

matters raised by the Postal Service's Notice.

2. Pursuant to 39 U.S.C. 505, Lawrence Fenster is appointed to serve as an officer of the Commission to represent the interests of the general public in this proceeding (Public Representative).

3. Comments are due no later than April 22, 2014.

4. The Secretary shall arrange for publication of this order in the **Federal Register**.

By the Commission.

**Shoshana M. Grove,**

*Secretary.*

[FR Doc. 2014-08953 Filed 4-18-14; 8:45 am]

BILLING CODE 7710-FW-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-71950; File No. SR-C2-2014-009]

### Self-Regulatory Organizations; C2 Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Its Fees Schedule

April 15, 2014.

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 April 4, 2014, C2 Options Exchange, Incorporated (the "Exchange" or "C2") filed with the Securities and Exchange Commission ("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 Options Exchange, Incorporated (the "Exchange" or "C2") proposes to amend its Fees Schedule. 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'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 Statutory Basis for, the Proposed Rule Change

###### 1. Purpose

The Exchange proposes to amend its Fees Schedule. Currently, C2 Market-Maker fees for simple, non-complex orders in equity options classes (both Penny Pilot classes and non-Penny Pilot classes) are calculated using a formula.<sup>3</sup> The maximum fee is \$0.85 per contract (\$0.085 for mini-options). The Exchange would like to set a standard fee of \$0.40 per contract (\$0.04 for mini-options) for C2 Market-Makers for simple, non-complex orders in Penny Pilot equity options classes.<sup>4</sup> This set rate is lower than the maximum fee in order to encourage quoting in such classes, and would lower the fee paid by C2 Market-Makers trading simple, non-complex orders in Penny Pilot equity options classes in the majority of transactions.

In conjunction with the above proposed change, the Exchange also proposes to modify the maximum Public Customer Taker Rebate (also for simple, non-complex orders in equity options classes) for Penny Pilot options.<sup>5</sup> Currently, the maximum rebate is \$0.75 per contract (\$0.075 for mini options), regardless of whether the options being traded are Penny Pilot classes or non-Penny Pilot classes. The Exchange does not propose to change

<sup>3</sup> Fee = (C2 BBO Market Width at time of execution) × (Market Participant Rate) × 50\*

\* For mini-options, the multiplier will be 5 instead of 50.

BBO Market Width: Displayed C2 Ask Price—Displayed C2 Bid Price.

The Market Participant Rate for C2 Market-Makers is 30%.

For more information, see C2 Fees Schedule, Section 1B.

<sup>4</sup> The Exchange proposes to add the statement "The above fee structure calculation does not apply to C2 Market-Makers trading Penny Pilot options; such C2 Market-Makers will be assessed a fee of \$0.40 per contract (\$0.04 for mini-options)."

<sup>5</sup> For more information about the Public Customer Taker Rebate, see C2 Fees Schedule, Section 1B.

this maximum rebate with respect to non-Penny Pilot options, but does propose to lower the maximum rebate to \$0.60 per contract (\$0.06 for mini-options) for Penny Pilot options. Since the Exchange is setting a fixed maximum fee rate for C2 Market-Makers, the Exchange desires to ensure that the spread between the maximum fee for C2 Market-Makers and maximum Public Customer Taker Rebate is not so large as to become economically imprudent for the Exchange.

Also in conjunction with the above proposed changes, the Exchange also proposes to delete from Section 1B the statement that "For the BAC, MBI, BBRY, DELL and JCP equity options classes, the maximum fee will be \$0.55 per contract and the maximum rebate will be \$0.45 per contract." This will put BAC, MBI, BBRY, DELL and JCP (the "Special Classes") on the same competitive footing, from a fees standpoint, as all other classes, and the same fees that apply to all other classes will apply to the Special Classes. Because the Special Classes are all Penny Pilot classes, C2 Market-Maker fees for such trades will be \$0.40 per contract and the maximum Public Customer Taker Rebate for such trades will be \$0.60 per contract.

The Exchange also proposes to adopt a fee of \$50 per month per login ID for PULSe workstation users that elect to access a COB Feed.<sup>6</sup> The COB Feed provides data (which has already been otherwise-available to PULSe Workstation users) on a data feed that specifically provides COB data. In order to improve the provision of this COB data, the Exchange has recently contracted an outside vendor to provide the COB Feed. The Exchange proposes to assess the new COB Feed Fee in order to recoup costs associated with the provision of the COB Feed.

###### 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>7</sup> Specifically, the Exchange believes the proposed rule change is consistent with Section 6(b)(4)

<sup>6</sup> "COB" stands for the Exchange's Complex Order Book. 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), 65482 (October 4, 2011), 76 FR 62879 (October 11, 2011) (SR-C2-2011-028), and 69991 (July 16, 2013), 78 FR 43956 (July 22, 2013) (SR-C2-2013-026).

<sup>7</sup> 15 U.S.C. 78f(b).

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

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

of the Act,<sup>8</sup> which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Trading Permit Holders and other persons using its facilities. The Exchange believes the proposed change to the C2 Market-Maker fee for simple, non-complex orders in Penny Pilot equity options classes is reasonable because, in most transactions, it would lower the fee paid by C2 Market-Makers trading simple, non-complex orders in Penny Pilot equity options classes (and would lower the maximum fee for such transactions from \$0.85 per contract to \$0.40 per contract (and from \$0.085 to \$0.04 for mini-options)). The Exchange believes that the proposed change is equitable and not unfairly discriminatory because it will apply to all C2 Market-Makers, and C2 Market-Makers take on certain obligations, such as quoting obligations, that other market participants do not have.

The Exchange believes that the proposed change to the Public Customer Taker Rebate for simple, non-complex orders in Penny Pilot equity options classes is reasonable because Public Customers Taking liquidity in those Penny Pilot classes will still receive a rebate (instead of paying a fee). The Exchange believes that the proposed change is equitable and not unfairly discriminatory because it will apply to all Public Customer Takers. While the proposed change will lower the Public Customer Taker Rebate, Public Customers will still be the only market participants that receive said rebate. This is equitable and not unfairly discriminatory because the options industry has a long history of providing preferential pricing to Public Customers in order to encourage Public Customer trading, which benefits other market participants (who prefer to trade with Public Customers). Further, Public Customers often have less sophisticated trading systems and apparatuses than other market participants.

The Exchange believes that it is equitable and not unfairly discriminatory to offer different pricing for Penny Pilot and non-Penny Pilot options because Penny Pilot options and non-Penny Pilot options offer different pricing, liquidity, spread and trading incentives. The spreads in Penny Pilot options are tighter than those in non-Penny Pilot options (which trade in \$0.05 and \$0.10 increments). Further, a number of options exchanges offer different pricing for Penny Pilot and non-Penny Pilot options.

The Exchange believes that eliminating separate pricing for the Special Classes is reasonable, equitable and not unfairly discriminatory because this will place the Special Classes on the same competitive footing, from a pricing standpoint, as all other Penny Pilot classes, and the same pricing that applies to all other Penny Pilot classes will apply to the Special Classes.

The Exchange believes that the COB Feed Fee is reasonable because, in order to improve the provision of this COB data, the Exchange has recently contracted an outside vendor to provide the COB Feed, and the new COB Feed Fee will help serve to recoup costs associated with the provision of the COB Feed. The Exchange believes the COB Feed Fee is equitable and not unfairly discriminatory because it will be assessed equally to all PULSe workstation users that request the COB Feed.

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

C2 does not believe that the proposed rule changes will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the proposed changes regarding C2 Market-Maker pricing will apply to all C2 Market-Makers, and C2 Market-Makers take on certain obligations, such as quoting obligations, that other market participants do not have. The proposed changes regarding the Public Customer Taker Rebate will apply to all Public Customers. While the proposed change will lower the Public Customer Taker Rebate, Public Customers will still be the only market participants that receive said rebate. This is not a burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the options industry has a long history of providing preferential pricing to Public Customers in order to encourage Public Customer trading, which benefits other market participants (who prefer to trade with Public Customers). Further, Public Customers often have less sophisticated trading systems and apparatuses than other market participants. The COB Feed Fee will be assessed to all PULSe workstation users who request the COB Feed. C2 does not believe that the proposed rule changes will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the proposed changes are intended to encourage trading on C2 and make C2 a more competitive market (and may encourage more competitive pricing from other exchanges). To the

extent that the proposed changes make C2 a more attractive market for market participants at other exchanges, such market participants may elect to become C2 market participants. The proposed change only affects trading on C2.

#### *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>9</sup> and paragraph (f) of Rule 19b-4<sup>10</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 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-C2-2014-009 on the subject line.

#### *Paper Comments*

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090.
- All submissions should refer to File Number SR-C2-2014-009. 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

<sup>8</sup> 15 U.S.C. 78f(b)(4).

<sup>9</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>10</sup> 17 CFR 240.19b-4(f).

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-C2-2014-009 and should be submitted on or before May 12, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>11</sup>

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

[FR Doc. 2014-08974 Filed 4-18-14; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-71914A; File No. SR-ISE-2014-20]

### Self-Regulatory Organizations; International Securities Exchange, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Schedule of Fees; Correction

April 9, 2014.

**AGENCY:** Securities and Exchange Commission.

**ACTION:** Notice; correction.

**SUMMARY:** The Securities and Exchange Commission published a document in the **Federal Register** of April 15, 2014 concerning a Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend the Schedule of Fees. The date on which the International Securities Exchange, LLC filed the proposed rule change with the

Securities and Exchange Commission was incorrectly stated.

### Correction

In FR Document No. 2014-08417 beginning on page 21321 for Tuesday, April 15, 2014, the date on which the International Securities Exchange, LLC filed with the Securities and Exchange Commission the proposed rule change was incorrectly stated on page 21321, in the 53rd line of the third column. The correct date is April 1, 2014.

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

[FR Doc. 2014-08971 Filed 4-18-14; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-71946; File No. SR-NYSEArca-2014-35]

### Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Amending the NYSE Arca Options Fee Schedule Regarding Transaction Fees and Credits

April 15, 2014.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (the "Act")<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that, on April 1, 2014, NYSE Arca, Inc. (the "Exchange" or "NYSE Arca") 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 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 the Substance of the Proposed Rule Change

The Exchange proposes to amend the NYSE Arca Options Fee Schedule ("Fee Schedule") regarding transaction fees and credits. The Exchange proposes to implement the fee changes effective April 1, 2014. The text of the proposed rule change is available on the Exchange's Web site at [www.nyse.com](http://www.nyse.com), at the principal office of the Exchange, and at the Commission's Public Reference Room.

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

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

## 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 Statutory Basis for, the Proposed Rule Change

#### 1. Purpose

The Exchange proposes to amend the Fee Schedule regarding transaction fees and credits. The Exchange proposes to implement the fee changes effective April 1, 2014. The purpose of this filing is to modify the Exchange's transaction fees to provide an incentive for more business to be executed on the Exchange.

NYSE Arca is proposing to modify certain volume-based incentives to attract more business to the Exchange as well as a fee change to offset these incentives. The Exchange will offset the incentives by raising the Take Liquidity fee for Customer Electronic Executions in Penny Pilot issues<sup>4</sup> to \$0.47 per contract.

First, NYSE Arca is proposing various modifications to its Customer Monthly Posting Credit Tiers and Qualifications For Executions in Penny Pilot Issues ("Penny Pilot Customer Tiers") to make some tiers less strenuous to achieve; make other tiers more difficult to reach, and to adjust the associated credits for various tiers. Specifically, the Exchange is proposing that the qualifying market share of Total Industry Customer equity and ETF option Average Daily Volume ("ADV") from executed Customer posted orders in all tiers of the Penny Pilot Customer Tiers be comprised of executed Customer posted orders in both Penny Pilot and non-Penny Pilot Issues ("Total Customer Posted Order Executions").<sup>5</sup>

<sup>4</sup> As provided under NYSE Arca Options Rule 6.72, options on certain issues have been approved to trade with a minimum price variation of \$0.01 as part of a pilot program that is currently scheduled to expire on June 30, 2014. See Securities Exchange Act Release No. 71159 (December 20, 2013), 78 FR 79042 (December 27, 2013) (SR-NYSEArca-2013-145).

<sup>5</sup> The Exchange notes that the alternative method of achieving Tiers 2 and 5 will remain at 0.70% and

<sup>11</sup> 17 CFR 200.30-3(a)(12).