

operative upon filing with the Commission.²⁹

At any time within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-CBOE-2010-099 on the subject line.

Paper Comments

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-CBOE-2010-099. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street, NE., Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filing also will be available for inspection and

copying at the principal office of the CBOE. 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-CBOE-2010-099 and should be submitted on or before November 30, 2010 in the **Federal Register**.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³⁰

Florence E. Harmon,

Deputy Secretary.

[FR Doc. 2010-28244 Filed 11-8-10; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-63238; File No. SR-C2-2010-008]

Self-Regulatory Organizations; C2 Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Update Rules Based on Chicago Board Options Exchange, Inc. Rules and Recent Chicago Board Options Exchange, Inc. Rule Filings

November 3, 2010.

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 October 29, 2010, C2 Options Exchange, Incorporated (the "Exchange" or "C2") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Exchange filed the proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act³ and Rule 19b-4(f)(6) thereunder.⁴ The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

C2 proposes to update its rules based on Chicago Board Options Exchange, Inc. ("CBOE") rules and recent CBOE rule filings. The text of the proposed

rule change is available on the Exchange's Web site (<http://www.cboe.org/legal/crcl2rulefiling.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 self-regulatory organization included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant parts of such statements.

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

1. Purpose

In 2009, C2 was registered as a national securities exchange under Section 6 of the Exchange Act.⁵ C2 is anticipated to launch on October 29, 2010. The purpose of this filing is to update the C2 rules based on rules and recent rule filings of CBOE.

First, C2 proposes to delete the definition of "Short Term Option" from Rule 1.1. The definition is not used elsewhere in the C2 Rules and is superfluous and unnecessary. The Exchange notes that CBOE Chapter V (specifically Rule 5.5(d)), which is incorporated by reference into Chapter V of the C2 Rules, defines "Short Term Option Series."

Second, C2 proposes to adopt Rule 3.13, Educational Classes, which would require Trading Permit Holders ("TPHs") and persons associated with TPHs to attend such educational classes as C2 may require from time to time. The proposed rule would also provide that failure to attend C2 mandated continuing educational classes may subject TPHs and associated persons to sanctions under the Exchange's Minor Rule Violation Plan. Any action taken by the Exchange would not preclude further disciplinary action under C2 Rules. Proposed C2 Rule 3.13 is similar to existing CBOE Rule 6.20(e).

Third, C2 proposes to add Rule 6.17, Price Check Parameters. Under the proposed rule, C2 would not automatically execute eligible orders

²⁹ For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

³⁰ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(iii).

⁴ 17 CFR 240.19b-4(f)(6).

⁵ See Exchange Act Release No. 61152 (Dec. 10, 2009), 74 FR 66699 (Dec. 16, 2009).

that are marketable if (1) the width between the national best bid and national best offer is not within an acceptable price range (as determined by the Exchange on a series by series basis for market orders and/or marketable limit orders and announced to TPHs via Regulatory Circular), or (2) the execution would follow an initial partial execution on the Exchange and would be at a subsequent price that is not within an acceptable tick distance from the initial execution (as determined by the Exchange on a series by series and premium basis for market orders and/or marketable limit orders and announced to TPHs via Regulatory Circular).

For purposes of the proposed rule, an "acceptable price range" ("APR") shall be determined by the Exchange on a class-by-class basis and shall be no less than: \$0.375 between the bid and offer for each option contract for which the bid is less than \$2, \$0.60 where the bid is at least \$2 but does not exceed \$5, \$0.75 where the bid is more than \$5 but does not exceed \$10, \$1.20 where the bid is more than \$10 but does not exceed \$20, and \$1.50 where the bid is more than \$20. An "acceptable tick distance" ("ATD") shall be no less than 2 minimum increment ticks. Under the proposed rule, the senior official in the C2 Help Desk may grant intra-day relief by widening the APR and ATD for one or more option series. Notification of intra-day relief will be announced via electronic message to TPHs that request to receive such messages. If an execution is suspended because the APR has not been met, the order will be cancelled. If an execution is suspended because executing the remaining portion of an order would exceed the ATD, then such remaining portion will be cancelled.

Proposed Rule 6.17 is similar to existing CBOE Rule 6.13(b)(vi), except that provisions in the CBOE rule related to the handling of orders in open outcry have not been incorporated.

Fourth, C2 proposes to adopt Rule 6.37, Reporting of Trade Information, to require TPHs to file with the Exchange trade information in such form as may be prescribed by the Exchange covering each Exchange transaction during each business day in order to allow the Exchange to properly match and clear trades. The trade information shall show for each transaction (1) The identity of the Clearing Participant, (2) the underlying security, (3) the exercise price, (4) the expiration month, (5) the number of option contracts, (6) the premium per unit, (7) the identity of the executing broker representing the Clearing Participants, (8) whether a

purchase or a writing transaction, (9) except for a transaction executed by or for a Market-Maker, whether an opening or closing transaction, (10) the identity of the account of the Clearing Participant in which the transaction was effected, (11) the time of purchase or sale, (12) whether a put or call, and (13) such other information as may be required by the Exchange. Proposed Rule 6.37 is similar to existing CBOE Rule 6.51(d), except that trade information in the CBOE rule related to the reporting of open outcry transactions has not been incorporated.

Fifth, C2 proposes to amend Rule 6.51, Automated Improvement Mechanism ("AIM"), to extend until July 18, 2011 the Pilot Period during which there will be no minimum size requirement for orders to be eligible for the AIM auction. This proposed amendment to extend the pilot program is based on a recent CBOE rule filing.⁶

Lastly, C2 also proposes to amend Chapter 24, Index Options. Chapter 24 of the C2 rules incorporates by reference CBOE Chapter XXIV, with the exception of certain specified rules contained in CBOE Chapter XXIV. C2 proposes to amend the list of excepted rules in two respects. We are inserting a reference to provide that CBOE Rule 24.15, Automatic Execution of Index Options, does not apply to C2. CBOE Rule 24.15 addresses the applicability of certain CBOE automatic execution rules to index options. The rules are inapplicable to the operations of C2, and thus the rule itself should not apply to C2. We are also deleting a reference to CBOE Rule 24.16, Nullification and Adjustment of Transactions in Index Options, Options on ETFs, and Options on HOLDRS, because that rule has been deleted from the CBOE rules and thus the cross-reference is outdated and no longer necessary.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the "Act")⁷ and the rules and regulations thereunder and, in particular, the requirements of Section 6(b) of the Act.⁸ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)⁹ requirements that the rules of an exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts, to remove

impediments to and to perfect the mechanism for a free and open market and a national market system, and, in general, to protect investors and the public interest. Updating the C2 rules to keep them in line with those of CBOE (as relevant) provides for consistency in rules.

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 not necessary or appropriate in furtherance of the purposes of the Act.

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

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

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

Because the foregoing proposed rule change: (1) Does not significantly affect the protection of investors or the public interest; (2) does not impose any significant burden on competition; and (3) by its terms does not become operative for 30 days after the date of this filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act¹⁰ and Rule 19b-4(f)(6) thereunder.¹¹

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative for 30 days after the date of filing. However, Rule 19b-4(f)(6)(iii) permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange requests that the Commission waive the 30-day operative delay, as specified in Rule 19b-4(f)(6)(iii),¹² which would make the rule change effective and operative upon filing. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the

¹⁰ 15 U.S.C. 78s(b)(3)(A).

¹¹ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to provide the Commission with 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. C2 has satisfied this requirement.

¹² 17 CFR 240.19b-4(f)(6)(iii).

⁶ See Securities Exchange Act Release No. 34-62-522 (July 16, 2010), 75 FR 43596 (July 26, 2010) (SR-CBOE-2010-067).

⁷ 15 U.S.C. 78s(b)(1).

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(5).

public interest.¹³ The Commission notes that the proposal is designed to conform C2's rules to the rules of the CBOE, and does not raise any new regulatory issues. For these reasons, the Commission designates the proposed rule change as operative upon filing.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-C2-2010-008 on the subject line.

Paper Comments

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-C2-2010-008. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for Web site viewing and printing in the Commission's Public

Reference Room, 100 F Street, NE., Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of 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-C2-2010-008 and should be submitted on or before November 30, 2010 in the **Federal Register**.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁴

Florence E. Harmon,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-63239; File No. SR-NASDAQ-2010-137]

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing of Proposed Rule Change To Amend IM-5101-2 To Provide Acquisition Companies the Option To Hold a Tender Offer in Lieu of a Shareholder Vote on a Proposed Acquisition

November 3, 2010.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on October 22, 2010, The NASDAQ Stock Market LLC ("Nasdaq") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by Nasdaq. 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 the Substance of the Proposed Rule Change

Nasdaq proposes to provide acquisition companies an option to hold a tender offer in lieu of a shareholder vote on a proposed acquisition.

Proposed new language is in *italics*; proposed deletions are in [brackets].³

IM-5101-2. Listing of Companies Whose Business Plan is to Complete One or More Acquisitions

Generally, Nasdaq will not permit the initial or continued listing of a Company that has no specific business plan or that has indicated that its business plan is to engage in a merger or acquisition with an unidentified company or companies.

However, in the case of a Company whose business plan is to complete an initial public offering and engage in a merger or acquisition with one or more unidentified companies within a specific period of time, Nasdaq will permit the listing if the Company meets all applicable initial listing requirements, as well as the conditions described below.

(a)-(c) No change.

(d) Until the Company has satisfied the condition in paragraph (b) above, *if the Company holds a shareholder vote on a business combination for which the Company must file and furnish a proxy or information statement subject to Regulation 14A or 14C under the Act in advance of the shareholder meeting, the[each] business combination must be approved by a majority of the shares of common stock voting at the meeting at which the combination is being considered. If a shareholder vote on the business combination is held,*

[(e) Until the Company has satisfied the condition in paragraph (b) above,] public Shareholders voting against a business combination must have the right to convert their shares of common stock into a pro rata share of the aggregate amount then in the deposit account (net of taxes payable and amounts distributed to management for working capital purposes) if the business combination is approved and consummated. A Company may establish a limit (set no lower than 10% of the shares sold in the IPO) as to the maximum number of shares with respect to which any Shareholder, together with any affiliate of such Shareholder or any person with whom such shareholder is acting as a "group" (as such term is used in Sections 13(d) and 14(d) of the Act), may exercise such conversion rights. For purposes of this paragraph [(e)] (d), public Shareholder excludes officers and directors of the Company, the Company's sponsor, the founding Shareholders of the Company, and any Family Member or affiliate of any of the foregoing persons, or the beneficial holder of more than 10% of the total shares outstanding.

Until the Company completes a business combination where all conditions in paragraph (b) above are met, the Company must notify Nasdaq on the appropriate form about each proposed business combination. Following each business combination, the combined Company must meet the requirements for initial listing. If the Company does not meet the requirements for initial listing following a business combination or does not comply with one of

¹³ For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

¹⁴ 17 CFR 200.30-3(a)(12).

¹⁵ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Changes are marked to the rule text that appears in the electronic manual of Nasdaq found at <http://nasdaqomx.cchwallstreet.com>.