The Exchange proposes to rename Section IV as "Other Transaction Fees." The PIXL Pricing will remain in this Section as subsection A. The Exchange also proposes to add a subsection B for Cancellation Fees and a subsection C for the Options Regulatory Fees. The Cancellation Fees and the Options Regulatory Fees are currently located in Section VI, Access Service, Cancellation, Membership, Regulatory, and other Fees. The Exchange believes that these transaction fees are better suited to newly titled Section IV, Other Transaction Fees, because these fees would be located with other transaction fees in the front portion of the Fee Schedule.

#### Section VI. Access Service, Cancellation, Membership, Regulatory and Other Fees

The Exchange proposes to rename Section VI as "Membership Fees." Currently Section VI contains numerous types of Fees including the: Cancellation Fee, Real-time Risk Management Fee, Options Regulatory Fee, Permit and Registration Fees,<sup>3</sup> Streaming Quote Trader ("SQT") Fees, Remote Streaming Quote Trader ("RSQT") Fees, Options Trading Floor Fees,<sup>4</sup> Port Fees,<sup>5</sup> FINRA Fees<sup>6</sup> and Appeal Fees.<sup>7</sup> The Exchange proposes to

relocate the Cancellation Fee and the Options Regulatory Fee to newly named Section IV, Other Transaction Fees, as mentioned above. The Exchange proposes to create a subsection A for Permit and Registration Fees, a subsection B for SQT Fees and a subsection C for RSQT Fees. All other fees, including the Options Trading Floor Fees, Port Fees, FINRA Fees and Appeal Fees, will be relocated to a newly titled Section VII.

#### Section VII. Reserved

The Exchange proposes to rename Section VII, which is currently reserved, as "Other Member Fees." The Exchange proposes to relocate the Options Trading Floor Fees,<sup>8</sup> Port Fees,<sup>9</sup> FINRA Fees<sup>10</sup> and Appeal Fees<sup>11</sup> from Section VI. The Exchange proposes to group these fees into four subsections: A subsection A for Options Floor Fees, a subsection B for Port Fees, a subsection C for FINRA Fees and a subsection D for Appeal Fees for ease of reference.

#### 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act<sup>12</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>13</sup> in particular, in that it is 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, by organizing its Rules in such a way as to make them easy to locate by grouping transaction fees with other transaction fees and creating other categories of fees, such as Options Trading Floor Fees, Port Fees and Appeals Fees, which provide members an ability to view fees, which may be applicable to them, in one section or subsection of the Fee Schedule. The Exchange believes that also enhancing the Table of Contents, by renaming certain sections and adding subsections, provides greater clarity to the Fee Schedule and allows members to readily locate fees within the Fee Schedule.

#### B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

#### C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

#### III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.<sup>14</sup> At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

##### Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File No. SR-Phlx-2012-02 on the subject line.

##### Paper Comments

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090.

All submissions should refer to File No. SR-Phlx-2012-02. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the

<sup>3</sup> The Permit and Registration Fees include the: Permit Fee, Application Fee, Application Fee for Lapsed Applications, Transfer of Affiliation Fee, Account Fee, Initiation Fee, Inactive Nominee Fee and Clerk Fee.

<sup>4</sup> The Options Trading Floor Fees include the: Trading/Administrative Booths; Specialist Post Fee, Floor Facility Fees, Computer Equipment Services, Repairs and Replacements, Computer Relocation Requests and Controller Space Fee.

<sup>5</sup> Port Fees include the: Order Entry Port Fee; Active SQF Port Fee and Real-Time Risk Management Fee, which is noted herein.

<sup>6</sup> FINRA Fees include the: Continuing Education Fee, CRD Processing Fee, Disclosure Processing Fee; Annual System Processing Fee and Fingerprint Card Processing Fees.

<sup>7</sup> The Appeal Fees include the: Review/Process Subordinated Loans Fees, Forum Fee Pursuant to Rule 60 and the Review Fee Pursuant to Rule 124.

<sup>8</sup> See note 4.

<sup>9</sup> See note 5.

<sup>10</sup> See note 6.

<sup>11</sup> See note 7.

<sup>12</sup> 15 U.S.C. 78f(b).

<sup>13</sup> 15 U.S.C. 78f(b)(5).

<sup>14</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street NE., Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File No. SR-Phlx-2012-02 and should be submitted on or before February 16, 2012.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>15</sup>

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

[FR Doc. 2012-1584 Filed 1-25-12; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-66210; File No. SR-C2-2012-003]

### Self-Regulatory Organizations; C2 Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Related to Complex Order Price Check Parameter Features

January 20, 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 January 9, 2012, the C2 Options Exchange, Incorporated ("Exchange" or "C2") 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 Exchange. The Exchange has designated the proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b-4(f)(6) thereunder.<sup>4</sup> 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 is proposing to amend its complex order processing rules to update existing price check protection features and include some additional ones. The text of the proposed rule change is available on the Exchange's Web site (<http://www.c2exchange.com/Legal/RuleFilings.aspx>), at the Exchange's Office of the Secretary and at the Commission.

#### 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 Exchange 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 those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

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

###### 1. Purpose

The Exchange has in place various price check parameter features that are designed to prevent incoming orders from automatically executing at potentially erroneous prices. These price check parameter features are designed to help maintain a fair and orderly market. The Exchange is proposing to amend its complex order processing rules under Rule 6.13, *Complex Order Execution*, to update existing price check protection features to provide additional clarity on the operation of the functionality and to include some additional features. The Exchange believes the below-described price check parameter revisions will enhance the existing functionality and assist with the maintenance of fair and orderly markets by helping to mitigate the potential risks associated with an order drilling through multiple price points (thereby resulting in executions at prices that are extreme and potentially erroneous) and complex orders trading at prices that are inconsistent with particular complex order strategies (thereby resulting in

executions at prices that are extreme and potentially erroneous).

First, the Exchange is proposing to include descriptive headings in the rule text for each of the existing price check parameters. The Exchange is also proposing to break the description of the existing same expiration strategy price check parameters into two separate paragraphs instead of a single paragraph. We believe these changes will make it easier for users to read and understand the operation of these price protection features. These changes are simply non-substantive formatting changes and do not impact the operation of the various features.

Second, the market width parameter under Rule 6.13.04(a) currently provides that the complex order book ("COB") will not automatically execute eligible complex orders that are market orders if the width between the Exchange's best bid and best offer ("BBO") are not within an acceptable price range. In addition, the rule text currently provides that such market complex orders will be cancelled.

The Exchange is proposing to revise this provision to provide that the Exchange may determine to apply these price check parameters to market orders and/or marketable limit orders. However, whereas market orders that are subject to this price protection feature are cancelled, marketable limit orders would be held in the system. Any such orders held in the system would not be eligible to automatically execute until after the market width parameter condition is resolved. In addition, while being held in the system, such orders would be displayed in the COB as applicable. This functionality for marketable limit order is currently in use but not expressly covered in the rules. The Exchange believes that extending the same price check logic to not automatically execute such marketable limit orders but to continue to hold such orders in the system is reasonable and appropriate because, as with market orders, this feature should help to prevent executions of such limit orders at extreme and potentially erroneous prices. In contrast to market orders, marketable limit orders are able to be held in the system because they have a price associated with them. The Exchange also notes that applying market width price check logic to market orders and/or marketable limit orders is consistent with other existing price check parameters that apply to both market orders and marketable limit complex orders.<sup>5</sup> In addition, the

<sup>5</sup> See, e.g., Rule 6.17, *Price Check Parameters* (which provides, among other things, that the

<sup>15</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.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>4</sup> 17 CFR 240.19b-4(f)(6).