

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 20	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2015 - * 011	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"/>
			Rule		
Pilot <input type="checkbox"/>	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 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 *).

Proposal relating to the effectiveness of a Permit Holder.

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 * Corinne Last Name * Klott
 Title * Attorney
 E-mail * klott@cboe.com
 Telephone * (312) 786-7793 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 05/05/2015
 By Corinne Klott
 Attorney

(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 - 1430753783318,

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Add Remove View

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 (the “Exchange” or “C2”) proposes to adopt a rule relating to the effectiveness of a Permit Holder. 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 President (or designee) pursuant to delegated authority approved the proposed rule change on June 30, 2014.

(b) Please refer questions and comments on the proposed rule change to Joanne Moffic-Silver, (312) 786-7462, or Corinne Klott, (312) 786-7793, 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

The Exchange proposes to adopt a rule governing the effectiveness of Permit Holder status. In particular, the Exchange proposes to add language to its rules to codify the requirement that each applicant, to be a Permit Holder, must become effective in that status within 90 days of the date of the applicant’s approval. The Exchange also proposes to clarify that a Permit Holder shall become effective upon (i) satisfying applicable requirements to obtain a Trading Permit and (ii) the release of a Trading Permit to that Permit Holder by the Registration Services Department (“RSD”).

By way of background, pursuant to C2 Rule 3.1 (Trading Permits), if an applicant to become a C2 Permit Holder is already a Trading Permit Holder of the Chicago Board

Options Exchange, Incorporated (“CBOE TPH”), that applicant can take advantage of a streamlined process to become a Permit Holder on C2 as compared to an applicant that is not already a CBOE TPH. Specifically, a CBOE TPH applicant would need to submit certain Exchange forms which indicate its intention to trade on the Exchange and which submits it to Exchange jurisdiction, as well as complete other operational matters as determined by the Exchange (e.g., complete connectivity testing).¹ If an applicant is not already a CBOE Trading Permit Holder (a “Non-CBOE TPH”), the applicant must complete a more involved application process which includes, among other things, the submission of an application to the Exchange and payment of any applicable application fees.² Additionally, the Exchange will investigate each Non-CBOE TPH applicant (with the exception of any applicant that was a Permit Holder or that was investigated by the Exchange within 9 months prior to the date of receipt of that applicant’s application). Upon completion of the application process for either a CBOE TPH or Non-CBOE TPH applicant, RSD determines whether to approve or disapprove the application. The Exchange notes however, that even if RSD determines to approve a CBOE or Non-CBOE TPH applicant to become a C2 Permit Holder upon completion of this process, that applicant is not automatically considered an “effective” Permit Holder (i.e., the applicant is not yet permitted to participate on the Exchange in the capacity in which they applied and have been approved to act in). Rather, in order to be considered an effective Permit Holder, the applicant must satisfy applicable requirements to obtain a Trading Permit (i.e., submission of all required forms, fees and documentation prescribed by the Exchange, completion of any required investigation, satisfaction of applicable orientation

¹ See C2 Rule 3.1(c)(1).

² See C2 Rule 3.1(c)(2).

and/or exam requirements established by the Exchange and any other registration and qualification requirements and completion of connectivity testing) and (ii) RSD must release a Trading Permit to that Permit Holder. In order to provide further transparency in the rules, the Exchange proposes to codify these requirements in the rules and make it explicitly clear that any applicant to become a C2 Permit Holder shall become an effective Permit Holder upon (i) satisfying the applicable requirements to obtain a Trading Permit and (ii) the release of a Trading Permit to that Permit Holder by RSD (i.e., RSD assigns via its Trading Permit System (“TPS”) a permit number to the applicant Permit Holder). The Exchange believes the proposed rule change will provide additional clarity to the rules and reduce confusion regarding the application process.

The Exchange next notes that there are instances in which an applicant (either a CBOE TPH or Non-CBOE TPH) has completed the application process and RSD is ready to approve the application, but the applicant needs more time before it is ready to become effective (i.e., before it is ready to participate on the Exchange in the capacity in which they applied and have been approved to act in). For example, an applicant may have completed the application process but requires more time to resolve logistical issues relating to their systems or connectivity before it can participate on the Exchange and therefore wishes to hold off on requesting a Trading Permit. As such, the Exchange proposes to permit a Permit Holder to become effective as a Permit Holder within 90 days from the date RSD approved the applicant to become a C2 Permit Holder. If the Permit Holder does not become effective within 90 days, the applicant’s application will expire. The Exchange notes that providing a deadline to become effective also obligates applicants to be diligent in resolving any open issues they have and ensures finality to the

application process. Lastly, the Exchange notes that the requirement to go effective within 90 days of the date of approval of an application exists on other exchanges as well.³

(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.⁴ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)⁵ 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 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)⁶ 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 it would be beneficial to market participants to expressly state in the rules that any applicant to become a C2 Permit Holder shall become an effective Permit Holder upon (i) satisfying the applicable requirements to obtain a Trading Permit and (ii) the release of a Trading Permit to that Permit Holder by

³ See, CBOE Rule 3.10 and ISE Rule 306(g).

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(5).

⁶ Id.

RSD. The Exchange believes the proposed rule change will provide additional clarity to the rules and reduce confusion regarding the application process, thereby removing impediments to and perfecting the mechanism of a free and open market and a national market system. The Exchange also believes the proposed rule change is beneficial in that it provides applicants seeking to become a Permit Holder a reasonable time frame to resolve any open issues prior to becoming effective, while also requiring applicants to be diligent in resolving such open issues in a timely matter and ensuring finality to the application process. Additionally, the Exchange believes that the proposed rule changes are designed to not permit unfair discrimination among market participants, as the proposed changes are applicable to all applicants to become Permit Holders.

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 proposed change does not impose any burden on intramarket competition because it applies to all applicants to become C2 Permit Holders. The Exchange also does not believe that the proposed rule change will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. Specifically, the Exchange is merely attempting to add additional transparency to its rules relating to the application process as well as provide for a reasonable time frame for C2 Permit Holder applicants to become effective on C2 as Permit Holders. The Exchange notes that, to the extent that the proposed changes make C2 more attractive for trading, market participants trading on other exchanges are welcome to become Permit Holders and trade at C2 if they determine that this proposed rule change has made C2 more attractive or favorable.

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 Act⁷ and Rule 19b-4(f)(6)⁸ thereunder.

(b) The Exchange designates that the proposed rule change effects a change that (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Securities and Exchange Commission (the “Commission”) may designate if consistent with the protection of investors and the public interest. Additionally, the Exchange has given the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of 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 Exchange notes that the proposed rule change does not present any unique or novel issues to consider, but rather is substantially similar to other exchanges rules,

⁷ 15 U.S.C. 78s(b)(3)(A).

⁸ 17 CFR 240.19b-4(f)(6).

including CBOE Rule 3.10.⁹ As such, the Exchange does not see the proposed language affecting the protection of investors or the public interest or imposing any significant burden on competition. Additionally, in an interpretive guidance regarding the self-regulatory organization (“SRO”) rule filing process, the Commission stated that certain SRO proposals “may be filed as an immediately effective rule so long as it is based on and similar to another SRO’s rule” and raises no new policy issues.¹⁰ Given that the proposed rule changes render proposed C2 Rule 3.14 to be substantially similar to CBOE Rule 3.10 and International Securities Exchange (“ISE”) Rule 306(g), this rule filing should qualify for immediate effectiveness.

For the foregoing reasons, this rule filing qualifies as a “non-controversial” rule change under Rule 19b-4(f)(6), which renders the proposed rule change effective upon filing with the Commission. At any time within 60 days of the filing of this 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.

- (c) Not applicable.
- (d) Not applicable.

⁹ See e.g., CBOE Rule 3.10 and ISE Rule 306(g).

¹⁰ See Securities Exchange Act Release No. 58092 (July 3, 2008), 73 FR 40144 (July 11, 2008).

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

The proposal is substantively similar to CBOE Rule 3.10 (“Effectiveness of Trading Permit Holder or Approved Associated Person Status”) and subparagraph (g) of ISE Rule 306. The Exchange is proposing to adopt the same requirement of the 90-day effectiveness deadline for Permit Holder applicants. The Exchange notes that proposed C2 Rule 3.14 differs slightly from CBOE Rule 3.10 in that CBOE Rule 3.10, unlike proposed Rule 3.14, provides that, in addition to applicants to become a Trading Permit Holder, the 90-day deadline also applies to applicants for one of the trading functions set forth in Rule 3.2(b) and Rule 3.3(c) and applicants for an approved associated person status. The Exchange first notes that there is no equivalent rule(s) to CBOE Rule 3.2 and 3.3 in the C2 rules, and therefore the Exchange did not include this language in proposed Rule 3.14. Additionally, while C2 does have a similar rule relating to approved associated person status, the Exchange does not think it is necessary to apply a 90-day deadline to this type of applicant. Specifically, the Exchange does not believe that applicants for an approved associated person status pursuant to C2 Rule 3.3(b) encounter the same logistical issues requiring further time to become effective as compared to applicants to become Permit Holders. Rather, approved associated persons can become effective upon approval and there is not the same need to provide a reasonable time frame to resolve open issues.

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-C2-2015-011]

[Insert date]

Self-Regulatory Organizations; C2 Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to the Effectiveness of a Permit Holder

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 [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

The Exchange proposes to adopt a rule relating to the effectiveness of a Permit Holder. The text of the proposed rule change is available on the Exchange’s website (<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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The Exchange proposes to adopt a rule governing the effectiveness of Permit Holder status. In particular, the Exchange proposes to add language to its rules to codify the requirement that each applicant, to be a Permit Holder, must become effective in that status within 90 days of the date of the applicant's approval. The Exchange also proposes to clarify that a Permit Holder shall become effective upon (i) satisfying applicable requirements to obtain a Trading Permit and (ii) the release of a Trading Permit to that Permit Holder by the Registration Services Department ("RSD").

By way of background, pursuant to C2 Rule 3.1 (Trading Permits), if an applicant to become a C2 Permit Holder is already a Trading Permit Holder of the Chicago Board Options Exchange, Incorporated ("CBOE TPH"), that applicant can take advantage of a streamlined process to become a Permit Holder on C2 as compared to an applicant that is not already a CBOE TPH. Specifically, a CBOE TPH applicant would need to submit certain Exchange forms which indicate its intention to trade on the Exchange and which submits it to Exchange jurisdiction, as well as complete other operational matters as determined by the Exchange (e.g., complete connectivity testing).³ If an applicant is not already a CBOE Trading Permit Holder (a "Non-CBOE TPH"), the applicant must complete a more involved application process which includes, among other things, the

³ See C2 Rule 3.1(c)(1).

submission of an application to the Exchange and payment of any applicable application fees.⁴ Additionally, the Exchange will investigate each Non-CBOE TPH applicant (with the exception of any applicant that was a Permit Holder or that was investigated by the Exchange within 9 months prior to the date of receipt of that applicant's application). Upon completion of the application process for either a CBOE TPH or Non-CBOE TPH applicant, RSD determines whether to approve or disapprove the application. The Exchange notes however, that even if RSD determines to approve a CBOE or Non-CBOE TPH applicant to become a C2 Permit Holder upon completion of this process, that applicant is not automatically considered an "effective" Permit Holder (i.e., the applicant is not yet permitted to participate on the Exchange in the capacity in which they applied and have been approved to act in). Rather, in order to be considered an effective Permit Holder, the applicant must satisfy applicable requirements to obtain a Trading Permit (i.e., submission of all required forms, fees and documentation prescribed by the Exchange, completion of any required investigation, satisfaction of applicable orientation and/or exam requirements established by the Exchange and any other registration and qualification requirements and completion of connectivity testing) and (ii) RSD must release a Trading Permit to that Permit Holder. In order to provide further transparency in the rules, the Exchange proposes to codify these requirements in the rules and make it explicitly clear that any applicant to become a C2 Permit Holder shall become an effective Permit Holder upon (i) satisfying the applicable requirements to obtain a Trading Permit and (ii) the release of a Trading Permit to that Permit Holder by RSD (i.e., RSD assigns via its Trading Permit System ("TPS") a permit number to the

⁴ See C2 Rule 3.1(c)(2).

applicant Permit Holder). The Exchange believes the proposed rule change will provide additional clarity to the rules and reduce confusion regarding the application process.

The Exchange next notes that there are instances in which an applicant (either a CBOE TPH or Non-CBOE TPH) has completed the application process and RSD is ready to approve the application, but the applicant needs more time before it is ready to become effective (i.e., before it is ready to participate on the Exchange in the capacity in which they applied and have been approved to act in). For example, an applicant may have completed the application process but requires more time to resolve logistical issues relating to their systems or connectivity before it can participate on the Exchange and therefore wishes to hold off on requesting a Trading Permit. As such, the Exchange proposes to permit a Permit Holder to become effective as a Permit Holder within 90 days from the date RSD approved the applicant to become a C2 Permit Holder. If the Permit Holder does not become effective within 90 days, the applicant's application will expire. The Exchange notes that providing a deadline to become effective also obligates applicants to be diligent in resolving any open issues they have and ensures finality to the application process. Lastly, the Exchange notes that the requirement to go effective within 90 days of the date of approval of an application exists on other exchanges as well.⁵

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.⁶

⁵ See, CBOE Rule 3.10 and ISE Rule 306(g).

⁶ 15 U.S.C. 78f(b).

Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)⁷ 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 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)⁸ 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 it would be beneficial to market participants to expressly state in the rules that any applicant to become a C2 Permit Holder shall become an effective Permit Holder upon (i) satisfying the applicable requirements to obtain a Trading Permit and (ii) the release of a Trading Permit to that Permit Holder by RSD. The Exchange believes the proposed rule change will provide additional clarity to the rules and reduce confusion regarding the application process, thereby removing impediments to and perfecting the mechanism of a free and open market and a national market system. The Exchange also believes the proposed rule change is beneficial in that it provides applicants seeking to become a Permit Holder a reasonable time frame to resolve any open issues prior to becoming effective, while also requiring applicants to be diligent in resolving such open issues in a timely matter and ensuring finality to the application process. Additionally, the Exchange believes that the proposed rule changes

⁷ 15 U.S.C. 78f(b)(5).

⁸ Id.

are designed to not permit unfair discrimination among market participants, as the proposed changes are applicable to all applicants to become Permit Holders.

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 proposed change does not impose any burden on intramarket competition because it applies to all applicants to become C2 Permit Holders. The Exchange also does not believe that the proposed rule change will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. Specifically, the Exchange is merely attempting to add additional transparency to its rules relating to the application process as well as provide for a reasonable time frame for C2 Permit Holder applicants to become effective on C2 as Permit Holders. The Exchange notes that, to the extent that the proposed changes make C2 more attractive for trading, market participants trading on other exchanges are welcome to become Permit Holders and trade at C2 if they determine that this proposed rule change has made C2 more attractive or favorable.

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:

- A. significantly affect the protection of investors or the public interest;

- B. impose any significant burden on competition; and
- C. 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 Act⁹ and Rule 19b-4(f)(6)¹⁰ 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. Please include File Number SR-C2-2015-011 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.

⁹ 15 U.S.C. 78s(b)(3)(A).

¹⁰ 17 CFR 240.19b-4(f)(6).

All submissions should refer to File Number SR-C2-2015-011. 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-C2-2015-011 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.¹¹

Secretary

¹¹ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

(additions are underlined; deletions are [bracketed])

* * * * *

C2 Options Exchange, Incorporated

Rules

* * * * *

Rule 3.14. Effectiveness of a Permit Holder

- (a) Each applicant to be a Permit Holder must become effective in that status within 90 days of the date of the applicant's approval for that status.
- (b) An applicant to be a Permit Holder shall become an effective Permit Holder upon (i) satisfying the applicable requirements to obtain a Trading Permit and (ii) release of a Trading Permit to that Permit Holder by the Registration Services Department.

* * * * *