

Section 19(a)(3) of the Act¹⁴ provides that in the event any self-regulatory organization is no longer in existence or has ceased to do business in the capacity specified in its application for registration, “the Commission, by order, shall cancel its registration.”

Based upon the representations and undertakings made by PCX to the Commission and because PSDTC is no longer in existence and has ceased to do business in the capacity specified in its registration application, the Commission is canceling its registration effective February 24, 2012.

It is therefore ordered that:

Effective February 24, 2012, based on the facts and representations noted above, PSDTC’s registration as a clearing agency under Section 17A of the Exchange Act and Rule 17Ab2–1 thereunder is cancelled.

By the Commission.

Kevin M. O’Neill,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–66461; File No. 600–7]

Self-Regulatory Organizations; Midwest Securities Trust Company; Order Cancelling Clearing Agency Registration

February 24, 2012.

I. Background

On December 1, 1975, pursuant to Sections 17A(b) and 19(a)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 17Ab2–1 thereunder,² the Securities and Exchange Commission (“Commission”) approved on a temporary basis the application for registration as a clearing agency filed by the Midwest Securities Trust Company (“MSTC”).³ By

2011, it had not received any requests over the last two years for documents relating to PSDTC and that no claims relating to the operations of PSDTC had been made. Email from Janet McGinness, Senior Vice President, Legal and Corporate Secretary, NYSE Euronext, to David Karasik, Division of Trading and Markets, Commission (Aug. 26, 2011).

As a result of the business combination of NYSE Group, Inc. and Euronext N.V., the businesses of NYSE Group, including that of the NYSE LLC and NYSE Arca, and Euronext are now held under a single, publicly traded holding company named NYSE Euronext. Release Nos. 34–55293 (Feb. 14, 2007), 72 FR 8033 (Feb. 22, 2007) and 34–55026 (Dec. 29, 2006), 72 FR 814 (Jan. 8, 2007).

¹⁴ 15 U.S.C. 78s(a)(3).

¹⁵ 15 U.S.C. 78q–1(b) and 78s(a)(1).

¹⁷ 17 CFR 240.17Ab2–1.

³ Release No. 34–11875 (Nov. 26, 1975), 40 FR 55910 (Dec. 2, 1975).

subsequent orders, the Commission extended MSTC’s temporary registration.⁴ On September 23, 1983, pursuant to Section 17A and Rule 17Ab2–1 thereunder,⁵ the Commission approved on a permanent basis MSTC’s registration as a clearing agency.⁶ MSTC was a subsidiary of The Chicago Stock Exchange, Incorporated (“CHX”)⁷ and operated as a securities depository and trust company providing trade recording, comparison, clearance, and settlement services.⁸

II. Cancellation of MSTC’s Registration as a Clearing Agency

In a letter dated April 24, 2003, CHX stated that MSTC was no longer in operation and therefore had ceased to do business in the capacity specified in MSTC’s application for registration.⁹ Further, in a letter dated October 28, 2009, CHX indicated that MSTC had tendered its Certificate of Authority to the Illinois Office of Banks and Real Estate (“OBRE”) and referenced an agreement between CHX and OBRE regarding the transfer of long-abandoned property from MSTC to OBRE.¹⁰ As part of the subsequent wind down process, MSTC and CHX entered into an agreement with The Depository Trust Company (“DTC”) under which DTC assumed all rights, title, and interest to the name Kray & Co., the nominee partnership for MSTC (“Kray”).¹¹ CHX stated that, given the length of time that has elapsed since MSTC ceased active operations, CHX did not anticipate any future claims against MSTC, OBRE, Kray, or CHX.¹² CHX also stated that it

⁴ Release Nos. 34–13584, 42 FR 30066 (Jun. 10, 1977); 34–13911 (Aug. 31, 1977), 1977 WL 190688; 34–14531, 43 FR 10288 (Mar. 10, 1978); and 34–18584 (March 22, 1982), 47 FR 13266 (Mar. 29, 1982).

⁵ 15 U.S.C. 78q–1 and 17 CFR 240.17Ab2–1.

⁶ Release No. 34–20221, 48 FR 45167 (Oct. 3, 1983).

⁷ Letter from James A. Blanda, Senior Vice President & Treasurer, to Jerry Carpenter, Division of Market Regulation (now the Division of Trading and Markets), Commission (April 24, 2003) (“April 2003 Letter”).

⁸ Release No. 34–20221, *supra* note 6. See also Letter from David C. Whitcomb Jr., General Counsel, Chicago Stock Exchange, to David Karasik, Division of Trading and Markets, Commission (Oct. 28, 2009) (“October 2009 Letter”).

⁹ April 2003 Letter. MSTC was incorporated in Illinois on April 19, 1973, and was dissolved on December 17, 2009. LexisNexis, Public Records, Corporate Filings search (<http://www.lexis.com>) and Illinois Office of the Secretary of State (<http://www.ilsos.gov/corporatellc/>).

¹⁰ October 2009 Letter. See also April 2003 Letter.

¹¹ October 2009 Letter.

¹² *Id.* In addition, CHX represented that as of August 16, 2011, CHX has not, to the best of its knowledge, received any claims against, or document requests regarding, MSTC within the last two years. Email from James G. Ongeena, Vice President and Associate General Counsel, Chicago

would retain MSTC’s records that were subject to Rule 17a–1 in accordance with CHX’s document retention policies and that, as of October 28, 2009, most of the records required to be retained by Rule 17a–1 had exceeded the five year retention period required by Rule 17a–1(b).¹³

Section 19(a)(3) of the Act¹⁴ provides that in the event any self-regulatory organization is no longer in existence or has ceased to do business in the capacity specified in its application for registration, “the Commission, by order, shall cancel its registration.”

Based upon the representations and undertakings made by CHX to the Commission with regard to MSTC’s records and any potential future claims against MSTC and because MSTC is no longer in existence and has ceased to do business in the capacity specified in its registration application, the Commission is canceling MSTC’s registration effective February 24, 2012.

It is therefore ordered that:

Effective February 24, 2012, based on the facts and representations noted above, MSTC’s registration as a clearing agency under Section 17A of the Act and Rule 17Ab2–1 thereunder is cancelled.

By the Commission.

Kevin M. O’Neill,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–66472; File No. SR–C2–2012–008]

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

February 27, 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 February 23, 2012, C2 Options Exchange, Incorporated (the “Exchange” or “C2”) filed with the Securities and Exchange Commission (the “Commission”) the

Stock Exchange, to David Karasik, Division of Trading and Markets, Commission (Aug. 16, 2011).

¹³ *Id.* As noted above, CHX represented in April 2003 that MSTC was no longer in operation and had ceased to do business in the capacity specified in MSTC’s application for clearing agency registration. April 2003 Letter.

¹⁴ 15 U.S.C. 78s(a)(3).

¹⁵ 15 U.S.C. 78s(b)(1).

¹⁷ 17 CFR 240.19b–4.

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 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

On September 2, 2011, the Commission approved a proposed rule change filed by the Exchange to permit on a pilot basis the listing and trading on C2 of 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 based on the index value derived from the closing prices of component securities ("SPXPM").³ On September 28, 2011, the Exchange filed an immediately-effective rule change to adopt fees associated with the anticipated trading of SPXPM (the "Initial SPXPM Fees Filing").⁴ In the Initial SPXPM Fees Filing, the Exchange adopted an SPXPM Tier Appointment Fee of \$4,000 which would be charged to any Market-Maker Permit holder that has an appointment

(registration) in SPXPM at any time during a calendar month, but the Exchange also waived that fee through November 30, 2011. On November 23, the Exchange extended that waiver through December 31, 2011.⁵ The Exchange then extended that waiver once again through February 29, 2012.⁶ The Exchange hereby proposes continuing that waiver for three months through May 31, 2012. The purpose of this waiver extension is to allow more time for the SPXPM market to develop and allow and encourage Market-Makers to join in and elect for an SPXPM Tier Appointment.

The proposed rule change is to take effect on March 1, 2012.

2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Act,⁷ in general, and furthers the objectives of Section 6(b)(4)⁸ of the Act in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among C2 Trading Permit Holders and other persons using Exchange facilities. Continuing the waiver of the SPXPM Tier Appointment Fee is reasonable because it will allow Market-Makers with an SPXPM Tier Appointment to avoid paying the Tier Appointment Fee for another 3-month period, and is equitable and not unfairly discriminatory because all Market-Makers with an SPXPM Tier Appointment will be able to avoid paying the SPXPM Tier Appointment Fee through May 31, 2012.

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.

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.

³ See Securities Exchange Act Release No. 34-65874 (December 2, 2011), 76 FR 76785 (December 8, 2011) (SR-C2-2011-037).

⁶ See Securities Exchange Act Release No. 34-66140 (January 11, 2012), 77 FR 2772 (January 19, 2012) (SR-C2-2012-002).

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(4).

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

The proposed rule change is designated by the Exchange as establishing or changing a due, fee, or other charge, thereby qualifying for effectiveness on filing pursuant to Section 19(b)(3)(A) of the Act⁹ and subparagraph (f)(2) of Rule 19b-4¹⁰ 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. Please include File Number SR-C2-2012-008 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-C2-2012-008. 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

³ See Securities Exchange Act Release No. 34-65256 (September 2, 2011), 76 FR 55969 (September 9, 2011) (SR-C2-2011-008).

⁴ See Securities Exchange Act Release No. 34-65471 (October 3, 2011), 76 FR 62491 (October 7, 2011) (SR-C2-2011-026).

⁹ 15 U.S.C. 78s(b)(3)(A).

¹⁰ 17 C.F.R. 240.19b-4(f)(2).

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 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 No. SR-C2-2012-008 and should be submitted on or before March 23, 2012.

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

Kevin M. O'Neill,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-66471; File No. SR-ISE-2012-10]

Self-Regulatory Organizations; International Securities Exchange, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Exchange's Obvious Error Rule

February 27, 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 February 22, 2012, the International Securities Exchange, LLC (the "Exchange" or the "ISE") 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

The Exchange proposes to amend Rule 720 regarding Obvious Errors. The proposed rule change will re-define theoretical price ("Theoretical Price") for the purposes of determining whether an execution price constitutes an obvious error ("Obvious Error"). The text of the proposed rule change is

available on the Exchange's Web site www.ise.com, 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 self-regulatory organization 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 Obvious Error rules and procedures in the ISE Rules provide objective criteria by which certain transactions may be analyzed if believed to have been executed at erroneously high or low prices. ISE Rule 720 currently defines the Theoretical Price of an options series, if the series is traded on at least one other options exchange, as "the last bid price with respect to an erroneous sell transaction, and last offer price with respect to an erroneous buy transaction, just prior to the trade disseminated by the competing options exchange that has the most liquidity in that option; or if there are no quotes for comparison purposes, as determined by designated personnel in the Exchange's market control center."

The proposed rule change would re-define Theoretical Price to mean, with respect to options series traded on at least one other options exchange, either the last National Best Bid price (with respect to an erroneous sell transaction) or the last National Best Offer price (with respect to an erroneous buy transaction), just prior to the trade in question. The proposed new definition of Theoretical Price will provide the Exchange's market control center with a clearly defined measure of the price on which to base their determination as to whether or not a particular transaction resulted from an erroneous price thus [sic] was an obvious error.³ This proposed rule change would continue to

permit the Exchange's market control center to establish the Theoretical Price when there are no quotes available for comparison purposes.

As this proposed rule change will eliminate any comparison to the "competing options exchange that has the most liquidity in that option," the Exchange proposes to remove Supplementary Material .06 to ISE Rule 720.

2. Basis

The Exchange believes that this proposed rule change is consistent with the requirements of Section 6(b) of the Securities Exchange Act of 1934 ("Exchange Act"),⁴ in general, and Section 6(b)(5) of the Exchange Act,⁵ in particular, in that it is designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts, 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 proposed rule change will establish an objective definition of Theoretical Price when determining whether a particular transaction was or was not an Obvious Error.

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

The proposed rule change does not impose any burden on competition that is 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

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any unsolicited written comments from members or other interested parties.

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

Because the foregoing proposed rule change does not significantly affect the protection of investors or the public interest, does not impose any significant burden on competition, and, by its terms, does not 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

¹¹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ The Exchange notes that Boston Options Exchange ("BOX") uses the NBBO to determine the theoretical price of an option. See BOX Chapter V, Sec. 20.

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(5).