

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 16	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2013 - * 014 Amendment No. (req. for Amendments *)
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Filing by C2 Options Exchange, Incorporated  
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
Pilot <input type="checkbox"/>			Rule		
Extension of Time Period for Commission Action * <input type="checkbox"/>		Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) <input type="checkbox"/>	Section 3C(b)(2) <input type="checkbox"/>
Section 806(e)(2) <input type="checkbox"/>	

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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**Description**  
Provide a brief description of the action (limit 250 characters, required when Initial is checked \*).  
  
Proposed Rule Change to Amend C2 Rule 6.3 (Meaning of Premium Bids and Offers) for Mini-Options Launch.

**Contact Information**  
Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name \* Jenny Last Name \* Golding  
Title \* Senior Attorney  
E-mail \* golding@cboe.com  
Telephone \* (312) 786-7466 Fax (312) 786-7919

**Signature**  
Pursuant to the requirements of the Securities Exchange Act of 1934,  
  
has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.  
(Title \*)  
Senior Attorney / Assistant Secretary

Date 03/14/2013  
By Jenny L. Golding  
(Name \*)

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

Persona Not Validated - 1357598039627,

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

**Form 19b-4 Information \***

Add Remove View

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

**Exhibit 1 - Notice of Proposed Rule Change \***

Add Remove View

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies**

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications**

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

**Exhibit 3 - Form, Report, or Questionnaire**

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

**Exhibit 4 - Marked Copies**

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

**Exhibit 5 - Proposed Rule Text**

Add Remove View

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

**Partial Amendment**

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

Item 1. Text of the Proposed Rule Change

(a) C2 Options Exchange, Incorporated (“C2” or “Exchange”) proposes to amend C2 Rule 6.3 (Meaning of Premium Bids and Offers) by adding how bids and offers will be expressed for option contracts overlying 10 shares of a security. The text of the proposed rule change is attached as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

Item 2. Procedures of the Self-Regulatory Organization

(a) The Exchange’s President (or designee) approved the proposed rule change pursuant to delegated authority on March 6, 2013.

(b) Please refer questions and comments on the proposed rule change to Joanne Moffic-Silver, General Counsel, CBOE, 400 South LaSalle, Chicago, IL 60605, (312) 786-7462 or Jenny Golding, (312) 786-7466.

3. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(a) Purpose

C2 Chapter 5 (Securities Dealt In) was recently amended to allow for the listing of option contracts that deliver 10 physical shares on SPDR S&P 500 (“SPY”), Apple, Inc. (“AAPL”), SPDR Gold Trust (“GLD”), Google Inc. (“GOOG”) and Amazon.com Inc. (“AMZN”) (“mini-options”). The purpose of this proposed rule change is to amend C2 Rule 6.3 (Meaning of Premium Bids and Offers) by adding how bids and offers would be expressed for mini-options.

CBOE Rules Incorporated by Reference into C2’s Rules

The majority of C2’s rules are the same as Chicago Board Options Exchange,

Incorporated's ("CBOE") rules and were adopted as part of the Securities and Exchange Commission's ("SEC or Commission") order approving C2's application for registration as a national securities exchange.<sup>1</sup> CBOE Rule 5.5.22 was recently adopted to provide for the listing and trading of mini-options.<sup>2</sup> C2 Chapter 5 provides, "[t]he rules contained in CBOE Chapter V, as such rules may be in effect from time to time, shall apply to C2 and are hereby incorporated into this Chapter." Accordingly, mini-options trading is permitted on C2. Mini-options trading on CBOE and C2 is expected to commence on March 18, 2013.

The premium multiplier for mini-options is \$10, rather than \$100, which reflects the smaller unit of trading. To reflect this mini-option feature, new subparagraph (c) was added to CBOE Rule 6.41 (Meaning of Premium Bids and Offers) and provides that bids

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<sup>1</sup> See Securities Exchange Act Release No. 61152 (December 10, 2009), 74 FR 66699, 66709-10 (December 16, 2009) (In the Matter of the Application of C2 Options Exchange, Incorporated for Registration as a National Securities Exchange Findings, Opinion, and Order of the Commission (File No. 10-191). In the Order, the Commission granted C2's request for exemption, pursuant to Section 36 of the Securities Exchange Act of 1934 (the "Act"), from the rule filing requirements of Section 19(b) of the Act with respect to the rules that C2 proposed to incorporate by reference. The exemption was conditioned upon C2 providing written notice to its members whenever CBOE proposes to change a rule that C2 has incorporated by reference. In the Order, the Commission stated its belief that "this exemption is appropriate in the public interest and consistent with the protection of investors because it will promote more efficient use of Commission and SRO resources by avoiding duplicative rule filings based on simultaneous changes to identical rules sought by more than one SRO."

C2 satisfied this requirement with respect to mini-options by posting a copy of the CBOE rule filing to list mini-options (SR-CBOE-2013-001) on C2's rule filing website at the same time the CBOE rule filing was posted to the CBOE rule filing website. The C2 rule filing website is located at: <http://www.c2exchange.com/Legal/RuleFilings.aspx>. By posting CBOE rule filings to C2's rule filing website that amend C2's rule by reference, the Exchange provides its members with notice of the proposed rule change so that they have an opportunity to comment on it.

<sup>2</sup> See Securities Exchange Act Release No. 68656 (January 15, 2013), 78 FR 4526 (January 22, 2013) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to List and Trade Option Contracts Overlying 10 Shares of Certain Securities) (SR-CBOE-2013-001) ("CBOE mini-option filing"). The Exchange notes that CBOE also adopted CBOE Rule 4.11.08 which addresses position limits for mini-options. CBOE Rule 4.11.08 is also incorporated by reference into C2's rules. See C2 Chapter 4 that provides, "[t]he rules contained in CBOE Chapter IV, as such rules may be in effect from time to time, shall apply to C2 and are hereby incorporated into this Chapter."

and offers for an option contract overlying 10 shares will be expressed in terms of dollars per 1/10th part of the total value of the contract.<sup>3</sup> Thus, an offer of “.50” shall represent an offer \$5.00 for an option contract having a unit of trading consisting of 10 shares.

Chapter 6 to C2’s rules does not incorporate CBOE’s rules by reference. However, C2 Rule 6.3 (Meaning of Premium Bids and Offers) is identical to CBOE Rule 6.41 (Meaning of Premium Bids and Offers). Accordingly, C2 proposes to add new subparagraph (c) to C2 Rule 6.3 to provide that bids and offers for an option contract overlying 10 shares will be expressed in terms of dollars per 1/10th part of the total value of the contract. Thus, an offer of “.50” shall represent an offer \$5.00 for an option contract having a unit of trading consisting of 10 shares.

No other changes to C2’s rules are being proposed by this filing.

(b) Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder, including the requirements of Section 6(b) of the Act.<sup>4</sup> In particular, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>5</sup> requirements that the rules of an exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts, to foster cooperation and coordination with persons engaged in facilitating transactions in

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<sup>3</sup> See 78 FR at 4527 (CBOE mini-option filing). The Exchange notes that NYSE Arca, Inc. (“NYSE Arca”) and International Securities Exchange, LLC (“ISE”) have similar rules governing how bids and offers for mini-options will be expressed. See Securities Exchange Act Release No. 67948 (September 28, 2012) 77 FR 60735 (October 4, 2012) (Notice of Filing of Amendments No. 1 and Order Granting Accelerated Approval of Proposed Rule Changes as Modified by Amendments No. 1 to List and Trade Option Contracts Overlying 10 Shares of Certain Securities) (SR-NYSEArca-2012-64 and SR-ISE-2012-58).

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

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

securities, to remove impediments to and to perfect the mechanism for a free and open market and a national market system, and, in general, to protect investors and the public interest.

Specifically, the Exchange believes that investors would benefit from the current rule proposal because it would specify how premium bids and offers would be expressed for mini-options traded on C2. The Exchange believes that the marketplace and investors will be expecting that premium bids and offers for mini-options traded on C2 would be expressed in the same manner as premium bids and offers for mini-options traded on CBOE (and other exchanges). As a result, the Exchange believes that this change would lessen investor and marketplace confusion because C2 Rule 6.3 will be clear as to how premium bids and offers for mini-options would be expressed.

Item 4. Self-Regulatory Organization's Statement on Burden on Competition

This proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. In this regard and as indicated above, the Exchange notes that the rule change is being proposed to ready C2 for mini-options trading which is scheduled to commence on March 18, 2013. The Exchange notes that the CBOE mini-option filing (which permits C2 to list mini-options as well) was submitted as a competitive response to approved NYSE Arca and ISE filings. C2 believes this proposed rule change is necessary to permit fair competition among the options exchanges.

Item 5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were solicited or received with respect to the proposed rule change.

Item 6. Extension of Time Period for Commission Action

Not applicable.

Item 7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2) or Section 19(b)(7)(D)

(a) The proposed rule change is filed for immediate effectiveness pursuant to Section 19(b)(3)(A)<sup>6</sup> of the Act and Rule 19b-4(f)(6) thereunder.<sup>7</sup>

(b) The Exchange asserts that the proposed rule change does not (i) significantly affect the protection of investors or the public interest, (ii) impose any significant burden on competition, and (iii) become operative for 30 days after its filing date, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest. The proposed rule change is substantially similar in all material respects to existing rules of CBOE, NYSE Arca and ISE. The Exchange also provided the Commission with written notice of its intent to file the proposal, along with a brief description and text of the proposal, prior to the date of the filing of the proposed rule change as required by Rule 19b-4(f)(6).

The Exchange requests that the Commission waive the pre-filing period and the 30-day operative delay period. Waiver of the pre-filing period and operative delay is consistent with the protection of investors and the public interest because it will ensure fair competition among exchanges by allowing C2 to express premium bids and offers for mini-options in the same manner as CBOE, NYSE Arca and ISE when mini-options trading commences on March 18, 2013.

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<sup>6</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>7</sup> 17 CFR 240.19b-4(f)(6).

For the foregoing reasons, the Exchange believes the rule filing qualifies for expedited effectiveness as a “non-controversial” rule change under Rule 19b-4(f)(6) of the Act.

(c) Not applicable.

(d) Not applicable.

Item 8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

As discussed above, this proposed rule change is based on recently approved filings by CBOE, NYSE Arca and ISE and is substantially similar in all material respects to existing CBOE, NYSE Arca and ISE rules that govern how premium bids and offers will be expressed for mini-options.

Item 9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

Item 10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

Item 11. Exhibits

Exhibit 1. Form of Notice of Proposed Rule Change for publication in the Federal Register.

Exhibit 5. Proposed Rule Text.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34- ; File No. SR-C2-2013-014

Dated: \_\_\_\_\_

Self-Regulatory Organizations; C2 Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend C2 Rule 6.3 for Mini-Options Launch

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 \_\_\_\_\_, 2013, the 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 Exchange filed the proposal as a “non-controversial” proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>3</sup> and Rule 19b-4(f)(6) thereunder.<sup>4</sup> 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 amend C2 Rule 6.3 (Meaning of Premium Bids and Offers) by adding how bids and offers will be expressed for option contracts overlying 10 shares of a security. The text of the proposed rule change is available on the Exchange’s website (<http://www.c2exchange.com/Legal/>), at the Exchange’s Office of the Secretary, and at the Commission’s Public Reference Room.

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

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

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

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

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

C2 Chapter 5 (Securities Dealt In) was recently amended to allow for the listing of option contracts that deliver 10 physical shares on SPDR S&P 500 ("SPY"), Apple, Inc. ("AAPL"), SPDR Gold Trust ("GLD"), Google Inc. ("GOOG") and Amazon.com Inc. ("AMZN") ("mini-options"). The purpose of this proposed rule change is to amend C2 Rule 6.3 (Meaning of Premium Bids and Offers) by adding how bids and offers would be expressed for mini-options.

CBOE Rules Incorporated by Reference into C2's Rules

The majority of C2's rules are the same as Chicago Board Options Exchange, Incorporated's ("CBOE") rules and were adopted as part of the Securities and Exchange Commission's ("SEC or Commission") order approving C2's application for registration as a national securities exchange.<sup>5</sup> CBOE Rule 5.5.22 was recently adopted to provide

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<sup>5</sup> See Securities Exchange Act Release No. 61152 (December 10, 2009), 74 FR 66699, 66709-10 (December 16, 2009) (In the Matter of the Application of C2 Options Exchange, Incorporated for Registration as a National Securities Exchange Findings, Opinion, and Order of the Commission (File No. 10-191). In the Order, the Commission granted C2's request for exemption, pursuant to Section 36 of the Act, from the rule filing requirements of Section 19(b) of the Act with respect to

for the listing and trading of mini-options.<sup>6</sup> C2 Chapter 5 provides, “[t]he rules contained in CBOE Chapter V, as such rules may be in effect from time to time, shall apply to C2 and are hereby incorporated into this Chapter.” Accordingly, mini-options trading is permitted on C2. Mini-options trading on CBOE and C2 is expected to commence on March 18, 2013.

The premium multiplier for mini-options is \$10, rather than \$100, which reflects the smaller unit of trading. To reflect this mini-option feature, new subparagraph (c) was added to CBOE Rule 6.41 (Meaning of Premium Bids and Offers) and provides that bids and offers for an option contract overlying 10 shares will be expressed in terms of dollars per 1/10th part of the total value of the contract.<sup>7</sup> Thus, an offer of “.50” shall represent an offer \$5.00 for an option contract having a unit of trading consisting of 10 shares.

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the rules that C2 proposed to incorporate by reference. The exemption was conditioned upon C2 providing written notice to its members whenever CBOE proposes to change a rule that C2 has incorporated by reference. In the Order, the Commission stated its belief that “this exemption is appropriate in the public interest and consistent with the protection of investors because it will promote more efficient use of Commission and SRO resources by avoiding duplicative rule filings based on simultaneous changes to identical rules sought by more than one SRO.”

C2 satisfied this requirement with respect to mini-options by posting a copy of the CBOE rule filing to list mini-options (SR-CBOE-2013-001) on C2’s rule filing website at the same time the CBOE rule filing was posted to the CBOE rule filing website. The C2 rule filing website is located at: <http://www.c2exchange.com/Legal/RuleFilings.aspx>. By posting CBOE rule filings to C2’s rule filing website that amend C2’s rule by reference, the Exchange provides its members with notice of the proposed rule change so that they have an opportunity to comment on it.

<sup>6</sup> See Securities Exchange Act Release No. 68656 (January 15, 2013), 78 FR 4526 (January 22, 2013) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to List and Trade Option Contracts Overlying 10 Shares of Certain Securities) (SR-CBOE-2013-001) (“CBOE mini-option filing”). The Exchange notes that CBOE also adopted CBOE Rule 4.11.08 which addresses position limits for mini-options. CBOE Rule 4.11.08 is also incorporated by reference into C2’s rules. See C2 Chapter 4 that provides, “[t]he rules contained in CBOE Chapter IV, as such rules may be in effect from time to time, shall apply to C2 and are hereby incorporated into this Chapter.”

<sup>7</sup> See 78 FR at 4527 (CBOE mini-option filing). The Exchange notes that NYSE Arca, Inc. (“NYSE Arca”) and International Securities Exchange, LLC (“ISE”) have similar rules governing how bids and offers for mini-options will be expressed. See Securities Exchange Act Release No. 67948 (September 28, 2012) 77 FR 60735 (October 4, 2012) (Notice of Filing of Amendments No. 1 and Order Granting Accelerated Approval of Proposed Rule Changes as Modified by Amendments No. 1 to List and Trade Option Contracts Overlying 10 Shares of Certain Securities) (SR-NYSEArca-2012-64 and SR-ISE-2012-58).

Chapter 6 to C2's rules does not incorporate CBOE's rules by reference. However, C2 Rule 6.3 (Meaning of Premium Bids and Offers) is identical to CBOE Rule 6.41 (Meaning of Premium Bids and Offers). Accordingly, C2 proposes to add new subparagraph (c) to C2 Rule 6.3 to provide that bids and offers for an option contract overlying 10 shares will be expressed in terms of dollars per 1/10th part of the total value of the contract. Thus, an offer of ".50" shall represent an offer \$5.00 for an option contract having a unit of trading consisting of 10 shares.

No other changes to C2's rules are being proposed by this filing.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder, including the requirements of Section 6(b) of the Act.<sup>8</sup> In particular, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>9</sup> requirements that the rules of an exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and to perfect the mechanism for a free and open market and a national market system, and, in general, to protect investors and the public interest.

Specifically, the Exchange believes that investors would benefit from the current rule proposal because it would specify how premium bids and offers would be expressed for mini-options traded on C2. The Exchange believes that the marketplace and investors will be expecting that premium bids and offers for mini-options traded on C2 would be

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

<sup>9</sup> 15 U.S.C. 78f(b)(5).

expressed in the same manner as premium bids and offers for mini-options traded on CBOE (and other exchanges). As a result, the Exchange believes that this change would lessen investor and marketplace confusion because C2 Rule 6.3 will be clear as to how premium bids and offers for mini-options would be expressed.

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

This proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. In this regard and as indicated above, the Exchange notes that the rule change is being proposed to ready C2 for mini-options trading which is scheduled to commence on March 18, 2013. The Exchange notes that the CBOE mini-option filing (which permits C2 to list mini-options as well) was submitted as a competitive response to approved NYSE Arca and ISE filings. C2 believes this proposed rule change is necessary to permit fair competition among the options exchanges.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were solicited or received with respect to the proposed rule change.

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

Because the foregoing proposed rule does not (i) significantly affect 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 if consistent with the protection of investors and the public interest, provided that the self-regulatory organization has given the Commission written notice of its intent to file 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 proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>10</sup> and Rule 19b-4(f)(6) thereunder.<sup>11</sup> At any time within 60 days of the filing of such proposed rule change, the Commission may summarily abrogate 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 e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-C2-2013-014 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-C2-2013-014. This file number should be included on the subject line if e-mail 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

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<sup>10</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>11</sup> 17 CFR 240.19b-4(f)(6).

(<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 website 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 available publicly. All submissions should refer to File Number SR-C2-2013-014 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>12</sup>

Dated: \_\_\_\_\_

Secretary

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

EXHIBIT 5

(additions are underlined; deletions are [bracketed])

\* \* \* \* \*

C2 Options Exchange, Incorporated Rules

\* \* \* \* \*

**Rule 6.3. Meaning of Premium Bids and Offers**

(a) *General.* . Except as provided in paragraph (b), bids and offers shall be expressed in terms of dollars per unit of the underlying security. (e.g., a bid of “7” shall represent a bid of \$700 for an option contract having a unit of trading consisting of 100 shares of an underlying security, or a bid of \$770 for an option contract having a unit of trading consisting of 110 shares of an underlying security.)

(b) *Special cases.* Bids and offers for an option contract for which an adjusted unit of trading has been established in accordance with Rule 5.7 shall be expressed in terms of dollars per .01 part of the total securities and/or other property constituting such adjusted unit of trading. (e.g., an offer of “6” shall represent an offer of \$600 on an option contract having a unit of trading consisting of 100 shares of an underlying security plus 10 rights.)

(c) *Mini-options.* Bids and offers for an option contract overlying 10 shares shall be expressed in terms of dollars per 1/10th part of the total value of the contract. An offer of “.50” shall represent an offer of \$5.00 for an option contract having a unit of trading consisting of 10 shares.

\* \* \* \* \*