

advance is reasonable because it allows FICC to use amounts collected in a targeted manner to develop this specific service, rather than raising overall fees, where the amount collected over any given period may vary based on transaction volumes and clearing members will have less certainty as to the amounts they will pay.

*(B) Clearing Agency's Statement on Burden on Competition*

FICC does not believe that the proposed rule change will have any impact, or impose any burden, on competition. As noted above, the development fees will be applied fairly among the clearing members because each clearing member or family of members, as applicable, will be charged an amount that is consistent with the previous year's fees, which is directly correlated to the member's or family's usage of MBSD's clearing and settlement service. FICC does not believe that calculating the proposed development fee with respect to a family of members, where applicable, imposes a burden on competition. If FICC assessed the proposed development fee on an individual entity without regard to the activity of its family members, it is possible that the family of members would be charged a significantly higher fee for the same amount of activity conducted by a single firm with no family members in MBSD (which would result in the fee being cost prohibitive for the family). This aspect of the development fee has been discussed with the MBSD members and no member raised an issue in this regard.

*(C) Clearing Agency's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others*

Written comments relating to the proposed rule change have not yet been solicited or received. FICC will notify the Commission of any written comments received by FICC.

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

The forgoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>13</sup> and Rule 19b-4(f)(2)<sup>14</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.

**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-FICC-2014-12 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-FICC-2014-12. 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 FICC and on its Web site (<http://www.dtcc.com/legal/sec-rule-filings.aspx>). 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-FICC-2014-12 and should be submitted on or before February 6, 2015.

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

**Brent J. Fields,**  
*Secretary.*

[FR Doc. 2015-00576 Filed 1-15-15; 8:45 am]

BILLING CODE 8011-01-P

**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-74038; File No. SR-C2-2014-028]

**Self-Regulatory Organizations; C2 Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to Amending Rule 8.2(d)**

January 13, 2015.

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 December 31, 2014, 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 and II 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 is proposing to remove the registration cost of SPXPM from Exchange Rule 8.2(d) as this class of options is no longer listed or traded on the Exchange. The text of the proposed rule change is provided below.

(additions are *italicized*; deletions are [bracketed])

\* \* \* \* \*

C2 Options Exchange, Incorporated  
Rules

\* \* \* \* \*

**Rule 8.2. Continuing Market-Maker Registration**

(a)-(c) No change.  
(d) Market-Maker Option Class Registration. Absent an exemption by the Exchange, an option class registration of a Market-maker confers the right to quote in that product. A Market-Maker may change its registered classes upon advance notification to the Exchange in a form and manner prescribed by the Exchange.

<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>13</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>14</sup> 17 CFR 240.19b-4(f)(2).

Each Trading permit held by a Market-Maker has a registration credit of 1.0. A Market-Maker may select for each Trading Permit the Market-Maker holds any combination of option classes, whose aggregate registration cost does not exceed 1.0. Option class “registration costs” are set forth below:

Option class	Registration cost
[SPXPM] .....	[1.0]
All [other] options .....	.001
(e) No change.	

\* \* \* \* \*

The text of the proposed rule change is also available on the Exchange’s Web site (<http://www.cboe.com/AboutCBOE/CBOELegalRegulatoryHome.aspx>), 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 is proposing to amend its Rule 8.2(d) regarding registration costs. In the current Exchange Rules, Rule 8.2 describes the registration process and corresponding registration costs for Trading Permit Holders (“TPHs”) on C2. Exchange Rule 8.2(d) lists the registration cost for options classes traded on C2. SPXPM has a registration cost of 1.0, which requires its own Trading Permit. However, SPXPM is no longer a class of options that is traded on C2 and the Exchange is proposing to update Exchange Rule 8.2(d) to reflect that change and to add clarity to the Exchange Rules.

By way of background, the Exchange was granted permission by the Commission in 2011 to list and trade Standard & Poor’s 500 Index (“S&P 500”) options with third-Friday-of-the-month (“Expiration Friday”) expiration

dates for which the exercise settlement value will be [sic] based on the index value derived from the closing prices of component securities (“P.M. settled”) on C2 on a pilot basis.<sup>3</sup> As a result of the Commission’s approval to list and trade SPXPM options on C2, the Exchange filed a subsequent rule filing to amend 8.2(d) to include the registration cost for SPXPM.<sup>4</sup>

Pursuant to Exchange Rule 8.2, an option class registration of a Market-Maker confers the right to quote in that product. Each Trading Permit held by a Market-Maker has a registration credit of 1.0. A Market-Maker may select for trading any combination of available option classes whose aggregate is 1.0 for each Trading Permit held. Since the Exchange has ceased the listing and trading of SPXPM, the Exchange is proposing to amend Rule 8.2(d) to delete the language that lists SPXPM and its registration cost of 1.0. There is no need for the registration cost of SPXPM to be listed under Rule 8.2(d) as this class of options is no longer traded on the Exchange. The Exchange is proposing the proposed change to harmonize the Exchange Rules with the current practices of the Exchange.

#### 2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (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>5</sup> Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>6</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 facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market

<sup>3</sup> See Securities Exchange Act Release No. 34–65256 (September 2, 2011), 76 FR 175 [sic] (September 9, 2011) (SR–C2–2011–008) (order approving listing and trading SPXPM on C2 on a pilot basis); see also Securities Exchange Act Release No. 34–68888 (February 8, 2013), 78 FR 31 [sic] (February 14, 2013) (SR–CBOE–2012–120) (order approving listing and trading SPXPM on CBOE on a pilot basis). C2 ceased trading SPXPM on February 19, 2013.

<sup>4</sup> See Securities Exchange Act Release No. 34–65452 (September 30, 2011), 76 FR 194 [sic] (October 6, 2011) (SR–C2–2011–023) (immediately effective filing establishing Market-Maker registration costs for SPXPM options).

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

<sup>6</sup> 15 U.S.C. 78f(b)(5).

system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>7</sup> requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the Exchange believes that the proposed rule filing will more specifically state the options classes that are traded on C2 and their corresponding registration costs for TPHs. The Exchange believes the proposed change is consistent with the Act in that it is merely updating an Exchange Rule to align with the current practices of the Exchange to avoid confusion with respect to registration costs for Market-Makers on C2. In addition, the proposed filing is not unfairly discriminating because SPXPM is no longer traded on C2 and as a result, the removal of SPXPM from the registration costs provided in 8.2(d) will be applied to all Market-Makers on C2. Finally, the proposed filing protects investors and the public interest by relieving confusion that might otherwise arise by having an obsolete reference in the CBOE [sic] Rule Book.

### 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 appropriate in furtherance of the purposes of the Act. In particular, the Exchange does not believe that the proposed rule filing will place any burden on intermarket competition because SPXPM is no longer an option class that is traded on C2 and thus, the change will be applied equally to all Market-Makers registered to trade on C2. Additionally, the Exchange does not believe that the proposed rule filing will place any burden on intermarket competition because it is merely updating the Exchange rules to harmonize them with the current practices of the Exchange.

### 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

Because the foregoing proposed rule change does not: (i) Significantly affect

<sup>7</sup> *Id.*

the protection of investors or the public interest; (ii) impose any significant 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) of the Act<sup>8</sup> and Rule 19b-4(f)(6)<sup>9</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-C2-2014-028 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-C2-2014-028. 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 will also 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-C2-2014-028 and should be submitted on or before February 6, 2015.

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

**Brent J. Fields,**  
*Secretary.*

[FR Doc. 2015-00624 Filed 1-15-15; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-74036; File No. SR-NYSEMKT-2014-97]

### **Self-Regulatory Organizations; NYSE MKT LLC; Order Approving Proposed Rule Change Amending Rules 311—Equities and 313—Equities To Add Limited Liability Companies as Eligible Member Organizations and Delineate the Information Limited Liability Companies Must Submit to the Exchange as Part of the Membership Process; Eliminate the Requirement That a Member Corporation Be Created or Organized, and Maintain Its Principal Place of Business, in the United States; and Make Additional Related Amendments To Update Its Membership Rules**

January 12, 2015.

#### **I. Introduction**

On November 12, 2014, NYSE MKT LLC (the "Exchange" or "NYSE MKT") filed with the Securities and Exchange Commission (the "Commission") 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> a proposal to amend NYSE MKT Rules 311—Equities ("Rule 311") and 313—Equities ("Rule 313") to add limited liability companies ("LLCs") to the types of eligible member organizations

and delineate the information LLCs must submit to the Exchange as part of the membership process; eliminate the requirement that a member corporation be created or organized, and maintain its principal place of business, in the United States; and make additional related amendments to update its membership rules. The proposed rule change was published for comment in the **Federal Register** on November 28, 2014.<sup>3</sup> The Commission received one comment on the proposal.<sup>4</sup> This order approves the proposed rule change.

#### **II. Description of the Proposal**

##### *A. Rule 311*

NYSE MKT Rule 311 governs the formation and approval of member organizations. The Exchange proposes to revise Rule 311 to explicitly provide for LLCs to apply to become member organizations and eliminate the requirement that a member corporation be created or organized, and maintain its principal place of business, in the United States.

The Exchange's membership rules currently provide for member organizations to be corporations or partnerships, but have not explicitly provided for LLCs.<sup>5</sup> The Exchange proposes to add LLCs to the types of potential member organizations and require LLCs to meet the same requirements currently applicable to partnerships and corporations set forth in Rule 311(b). As part of the proposed revision, the Exchange seeks to add a new section (4) to Rule 311(b) requiring every member of an LLC to be a member, principal executive, or approved person.<sup>6</sup> The Exchange also proposes to amend current Rule 311(b)(6) to reflect that proposed LLC member organizations must, like corporations and partnerships, also comply with any additional requirements as the rules of the Exchange may prescribe. In addition, the Exchange proposes to add new Supplementary Material .16 to Rule 311 to specify that LLC applicants for Exchange membership are subject to Rule 313.24 regarding the submission of copies of proposed or existing limited

<sup>3</sup> See Securities Exchange Act Release No. 73671 (Nov. 21, 2014), 79 FR 70900 (Nov. 28, 2014) ("Notice").

<sup>4</sup> See anonymous comment submitted through the Commission's Internet comment form on December 19, 2014.

<sup>5</sup> Current Rule 311(f) permits the Exchange to approve "entities that have characteristics essentially similar to corporations, partnerships, or both" as a member organization "on such terms and conditions as the Exchange may prescribe."

<sup>6</sup> Rule 311(b)(2) and (b)(3) currently impose the same requirement on the relevant control persons at corporations and partnerships, respectively.

<sup>8</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>9</sup> 17 CFR 240.19b-4(f)(6).

<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.