

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 15	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2014 - * 003 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"/>			<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
Date Expires * <input type="text"/>			<input checked="" type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input 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 806(e)(2) * <input type="checkbox"/>
	Section 3C(b)(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 \*).

**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 \*  Last Name \*   
 Title \*   
 E-mail \*   
 Telephone \*  Fax

**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 \*)

Date  Senior Attorney  
 By

(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.

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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

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

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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**

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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**

Add Remove View

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 (the “Exchange” or “C2”) proposes to establish a fee for qualification examination waiver requests. The text of the proposed rule change is provided in Exhibit 5.

(b) Not applicable.

(c) Not applicable.

**Item 2. Procedures of the Self-Regulatory Organization**

(a) The Exchange’s Chief Regulatory Officer pursuant to delegated authority approved the proposed rule change on January 27, 2014.

(b) Please refer questions and comments on the proposed rule change to Joanne Moffic-Silver, (312) 786-7462, or Jaime Galvan, (312) 786-7058, C2 Options Exchange, Incorporated, 400 South LaSalle, Chicago, Illinois 60605.

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

(a) Purpose

C2 Rule 3.4, Interpretation and Policy .04, authorizes the Exchange, in exceptional cases and where good cause is shown, to waive qualification examinations and accept other standards as evidence of an applicant's qualification for registration. This authority is to be exercised in exceptional cases and where good cause is shown by the applicant. The rule further states that advanced age or physical infirmity, will not individually of themselves constitute sufficient grounds to waive a qualification examination. Experience in fields ancillary to the securities business may constitute sufficient grounds to waive a qualification examination.

The Exchange has entered into a regulatory services agreement (“RSA”) with the Financial Industry Regulatory Authority, Inc. (“FINRA”) pursuant to which FINRA will process qualification examination waiver requests on behalf of the Exchange (“Waiver Requests”).<sup>1</sup> Under the RSA, C2 Permit Holders and persons associated with C2 Permit Holders seeking a waiver of a qualification examination will submit a Waiver Request to FINRA.<sup>2</sup> FINRA will process all Waiver Requests submitted by C2 Permit Holders and their associated persons, whether the Waiver Request is for a FINRA examination or a non-FINRA examination (e.g., the Series 56 examination).

FINRA will review each Waiver Request based on guidelines approved by the Exchange and provide the Exchange with a recommendation regarding the disposition of the Waiver Request. The Exchange will make the final decision regarding whether or not to grant or deny a Waiver Request.<sup>3</sup> FINRA will maintain files and records made, collected or otherwise created by FINRA in the course of performing services under the RSA. Such files and records shall include, but not be limited to, FINRA Waiver Request disposition recommendations and the basis for its recommendations<sup>4</sup>, C2 decisions and the basis for its decisions<sup>5</sup>, and letters sent to requesting C2 Permit Holders communicating C2’s decisions.

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<sup>1</sup> CBOE Rule 15.9(b) (which applies to C2 and is incorporated by reference into C2’s rules) authorizes the Exchange to enter into agreements with another self-regulatory organization to provide regulatory services to the Exchange to assist the Exchange in discharging its obligations under Section 6 and Section 19(g) of the Securities Exchange Act of 1934.

<sup>2</sup> Currently, Waiver Requests must be submitted to FINRA through the FINRA Firm Gateway.

<sup>3</sup> Notwithstanding the RSA, the Exchange shall retain ultimate legal responsibility for, and control of, its self-regulatory responsibilities.

<sup>4</sup> The recommendation provided to C2 will include a detailed explanation and justification as to whether to grant or deny the Waiver Request, and in those cases where the recommendation is to grant a waiver, the reasoning shall support why FINRA believes it is an exceptional case and that good cause has been shown to warrant the granting of the Waiver Request.

<sup>5</sup> C2 will notify FINRA in writing of its final decision regarding whether to grant or deny a Waiver Request, including any additional information regarding such decision.

The Exchange will pay a fee to FINRA under the RSA for each Waiver Request of a non-FINRA examination (e.g., the Series 56 examination) processed by FINRA. The Exchange proposes to charge C2 Permit Holders a fee of \$200 for each Waiver Request of a non-FINRA examination processed by FINRA. The proposed fee would help the Exchange recoup its costs under the RSA.

The proposed fee would be effective on February 3, 2014.

(b) 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>6</sup> Specifically, the Exchange believes the proposed rule change is consistent with Section 6(b)(4) of the Act,<sup>7</sup> which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Permit Holders and other persons using its facilities. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>8</sup> requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange believes the proposed fee is reasonable because it would help the Exchange recoup its costs in engaging FINRA to process Waiver Requests of non-FINRA examinations by C2 Permit Holders and their associated persons. The Exchange believes the proposed fee is equitable and not unfairly discriminatory because it would apply equally to all C2 Permit Holders who submit Waiver Requests of non-FINRA examinations.

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

<sup>7</sup> 15 U.S.C. 78f(b)(4).

<sup>8</sup> Id.

**Item 4. 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. The Exchange does not believe that the proposed fee will impose an unnecessary burden on intramarket competition because it would apply equally to all C2 Permit Holders who submit Waiver Requests of non-FINRA examinations. The Exchange does not believe that the proposed fee will impose an unnecessary burden on intermarket competition because the fee would only apply to C2 Permit Holders.

**Item 5. 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.

**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) of the Act<sup>9</sup> and Rule 19b-4(f)(2)<sup>10</sup> thereunder.

(b) The Exchange designates that the proposed rule change establishes or changes a due, fee, or other charge imposed by the Exchange, which renders the proposed rule change effective upon filing with the Securities and Exchange Commission (the “Commission”). At any time within 60 days of the filing of this proposed rule change,

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

<sup>10</sup> 17 CFR 240.19b-4(f)(2).

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.

(c) Not applicable.

(d) Not applicable.

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

The proposed rule change is not based on a rule either of another self-regulatory organization or of the Commission.

**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. Completed 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-C2-2014-003]

[Insert date]

Self-Regulatory Organizations; C2 Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to a Fee for Qualification Examination Waiver Requests

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 [insert date], C2 Options Exchange, Incorporated (the “Exchange” or “C2”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

**I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change**

C2 Options Exchange, Incorporated (the “Exchange” or “C2”) proposes to establish a fee for qualification examination waiver requests. 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.

**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

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

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



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

C2 Rule 3.4, Interpretation and Policy .04, authorizes the Exchange, in exceptional cases and where good cause is shown, to waive qualification examinations and accept other standards as evidence of an applicant's qualification for registration. This authority is to be exercised in exceptional cases and where good cause is shown by the applicant. The rule further states that advanced age or physical infirmity, will not individually of themselves constitute sufficient grounds to waive a qualification examination. Experience in fields ancillary to the securities business may constitute sufficient grounds to waive a qualification examination.

The Exchange has entered into a regulatory services agreement (“RSA”) with the Financial Industry Regulatory Authority, Inc. (“FINRA”) pursuant to which FINRA will process qualification examination waiver requests on behalf of the Exchange (“Waiver Requests”).<sup>3</sup> Under the RSA, C2 Permit Holders and persons associated with C2 Permit Holders seeking a waiver of a qualification examination will submit a Waiver Request to FINRA.<sup>4</sup> FINRA will process all Waiver Requests submitted by C2 Permit Holders and their associated persons, whether the Waiver Request is for a FINRA examination or a non-FINRA examination (e.g., the Series 56 examination).

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<sup>3</sup> CBOE Rule 15.9(b) (which applies to C2 and is incorporated by reference into C2’s rules) authorizes the Exchange to enter into agreements with another self-regulatory organization to provide regulatory services to the Exchange to assist the Exchange in discharging its obligations under Section 6 and Section 19(g) of the Securities Exchange Act of 1934.

<sup>4</sup> Currently, Waiver Requests must be submitted to FINRA through the FINRA Firm Gateway.

FINRA will review each Waiver Request based on guidelines approved by the Exchange and provide the Exchange with a recommendation regarding the disposition of the Waiver Request. The Exchange will make the final decision regarding whether or not to grant or deny a Waiver Request.<sup>5</sup> FINRA will maintain files and records made, collected or otherwise created by FINRA in the course of performing services under the RSA. Such files and records shall include, but not be limited to, FINRA Waiver Request disposition recommendations and the basis for its recommendations<sup>6</sup>, C2 decisions and the basis for its decisions<sup>7</sup>, and letters sent to requesting C2 Permit Holders communicating C2's decisions.

The Exchange will pay a fee to FINRA under the RSA for each Waiver Request of a non-FINRA examination (e.g., the Series 56 examination) processed by FINRA. The Exchange proposes to charge C2 Permit Holders a fee of \$200 for each Waiver Request of a non-FINRA examination processed by FINRA. The proposed fee would help the Exchange recoup its costs under the RSA.

The proposed fee would be effective on February 3, 2014.

## 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>8</sup>

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<sup>5</sup> Notwithstanding the RSA, the Exchange shall retain ultimate legal responsibility for, and control of, its self-regulatory responsibilities.

<sup>6</sup> The recommendation provided to C2 will include a detailed explanation and justification as to whether to grant or deny the Waiver Request, and in those cases where the recommendation is to grant a waiver, the reasoning shall support why FINRA believes it is an exceptional case and that good cause has been shown to warrant the granting of the Waiver Request.

<sup>7</sup> C2 will notify FINRA in writing of its final decision regarding whether to grant or deny a Waiver Request, including any additional information regarding such decision.

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

Specifically, the Exchange believes the proposed rule change is consistent with Section 6(b)(4) of the Act,<sup>9</sup> which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Permit Holders and other persons using its facilities. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>10</sup> requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange believes the proposed fee is reasonable because it would help the Exchange recoup its costs in engaging FINRA to process Waiver Requests of non-FINRA examinations by C2 Permit Holders and their associated persons. The Exchange believes the proposed fee is equitable and not unfairly discriminatory because it would apply equally to all C2 Permit Holders who submit Waiver Requests of non-FINRA examinations.

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. The Exchange does not believe that the proposed fee will impose an unnecessary burden on intramarket competition because it would apply equally to all C2 Permit Holders who submit Waiver Requests of non-FINRA examinations. The Exchange does not believe that the proposed fee will impose an unnecessary burden on intermarket competition because the fee would only apply to C2 Permit Holders.

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<sup>9</sup> 15 U.S.C. 78f(b)(4).

<sup>10</sup> Id.

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

The Exchange neither solicited nor received comments on the proposed rule change.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>11</sup> and paragraph (f) of Rule 19b-4<sup>12</sup> thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

**IV. Solicitation of Comments**

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule 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-C2-2014-003 on the subject line.

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

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

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-C2-2014-003. 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 website (<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, D.C. 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 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-C2-2014-003 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>13</sup>

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

Secretary

EXHIBIT 5

(additions are underlined; deletions are [bracketed])

\* \* \* \* \*

**C2 OPTIONS EXCHANGE, INCORPORATED  
FEES SCHEDULE  
[JANUARY 1] FEBRUARY 3, 2014**

\* \* \* \* \*

**8. Regulatory Fees**

\* \* \* \* \*

E) Qualification Examination Waiver Request Fee \$200 per exam waiver request

This fee is assessed to a Permit Holder for each waiver request of a non-FINRA examination (e.g., Series 56 examination) submitted by the Permit Holder.

\* \* \* \* \*