

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-67008; File No. SR-C2-2012-011]

Self-Regulatory Organizations; C2 Options Exchange, Incorporated; Notice of Filing of a Proposed Rule Change Relating to the Adoption of a Disaster Recovery Rule

May 17, 2012.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on May 14, 2012, C2 Options Exchange, Incorporated (the "Exchange" or "C2") filed with the Securities and Exchange Commission (the "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

C2 proposes to adopt a disaster recovery facility. The text of the proposed rule change is available on the Exchange's Web site (<http://www.c2exchange.com/Legal/>), 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 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 Exchange proposes to adopt new Rule 6.45, which would allow for the operation of a Disaster Recovery Facility ("DRF") in the event a disaster or other unusual circumstance renders the C2

trading system inoperable. The purpose of the DRF is to allow C2 to continue to trade exclusively-listed option classes until the Exchange's main trading system is again available (currently, only one exclusively-listed product trades on C2: Standard & Poor's 500 Index options with third-Friday-of-the-month expiration dates for which the exercise settlement value is based on the index value derived from the closing prices of component securities (SPXPM)). An exclusively-listed option is an option that trades exclusively on C2 because C2 has an exclusive license to list and trade such option, or has proprietary rights in the interest underlying the option.³ The DRF will provide a venue for exclusively-listed options to continue to trade so investors may open and close positions in those options in the event the main C2 system becomes inoperable.

C2 intends to utilize hardware located in the Chicago Board Options Exchange, Incorporated ("CBOE") building in Chicago, IL to run the DRF. C2's main trade engine is currently located on the East coast. As proposed, trading on the DRF would be identical to trading on C2. All C2 trading rules would continue to apply (including rules applicable to market-making) and the C2 fee schedule would continue to apply. Thus, the transition to the DRF would be relatively seamless for users. The Exchange is conducting testing with C2 Trading Permit Holders ("TPHs") to facilitate their readiness to trade on the DRF (a certification process is also employed). To that end, DRF test plan documents are currently available to all TPHs.⁴

The Exchange expects the DRF to be continuously usable and available, as needed. In connection with the commencement of trading on the DRF, C2 would announce its activation and identify the classes that would be available for trading. As previously mentioned, all classes traded via the DRF would be subject to all applicable C2 rules including non-trading rules. As soon as C2's main trading system becomes operable, the Exchange would resume trading on the main C2 platform and cease trading on the DRF.

Proposed Rule 6.45 also provides that TPHs shall take such action as

³ Exclusively-listed options are different than "singly-listed options" which are options that are not exclusively-listed options but that are listed by an exchange and by not any other national securities exchange. C2 does not currently trade any singly-listed options and will take measures to ensure that it does not trade singly-listed options in the future.

⁴ Completion of the test plan generally prepares a TPH to be ready to trade on the DRF if necessary.

instructed by the Exchange to accommodate the Exchange's ability to trade options via the DRF. As mentioned above, such actions will include an Exchange certification process to ensure that TPHs are prepared to migrate to the DRF when necessary. All C2 TPHs, including those that may only be a C2 TPH (and not a CBOE trading permit holder) will have access to the DRF.

The Exchange expects the DRF to be operational shortly, and it will be continuously maintained so that it would always be available if needed. The Exchange has written supervisory procedures that cover activation and use of the DRF. To the extent trading on the DRF is ever necessary, those procedures will help ensure that the transition to the DRF is handled efficiently and effectively. Lastly, the Exchange represents that it and CBOE have the necessary systems capacity to handle trading associated with the DRF including the extra quotation traffic that would be processed through the hardware located in the CBOE building.

2. Statutory Basis

The basis under the Securities Exchange Act of 1934 (the "Act") for this proposed rule change is the requirement under Section 6(b)(5)⁵ that an exchange have rules that are designed to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to promote just and equitable principles of trade, and to remove impediments to and perfect the mechanism for a free and open market and a national market system, and, in general, to protect investors and the public interest. In particular, the Exchange believes that providing a venue for C2 TPHs to continue to trade options that are only available for trading on C2 in the event the C2 system is rendered inoperable, facilitates transactions in securities and helps remove impediments to a free and open market and a national market system. This protects investors and serves the public interest in that investors with open positions will have the ability to trade out of those positions if C2 is unavailable, which is also consistent with Section 6(b) of the Act.

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

C2 does not believe that the proposed rule change will impose any burden on competition that is not necessary or

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

⁵ 15 U.S.C. 78f(b)(5).

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

The Exchange neither solicited nor received comments on the proposed rule change.

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

A. By order approve or disapprove such proposed rule change, or

B. Institute proceedings to determine whether the proposed rule change should be 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. Please include File Number SR-C2-2012-011 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-C2-2012-011. 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 10:00 a.m. and 3:00 p.m. Copies of the 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 Number SR-C2-2012-011 and should be submitted on or before June 13, 2012.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁶

Kevin M. O'Neill,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-67006; File No. SR-NYSEAmex-2012-30]

Self-Regulatory Organizations; NYSE Amex LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Extending Its Program That Allows Transactions To Take Place at a Price That Is Below \$1 Per Option Contract Until May 31, 2013

May 17, 2012.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (the "Act")² and Rule 19b-4 thereunder,³ notice is hereby given that on May 10, 2012, NYSE Amex LLC (the "Exchange" or "NYSE Amex") filed with the Securities and Exchange Commission (the "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.

⁶ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to extend its program that allows transactions to take place at a price that is below \$1 per option contract until May 31, 2013. The text of the proposed rule change is available at the Exchange, www.nyse.com, the Commission's Public Reference Room, and www.sec.gov.

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 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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The purpose of this filing is to extend the Pilot Program⁴ under Rule 968NY to allow accommodation transactions ("Cabinet Trades") to take place at a price that is below \$1 per option contract to May 31, 2013. The Exchange proposes to extend the program for one year.

An "accommodation" or "cabinet" trade refers to trades in listed options on the Exchange that are worthless or not actively traded. Cabinet trading is generally conducted in accordance with the Exchange Rules, except as provided in Exchange Rule 968NY Accommodation Transactions (Cabinet Trades), which sets forth specific procedures for engaging in cabinet trades. Rule 968NY currently provides for cabinet transactions to occur via open outcry at a cabinet price of a \$1 per option contract in any options series open for trading in the Exchange, except that the Rule is not applicable to trading in option classes participating in the Penny Pilot Program. Under the procedures, bids and offers (whether opening or closing a position) at a price of \$1 per option contract may be

⁴ See Securities Exchange Act Release No. 63475 (December 8, 2010), 75 FR 77932 (December 14, 2010) (SR-NYSEAmex-2010-114).