

## OMB APPROVAL

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Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 19	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2016 - * 004 Amendment No. (req. for Amendments *)								
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 <input type="checkbox"/> 19b-4(f)(1) <input type="checkbox"/> 19b-4(f)(4) <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)								
Pilot <input type="checkbox"/> Extension of Time Period for Commission Action * <input type="checkbox"/> Date Expires *										
Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 Section 806(e)(1) * <input type="checkbox"/> Section 806(e)(2) * <input type="checkbox"/>		Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 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"/>									
<b>Description</b>  Provide a brief description of the action (limit 250 characters, required when Initial is checked *).  <div style="border: 1px solid black; padding: 5px; min-height: 40px;">           Proposal to amend the Fees Schedule         </div>										
<b>Contact Information</b>  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.  <table style="width: 100%;"> <tr> <td style="width: 50%;">First Name * Corinne</td> <td style="width: 50%;">Last Name * Klott</td> </tr> <tr> <td colspan="2">Title * Senior Counsel</td> </tr> <tr> <td colspan="2">E-mail * klott@cboe.com</td> </tr> <tr> <td>Telephone * (312) 786-7793</td> <td>Fax </td> </tr> </table>			First Name * Corinne	Last Name * Klott	Title * Senior Counsel		E-mail * klott@cboe.com		Telephone * (312) 786-7793	Fax
First Name * Corinne	Last Name * Klott									
Title * Senior Counsel										
E-mail * klott@cboe.com										
Telephone * (312) 786-7793	Fax									
<b>Signature</b>  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.  <div style="text-align: right;">(Title *)</div> <table style="width: 100%;"> <tr> <td style="width: 35%;">Date 04/11/2016</td> <td style="width: 65%;">Attorney</td> </tr> <tr> <td>By Corinne Klott</td> <td></td> </tr> <tr> <td style="text-align: center;">(Name *)</td> <td></td> </tr> </table> <p>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.</p> <div style="text-align: right; background-color: #cccccc; padding: 5px; border: 1px solid black;">         Persona Not Validated - 1439308854429,       </div>			Date 04/11/2016	Attorney	By Corinne Klott		(Name *)			
Date 04/11/2016	Attorney									
By Corinne Klott										
(Name *)										

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFT 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 \***

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, 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

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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

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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**

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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 amend its Fees Schedule. The text of the proposed rule change is 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 April 1, 2016.

(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 amend its Fees Schedule.<sup>1</sup> Specifically, the Exchange proposes to adopt separate transaction fees and rebates for non-Penny option classes. By way of background, the Exchange began adding an additional 2,000 option classes the week of February 22, 2016. The Exchange notes that the additional classes are non-Penny option classes (i.e., each traded in nickel increments, as opposed to penny increments). As such, the Exchange proposes adopting fee and rebate rates for these classes that would be different than the current fees and rebates which would apply to Penny option classes only.

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<sup>1</sup> The Exchange initially filed the proposed fee change on April 1, 2016 (SR-C2-2016-003). On April 11, 2016, the Exchange withdrew that filing and replaced it with SR-C2-2016-004.

Specifically, the Exchange proposes to adopt the following rates for simple and complex orders in all equity, multiply-listed index, ETF and ETN non-Penny option classes.

Listed rates are per contract.

	<b>Maker</b>	<b>Taker Fee</b>
Public Customer	(\$.75)	\$.83
C2 Market-Maker	(\$.68)	\$.85
All Other Origins (Professional Customer, Firm, Broker/Dealer, non-C2 Market-Maker, JBO, etc.)	(\$.60)	\$.88
Trades on the Open	\$.00	\$.00

The Exchange notes that the proposed fees are similar to those adopted on other Exchanges.<sup>2</sup>

(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>3</sup> Specifically, the Exchange believes the proposed rule change is consistent with Section 6(b)(4) of the Act,<sup>4</sup> which requires that Exchange rules provide for the equitable

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<sup>2</sup> See e.g., NYSE Arca Options Fee Schedule, which lists, for electronic executions in non-Penny Pilot issues, 1) the standard Customer Maker rebate of \$0.75 versus a Taker fee of \$0.85, 2) the standard Market Maker rebate of \$0.05 versus a Taker fee of \$0.99, and 3) the standard Firm and Broker Dealer Maker fee of \$0.50 versus a Taker fee of \$0.99. See also, ISE Gemini Schedule of Fees, which lists for executions in Non-Penny symbols, 1) the standard Customer Maker rebate of between \$0.75 to \$0.85 versus a Taker fee between \$0.81 to \$0.82, 2) the standard Market Maker rebate between \$0.40 to \$0.49 versus a Taker fee of \$0.89, and 3) the standard Firm and Broker Dealer Maker rebate between \$0.25 to \$0.65 versus a Taker fee of \$0.89.

<sup>3</sup> 15 U.S.C. 78f(b).

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

allocation of reasonable dues, fees, and other charges among its Trading Permit Holders and other persons using its facilities.

In particular, the Exchange's proposal to adopt fees and rebates for non-Penny option classes is reasonable because the amounts proposed are similar to, and in line with, the rebates and fees for non-Penny option transactions at other Exchanges that use the Make-Take pricing structure.<sup>5</sup>

The Exchange believes that it is equitable and not unfairly discriminatory to assess lower fees to Public Customers as compared to other market participants and to provide higher rebates to Public Customers as compared to other market participants because Public Customer order flow enhances liquidity on the Exchange for the benefit of all market participants. Specifically, Public Customer liquidity benefits all market participants by providing more trading opportunities, which attracts Market-Makers. An increase in the activity of these market participants in turn facilitates tighter spreads, which may cause an additional corresponding increase in order flow from other market participants. Moreover, the options industry has a long history of providing preferential pricing to Public Customers. Finally, all fee and rebate amounts listed as applying to Public Customers will be applied equally to all Public Customers.

The Exchange believes that it is equitable and not unfairly discriminatory to assess lower fees to Market-Makers as compared to other market participants other than Public Customers and provide higher rebates to Market-Makers as compared to other market participants other than Public Customers because Market-Makers, unlike other C2 market participants, take on a number of obligations, including quoting obligations, that other

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<sup>5</sup> See supra note 2.

market participants do not have. Further, these lower fees and higher rebates offered to Market-Makers are intended to incent Market-Makers to quote and trade more on the Exchange, thereby providing more trading opportunities for all market participants. Finally, all fee and rebate amounts listed as applying to Market-Makers will be applied equally to all Market-Makers.

The Exchange also believes it is equitable and not unfairly discriminatory to assess higher fees and lower rebates to all other origins (i.e., Professional Customer, Firm, Broker/Dealer, non-C2 Market-Maker, JBO, etc.). Particularly, the Exchange notes that it believes it's equitable and not unfairly discriminatory to assess a higher fee and lower rebate than it does of Market-Makers, because these market participants do not have the same obligations, such as quoting, as Market-Makers do. The Exchange believes it's equitable and not unfairly discriminatory to assess a higher fee and lower rebate than it does to Public Customers, because, as described above, there is a history of providing preferential pricing to Public Customers as Public Customer liquidity benefits all market participants by providing more trading opportunities. The Exchange notes that the proposed fee and rebate amounts listed will also be applied equally to each of these market participants (i.e., Professional Customers, Firms, Broker/Dealers, non-C2 Market-Makers, JBOs, etc. will be assessed the same amount). It should also be noted that all fee and rebate amounts described herein are intended to attract greater order flow to the Exchange, which should therefore serve to benefit all Exchange market participants.

The Exchange believes it's reasonable, equitable and not unfairly discriminatory to assess no fees and offer no rebates for Trades on the Open because trades on the Open involve the matching of undisplayed pre-opening trading interest. As such, there is, in

effect, no Maker or Taker activity occurring. Additionally, the Exchange would like to encourage users to submit pre-opening orders.

The Exchange lastly believes it's equitable and not unfairly discriminatory to assess higher fees and rebates for non-Penny option classes than Penny option classes because Penny classes and non-Penny classes offer different pricing, liquidity, spread and trading incentives. The spreads in Penny classes are tighter than those in non-Penny classes (which trade in \$0.05 increments). The wider spreads in non-Penny option classes allow for greater profit potential. Further, a number of options exchanges offer different pricing for Penny and non-Penny option classes.<sup>6</sup>

**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 rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because, while different fees and rebates are assessed to different market participants in some circumstances, these different market participants have different obligations and different circumstances (as described in the "Statutory Basis" section above). For example, Public Customers order flow, as discussed above, enhances liquidity on the Exchange for the benefit of all market participants. There is also a history in the options markets of providing preferential treatment to Public Customers. Additionally, Market-Makers have quoting obligations that other market participants do not have.

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<sup>6</sup> See e.g., NYSE Arca Options Fee Schedule and ISE Gemini Schedule of Fees.

The Exchange does not believe that the proposed change will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because it only applies to trading on the Exchange. Further, the proposed fee and rebate amounts are similar to those assessed for similar orders by other exchanges,<sup>7</sup> and therefore should continue to encourage competition. Should the proposed change make C2 a more attractive trading venue for market participants at other exchanges, such market participants may elect to become market participants at C2.

**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>8</sup> and Rule 19b-4(f)(2)<sup>9</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, the Commission summarily may temporarily suspend such rule change if it appears to the

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<sup>7</sup> See supra note 2.

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

<sup>9</sup> 17 CFR 240.19b-4(f)(2).



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-C2-2016-004]

[Insert date]

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

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**

The Exchange proposes to amend its Fees Schedule. 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

The Exchange proposes to amend its Fees Schedule.<sup>3</sup> Specifically, the Exchange proposes to adopt separate transaction fees and rebates for non-Penny option classes. By way of background, the Exchange began adding an additional 2,000 option classes the week of February 22, 2016. The Exchange notes that the additional classes are non-Penny option classes (i.e., each traded in nickel increments, as opposed to penny increments). As such, the Exchange proposes adopting fee and rebate rates for these classes that would be different than the current fees and rebates which would apply to Penny option classes only.

Specifically, the Exchange proposes to adopt the following rates for simple and complex orders in all equity, multiply-listed index, ETF and ETN non-Penny option classes.

Listed rates are per contract.

	<b>Maker</b>	<b>Taker Fee</b>
Public Customer	(\$.75)	\$.83
C2 Market-Maker	(\$.68)	\$.85
All Other Origins (Professional Customer, Firm, Broker/Dealer, non-C2 Market-Maker, JBO, etc.)	(\$.60)	\$.88
Trades on the Open	\$ .00	\$ .00

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<sup>3</sup> The Exchange initially filed the proposed fee change on April 1, 2016 (SR-C2-2016-003). On April 11, 2016, the Exchange withdrew that filing and replaced it with SR-C2-2016-004.

The Exchange notes that the proposed fees are similar to those adopted on other Exchanges.<sup>4</sup>

## 2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the “Act”) and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.<sup>5</sup> Specifically, the Exchange believes the proposed rule change is consistent with Section 6(b)(4) of the Act,<sup>6</sup> which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Trading Permit Holders and other persons using its facilities.

In particular, the Exchange’s proposal to adopt fees and rebates for non-Penny option classes is reasonable because the amounts proposed are similar to, and in line with, the rebates and fees for non-Penny option transactions at other Exchanges that use the Make-Take pricing structure.<sup>7</sup>

The Exchange believes that it is equitable and not unfairly discriminatory to assess lower fees to Public Customers as compared to other market participants and to provide higher rebates to Public Customers as compared to other market participants because Public

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

<sup>6</sup> 15 U.S.C. 78f(b)(4).

<sup>7</sup> See supra note 4.

Customer order flow enhances liquidity on the Exchange for the benefit of all market participants. Specifically, Public Customer liquidity benefits all market participants by providing more trading opportunities, which attracts Market-Makers. An increase in the activity of these market participants in turn facilitates tighter spreads, which may cause an additional corresponding increase in order flow from other market participants. Moreover, the options industry has a long history of providing preferential pricing to Public Customers. Finally, all fee and rebate amounts listed as applying to Public Customers will be applied equally to all Public Customers.

The Exchange believes that it is equitable and not unfairly discriminatory to assess lower fees to Market-Makers as compared to other market participants other than Public Customers and provide higher rebates to Market-Makers as compared to other market participants other than Public Customers because Market-Makers, unlike other C2 market participants, take on a number of obligations, including quoting obligations, that other market participants do not have. Further, these lower fees and higher rebates offered to Market-Makers are intended to incent Market-Makers to quote and trade more on the Exchange, thereby providing more trading opportunities for all market participants. Finally, all fee and rebate amounts listed as applying to Market-Makers will be applied equally to all Market-Makers.

The Exchange also believes it is equitable and not unfairly discriminatory to assess higher fees and lower rebates to all other origins (i.e., Professional Customer, Firm, Broker/Dealer, non-C2 Market-Maker, JBO, etc.). Particularly, the Exchange notes that it believes it's equitable and not unfairly discriminatory to assess a higher fee and lower rebate than it does of Market-Makers, because these market participants do not have the same

obligations, such as quoting, as Market-Makers do. The Exchange believes it's equitable and not unfairly discriminatory to assess a higher fee and lower rebate than it does to Public Customers, because, as described above, there is a history of providing preferential pricing to Public Customers as Public Customer liquidity benefits all market participants by providing more trading opportunities. The Exchange notes that the proposed fee and rebate amounts listed will also be applied to each of these market participants (i.e., Professional Customers, Firms, Broker/Dealers, non-C2 Market-Makers, JBOs, etc. will be assessed the same amount). It should also be noted that all fee and rebate amounts described herein are intended to attract greater order flow to the Exchange, which should therefore serve to benefit all Exchange market participants.

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<sup>8</sup> See e.g., NYSE Arca Options Fee Schedule and ISE Gemini Schedule of Fees.

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 rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because, while different fees and rebates are assessed to different market participants, these different market participants have different obligations and different circumstances (as described in the "Statutory Basis" section above). For example, Public Customers order flow, as discussed above, enhances liquidity on the Exchange for the benefit of all market participants. There is also a history in the options markets of providing preferential treatment to Public Customers. Additionally, Market-Makers have quoting obligations that other market participants do not have.

The Exchange does not believe that the proposed change will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because it only applies to trading on the Exchange. Further, the proposed fee and rebate amounts are similar to those assessed for similar orders by other exchanges,<sup>9</sup> and therefore should continue to encourage competition. Should the proposed change make C2 a more attractive trading venue for market participants at other exchanges, such market participants may elect to become market participants at C2

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.

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<sup>9</sup> See supra note 4.

### **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>10</sup> and paragraph (f) of Rule 19b-4<sup>11</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-C2-2016-004 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.

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

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



All submissions should refer to File Number SR-C2-2016-004. 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-C2-2016-004 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>

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**  
**FEES SCHEDULE**  
**[January 14] April 11, 2016**

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**1. Transaction Fees**

A) The following rates apply to simple, non-complex orders in all equity, multiply-listed index, ETF and ETN options classes. Listed rates are per contract.

	<b>All except RUT</b>			
	<u><b>Penny Classes</b></u>		<u><b>Non-Penny Classes</b></u>	
	<u><b>Maker</b></u>	<u><b>Taker Fee</b></u>	<u><b>Maker</b></u>	<u><b>Taker</b></u>
Public Customer	(\$0.37)	\$0.47	<u>(\$0.75)</u>	<u>\$0.83</u>
C2 Market-Maker	(\$0.40)	\$0.48	<u>(\$0.68)</u>	<u>\$0.85</u>
All Other Origins (Professional Customer, Firm, Broker/Dealer, non-C2 Market-Maker, JBO, etc.)	(\$0.35)	\$0.48	<u>(\$0.60)</u>	<u>\$0.88</u>
Trades on the Open	(\$0.00)	\$0.00	<u>(\$0.00)</u>	<u>\$0.00</u>

For transactions in which simple, non-complex orders or quotes execute against a resting complex order, no fees or rebates will be assessed to any component of the resting complex order or the simple, non-complex orders or quotes.

B) The following rates apply to complex orders in equity, multiply-listed index, ETF and ETN options classes. For transactions in which resting simple, non-complex orders or quotes execute against an incoming marketable complex order, each component of the complex order will be assessed the complex order fees listed in this Section 1B of this Fees Schedule, while the simple, non-complex orders and quotes will be assessed the transaction fees listed in Section 1A of this Fees Schedule. For transactions in which a complex order executes against another complex order, each component of the complex order will be assessed the complex order fees listed in this Section 1B of this Fees Schedule.

For executions that occur within the Complex Order Auction (“COA”) against auction responses, the incoming/auctioned order is considered maker, and auction responses are considered taker. Listed rates are per contract.

All except RUT				
	<u>Penny Classes</u>		<u>Non-Penny Classes</u>	
	<u>Maker</u>	<u>Taker Fee</u>	<u>Maker</u>	<u>Taker</u>
Public Customer	(\$0.35)	\$0.47	<u>(\$0.75)</u>	<u>\$0.83</u>
C2 Market-Maker	\$0.10	\$0.48	<u>(\$0.68)</u>	<u>\$0.85</u>
All Other Origins (Professional Customer, Firm, Broker/Dealer, non-C2 Market-Maker, JBO, etc.)	\$0.20	\$0.48	<u>(\$0.60)</u>	<u>\$0.88</u>
Trades on the Open	(\$0.00)	\$0.00	<u>(\$0.00)</u>	<u>\$0.00</u>

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