

burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>11</sup> and subparagraph (f)(6) of Rule 19b-4 thereunder.<sup>12</sup>

A proposed rule change filed under Rule 19b-4(f)(6)<sup>13</sup> normally does not become operative for 30 days after the date of filing. However, pursuant to Rule 19b-4(f)(6)(iii)<sup>14</sup> the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange requested that the Commission waive the 30-day operative delay. The Exchange noted that such waiver will permit the PIXL pilot to continue without interruption.

The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest, as it will allow the PIXL pilot to continue uninterrupted, thereby avoiding any potential investor confusion that could result from a temporary interruption in the pilot. Therefore, the Commission designates the proposed rule change to be operative on July 18, 2013.<sup>15</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.

#### 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 Number SR-Phlx-2013-74 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-Phlx-2013-74. 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, on official business days between the hours of 10:00 a.m. and 3:00 p.m., located at 100 F Street NE., Washington, DC 20549. 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 Number SR-Phlx-2013-74 and should be submitted on or before August 12, 2013.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>16</sup>

**Kevin M. O'Neill,**

*Deputy Secretary.*

[FR Doc. 2013-17468 Filed 7-19-13; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-69990; File No. SR-CBOE-2013-062]

### Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to PULSe Workstation Functionality

July 16, 2013.

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> notice is hereby given that on July 9, 2013, Chicago Board Options Exchange, Incorporated (the "Exchange" or "CBOE") 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

CBOE proposes to expand on the Exchange's past description of the routing functionality made available through the PULSe workstation. No changes to Exchange rule text are being proposed.

#### 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 Statutory Basis for, the Proposed Rule Change

###### 1. Purpose

The purpose of this proposed rule change is to expand on the Exchange's past description of the routing functionality made available through the PULSe workstation and to explain

<sup>11</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>12</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires the Exchange to give the Commission written notice of the Exchange's intent to file the proposed rule change along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Commission deems this requirement to have been met.

<sup>13</sup> 17 CFR 240.19b-4(f)(6).

<sup>14</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>15</sup> For purposes only of waiving the operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>16</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.

some new functionality. No changes to Exchange rule text are being proposed.

### Background

By way of background, the PULSe workstation is a front-end order entry system designed for use with respect to orders that may be sent to the trading systems of CBOE and CBOE Stock Exchange, LLC ("CBSX"). In addition, the PULSe workstation provides a user with the capability to send options orders to other U.S. options exchanges and/or stock orders to other U.S. stock exchanges and trading centers<sup>3</sup> ("away-market routing").<sup>4</sup> To use the away-market routing functionality, a CBOE or CBSX Trading Permit Holder ("TPH") must either be a PULSe Routing Intermediary or establish a relationship with a third party PULSe Routing Intermediary. A "PULSe Routing Intermediary" is a CBOE or CBSX TPH that has connectivity to, and is a member of, other options and/or stock exchanges and other trading centers. If a TPH sends an order from the PULSe workstation, the PULSe Routing Intermediary will route that order to the designated market on behalf of the entering TPH. Among other things, the PULSe workstation also causes CBOE and/or C2 (CBSX) to be the default destination exchange(s) (trading center) for individually executed marketable option (stock) orders if CBOE and/or C2 (CBSX) is at the national best bid or offer ("NBBO"), regardless of size or time, but allows any user to manually override CBOE and/or C2 (CBSX) as the default destination on an order-by-order basis (the "default destination function").<sup>5</sup> Under the current Fees

<sup>3</sup> A "trading center," as provided under Rule 600(b)(78) of Regulation NMS, 17 CFR 242.600(b)(78), means a national securities exchange or national securities association that operates an SRO trading facility, an alternative trading system, an exchange market maker, an OTC market maker, or any other broker or dealer that executes orders internally by trading as principal or crossing orders as agent.

<sup>4</sup> For a more detailed description of the PULSe workstation and its other functionalities, see, e.g., Securities Exchange Act Release Nos. 62286 (June 11, 2010), 75 FR 34799 (June 18, 2010) (SR-CBOE-2010-051), 63244 (November 4, 2010), 75 FR 69148 (November 10, 2010) (SR-CBOE-2010-100), 63721 (January 14, 2011), 76 FR 3929 (January 21, 2011) (SR-CBOE-2011-001), 65280 (September 7, 2011), 76 FR 56838 (September 14, 2011) (SR-CBOE-2011-083), and 65491 (October 6, 2011), 76 FR 63680 (October 13, 2011) (SR-CBOE-2011-092).

<sup>5</sup> Nothing about the PULSe order routing functionality would relieve any TPH that is using the PULSe workstation from complying with its best execution obligations. Specifically, just as with any customer order and any other routing functionality, a TPH would have an obligation to consider the availability of price improvement at various markets and whether routing a customer order through the PULSe functionality would allow for access to opportunities for price improvement

Schedule, the Exchange assesses, in relevant part:<sup>6</sup>

- An Away-Market Routing fee to the entering TPH of \$0.02 per executed options contract (or equivalent share amount in the case of stock) for away-market routing of orders through the PULSe workstation;
- an Away-Market Routing Intermediary fee to a Routing Intermediary for utilizing the PULSe away-market routing technology of \$0.02 per executed contract or share equivalent for the first 1 million contracts or share equivalent executed in a given month, and \$0.03 per contract or share equivalent for each additional contract or share equivalent executed in the same month;<sup>7</sup> and
- a CBOE/CBSX Routing fee to a TPH that makes the PULSe workstation available to non-TPHs. This fee is only applicable for routing to CBOE/CBSX from such non-TPH PULSe workstations. The fee is \$0.02 per contract or share equivalent for the first 1 million contracts or share equivalent executed in a month on CBOE/CBSX that originate from the non-TPH PULSe workstations made available by the

if readily available. Moreover, a TPH would need to conduct best execution evaluations on a regular basis, at a minimum quarterly, that would include its use of the PULSe workstation.

<sup>6</sup> For a complete listing of PULSe workstation-related fees, please refer to the CBOE Fees Schedule.

<sup>7</sup> This fee is assessed to Routing Intermediaries whether the Routing Intermediary is routing orders on behalf of itself as a TPH or as a third party Routing Intermediary for other TPHs. The fee is only applicable for away-market routing from any PULSe workstation. The fee rates are determined based on the aggregate level of transactions across all away-markets and across all PULSe workstations for which firm serves as the Routing Intermediary. See, e.g., SR-CBOE-2011-083, note 1, *supra*.

The Exchange notes that the Away-Market Routing Intermediary fee is not applicable for routes to the C2 Options Exchange, Incorporated ("C2") to the extent that the CBOE/CBSX TPH submitting the order to C2 is also a C2 TPH. By way of background, the PULSe workstation offers the ability to route orders to any market, including CBOE/CBSX affiliate C2. To the extent a CBOE/CBSX TPH that is also a C2 TPH obtains a PULSe workstation through CBOE, it is not necessary for that TPH to obtain a separate PULSe workstation through C2 to route orders to C2. It is also not necessary for that TPH to utilize the services of a Routing Intermediary to route orders to C2. As such, to the extent a CBOE/CBSX TPH is also a C2 TPH, a Routing Intermediary fee would not be applicable because the fee is only applicable for away-market routing through a Routing Intermediary. The TPH would not be routing away through a Routing Intermediary, but instead would be submitting orders directly to CBOE as a CBOE TPH, CBSX as a CBSX TPH or C2 as a C2 TPH, as applicable, where the TPH's activity would be subject to the transaction fee schedule of CBOE, CBSX or C2, respectively. To the extent a CBOE/CBSX TPH is not a C2 TPH and utilizes the services of a third party Routing Intermediary to route orders to C2, the Routing Intermediary would be subject to the fee for the CBOE/CBSX TPH's executions on C2.

TPH, and \$0.03 per contract or share equivalent for each additional contract or share equivalent executed on CBOE/CBSX in the same month from the non-TPH PULSe workstations made available by the TPH.<sup>8</sup>

### Proposal

The Exchange is proposing to expand on its past description of the PULSe workstation routing functionality in various respects. First, with respect to the default destination function, the Exchange proposes to revise its past description of the function to note that, when the Exchange has finished building the functionality, besides allowing a user to manually override CBOE and/or C2 (CBSX) as the default destination exchange(s) (trading center) for individually executed marketable option (stock) orders if CBOE and/or C2 (CBSX) is at the NBBO on an order-by-order basis, users will be able to change the default destination setting to any other options exchange (trading center) on a global basis (e.g., rather than defaulting to CBOE or C2, a user will be able to select another options exchange as the default exchange and a user could determine to manually override that exchange as the default destination on

<sup>8</sup> The Exchange notes that C2 has a similar "C2 Routing" fee in the C2 Fees Schedule that is applicable to C2 TPHs. To the extent that a CBOE TPH making the non-TPH PULSe workstations available is not also a CBSX TPH or a C2 TPH, routing from the non-TPH workstations to CBSX or C2 is not considered "CBOE/CBSX Routing" or "C2 Routing," respectively, and, therefore, is not subject to those fees (it would instead be considered "away-market routing" and subject to the Away-Market Routing and Away-Market Routing Intermediary fees described above). To the extent that a CBOE TPH making the non-TPH PULSe workstations available is also a CBSX TPH or C2 TPH, routing from the non-TPH workstations to CBSX or C2 is considered "CBOE/CBSX Routing" or "C2 Routing," respectively, and therefore is subject to the respective fee.

Example 1: Assume a CBOE TPH that is not a C2 TPH makes a PULSe workstation available to Non-TPH User A. To the extent that orders originating from Non-TPH User A's PULSe workstation are routed to CBOE, any resulting executions would be subject to the CBOE/CBSX Routing fee. To the extent that orders originating from Non-TPH User A's PULSe workstation are routed to C2, any resulting executions would be considered away-market routing and subject to the Away-Market Routing and Routing Intermediary fees (and not subject to the C2 Routing fee).

Example 2: Assume a CBOE TPH that is also a C2 TPH makes a PULSe workstation available to Non-TPH User A. To the extent that orders originating from Non-TPH User A's PULSe workstation are routed to CBOE, any resulting executions would be subject to the CBOE/CBSX Routing fee. To the extent that orders originating from Non-TPH User A's PULSe workstation are routed to C2, any resulting executions would be subject to the C2 Routing fee. (Given the CBOE TPH's status as a C2 TPH, such orders are not considered away-market routing and therefore are not subject to the Away-Market Routing and Routing Intermediary fees.)

an order-by-order basis). The Exchange notes that having the ability to change the default destination market will have no impact on the application of the current PULSe workstation-related fees.

Second, the Exchange proposes to expand on its past description of a PULSe Routing Intermediary. The Exchange notes that, currently, TPHs may determine to utilize a Routing Intermediary that employs “smart router” functionality which, generally, is functionality that determines where to route an order based on pre-set algorithmic logic. Thus, in addition to a user having the ability to designate a destination market to which to a Routing Intermediary is to route an order received from a PULSe workstation, a user may direct a Routing Intermediary to use its smart router functionality to determine the destination options exchange(s) (trading center(s)) on the TPH’s behalf. The Exchange further notes that users currently have the flexibility to determine when to route orders from PULSe to a Routing Intermediary’s smart router, e.g., the determination could be made by default, on an order-by-order basis, etc. When it comes to the default destination function (described above), rather than defaulting to an options exchange (trading center) for individually executed marketable option (stock) orders if the default market is at the NBBO, a user will have the flexibility to instead to utilize a Routing Intermediary’s smart router functionality as a default for determining where to route such orders on a global basis or as a manual override on an order-by-order basis if some other destination is configured for the default destination function. The Exchange notes that having the ability to route orders through a smart router will have no impact on the application of the current PULSe workstation-related fees.

Finally, the third purpose of this proposed rule change is to expand on our past description of the PULSe workstation routing functionality to note that users will also have the capability to send orders between PULSe workstations. For example, a user will be able to send an order from a PULSe workstation located in New York to a PULSe workstation located on the floor of the CBOE. The ability to send orders “PULSe-to-PULSe” will be available for use within a TPH (and any Non-TPHs to whom the TPH makes the PULSe workstation available) and between TPHs that use the PULSe workstation. A TPH may establish a PULSe-to-PULSe connection with another TPH by contacting CBOE, who will permission the connection. Before

setting up the connection, both TPHs would need to acknowledge in writing (e.g., including via email) their agreement to establish the mutual connection. The Exchanges notes that there are no fees applicable to the sending of orders from one PULSe workstation to another. The Exchange also notes that the Away-Market Routing, Away-Market Routing Intermediary and CBOE/CBSX Routing fees (described above) apply to the TPH associated with the PULSe workstation that ultimately routes an order for execution.

## 2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.<sup>9</sup> Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>10</sup> requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitation transactions in securities, 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. Expanding on the Exchange’s past description of the routing functionality made available through the PULSe workstation (for which the Exchange assesses Away-Market Routing, Away-Market Routing Intermediary, and CBOE/CBSX Routing fees) provides more information to the public about such functionality and confirmation of the application of applicable fees, and the availability of such information helps to perfect the mechanism of a free and open market and a national market system. Further, permitting PULSe workstation users to set their own default destinations, use smart router as a default, and send orders between PULSe workstations provides such users with more freedom in their uses of the PULSe workstations, which perfects the mechanism of a free and open market and a national market system.

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

CBOE does not believe that the proposed rule change will impose any

burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the features and functionalities described in this expanded description apply to all PULSe workstation users. The Exchange does not believe that the proposed rule change will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the proposed rule change does not make any changes to Exchange rules or the Exchange Fees Schedule, but merely expands on the Exchange’s past description of the routing functionality made available through the PULSe workstation and confirms the application of applicable fees. To the extent the features and functionalities described in this expanded description of PULSe workstations make CBOE (or CBSX) a more attractive marketplace for market participants at other exchanges, such market participants may elect to become CBOE market participants.

### *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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>11</sup> and paragraph (f) of Rule 19b-4<sup>12</sup> thereunder. 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 will institute proceedings to determine whether the proposed rule change 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

<sup>9</sup> 15 U.S.C. 78f(b).

<sup>10</sup> 15 U.S.C. 78f(b)(5).

<sup>11</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>12</sup> 17 CFR 240.19b-4(f).

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 Number SR-CBOE-2013-062 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-CBOE-2013-062. 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 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 publicly available. All submissions should refer to File Number SR-CBOE-2013-062 and should be submitted on or before August 12, 2013.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>13</sup>

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

[FR Doc. 2013-17469 Filed 7-19-13; 8:45 am]

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-69991; File No. SR-C2-2013-026]

**Self-Regulatory Organizations; C2 Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to PULSe Workstation Functionality**

July 16, 2013.

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> notice is hereby given that on July 9, 2013, 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 expand on the Exchange's past description of the routing functionality made available through the PULSe workstation. No changes to Exchange rule text are being proposed.

**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 Statutory Basis for, the Proposed Rule Change*

**1. Purpose**

The purpose of this proposed rule change is to expand on the Exchange's past description of the routing functionality made available through the PULSe workstation and to explain

some new functionality. No changes to Exchange rule text are being proposed.

**Background**

By way of background, the PULSe workstation is a front-end order entry system designed for use with respect to orders that may be sent to the trading systems of C2. In addition, the PULSe workstation provides a user with the capability to send options orders to other U.S. options exchanges and/or stock orders to other U.S. stock exchanges and trading centers<sup>3</sup> ("away-market routing").<sup>4</sup> To use the away-market routing functionality, a C2 Trading Permit Holder ("TPH") must either be a PULSe Routing Intermediary or establish a relationship with a third party PULSe Routing Intermediary. A "PULSe Routing Intermediary" is a C2 TPH that has connectivity to, and is a member of, other options and/or stock exchanges and other trading centers. If a TPH sends an order from the PULSe workstation, the PULSe Routing Intermediary will route that order to the designated market on behalf of the entering TPH. Among other things, the PULSe workstation also causes C2 and/or the Chicago Board Options Exchange, Incorporated ("CBOE") to be the default destination exchange(s) for individually executed marketable option orders if C2 and/or CBOE is at the national best bid or offer ("NBBO"), regardless of size or time, but allows any user to manually override C2 and/or CBOE as the default destination on an order-by-order basis (the "default destination function").<sup>5</sup> Similarly, the PULSe workstation may also be configured by the Exchange to cause the CBOE Stock Exchange, LLC

<sup>3</sup> A "trading center," as provided under Rule 600(b)(78) of Regulation NMS, 17 CFR 242.600(b)(78), means a national securities exchange or national securities association that operates an SRO trading facility, an alternative trading system, an exchange market maker, an OTC market maker, or any other broker or dealer that executes orders internally by trading as principal or crossing orders as agent.

<sup>4</sup> For a more detailed description of the PULSe workstation and its other functionalities, see, e.g., Securities Exchange Act Release Nos. 63246 (November 4, 2010) 75 FR 69478 (November 12, 2010) (SR-C2-2010-007), 65279 (September 7, 2011), 76 FR 56824 (September 14, 2011) (SR-C2-2011-020), and 65482 (October 4, 2011), 76 FR 62879 (October 11, 2011) (SR-C2-2011-028).

<sup>5</sup> Nothing about the PULSe order routing functionality would relieve any TPH that is using the PULSe workstation from complying with its best execution obligations. Specifically, just as with any customer order and any other routing functionality, a TPH would have an obligation to consider the availability of price improvement at various markets and whether routing a customer order through the PULSe functionality would allow for access to opportunities for price improvement if readily available. Moreover, a TPH would need to conduct best execution evaluations on a regular basis, at a minimum quarterly, that would include its use of the PULSe workstation.

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

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

<sup>13</sup> 17 CFR 200.30-3(a)(12).