

with the protection of investors and the public interest, provided that the self-regulatory organization has given the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change or such shorter time as designated by the Commission, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act⁹ and Rule 19b-4(f)(6) thereunder.¹⁰ At any time within 60 days of the filing of such proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

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

Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-CBOE-2009-011 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-2009-011. 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 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 inspection and copying 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 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-2009-011 and should be submitted on or before March 24, 2009.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹¹

Florence E. Harmon,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-59441; File No. 10-191]

C2 Options Exchange, Incorporated; Notice of Filing of Application for Registration as a National Securities Exchange Under Section 6 of the Securities Exchange Act of 1934

February 24, 2009.

On January 21, 2009, C2 Options Exchange, Incorporated ("C2") submitted to the Securities and Exchange Commission ("Commission") a Form 1 application under the Securities Exchange Act of 1934 ("Exchange Act"), seeking registration as a national securities exchange under Section 6 of the Exchange Act. The Commission is publishing this notice to solicit comments on C2's Form 1. The Commission will take these comments into consideration in making its determination about whether to grant C2's request to be registered as a national securities exchange. The Commission shall grant such registration if it finds that the requirements of the Exchange Act and the rules and regulations thereunder with respect to C2 are satisfied.¹

C2's Form 1 provides detailed information on its proposed structure and how it proposes to satisfy the requirements of the Exchange Act. In

particular, C2 would be owned by its parent company, the Chicago Board Options Exchange, Incorporated ("CBOE"), but would operate as a separate self-regulatory organization under its own exchange license. The incorporator of C2 would appoint C2's initial Board of Directors, which would be comprised of the same individuals who are then serving as the board of directors of CBOE. As specified in the proposed Certificate of Incorporation, shortly after trading commences, C2 would undertake a petition process by which Trading Permit Holders could elect Representative Directors to the Board.

Access to C2 would be available through trading permits. All CBOE members in good standing would be eligible to receive a C2 trading permit upon completion of a streamlined application process, while non-CBOE members could apply for a C2 trading permit in a manner similar to the current process for firms applying for membership on CBOE.

C2 would operate an all-electronic marketplace for the trading of listed options and would not maintain a physical trading floor. Liquidity on C2 would be derived from orders to buy and orders to sell submitted electronically by trading permit holders or their sponsored participants from remote locations, as well as from market makers, which would have certain affirmative and negative market making obligations.

C2's Form 1 is available at the Commission's Public Reference Room and <http://www.sec.gov>. Interested persons are invited to submit written data, views, and arguments concerning C2's Form 1, including whether C2's application is consistent with the Exchange Act. Among other things, the Commission requests comments on C2's proposed governance and Board composition. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/other.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number 10-191 on the subject line.

Paper Comments

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

All submissions should refer to File Number 10-191. This file number

⁹ 15 U.S.C. 78s(b)(3)(A).

¹⁰ 17 CFR 240.19b-4(f)(6). The Commission notes that CBOE has satisfied this 5-day requirement.

¹¹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(a).

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/other.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to C2's Form 1 filed with the Commission, and all written communications relating to the application 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 inspection and copying 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. 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 10-191 and should be submitted on or before April 17, 2009.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²

Florence E. Harmon,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-59446; File No. SR-NYSE-2009-17]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by New York Stock Exchange LLC Eliminating the Ability To Enter Orders on the Exchange With the Settlement Instructions of "Cash", "Next Day" and "Seller's Option"

February 25, 2009.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 ("Act")² and Rule 19b-4 thereunder,³ notice is hereby given that on February 18, 2009, New York Stock Exchange LLC ("NYSE" or "Exchange") 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 the self-regulatory organization. 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 eliminate the ability to enter orders on the Exchange with the settlement instructions of "cash", "next day" and "seller's option".

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 Statutory Basis for, the Proposed Rule Change

1. Purpose

Through this filing the Exchange seeks to amend several Exchange rules to remove references to certain settlement instructions that are no longer compatible with the Exchange's more electronic market. These include instructions to settle on "cash", "next day" or "seller's option" basis.

The Exchange notes that parallel changes are proposed to be made to the rules of the NYSE Alternext Exchange (formerly the American Stock Exchange).⁴

Background

Currently, in addition to regular way settlement (*i.e.*, settlement on the third business day following trade date), a customer may submit an order with settlement instructions for cash, next day or seller's option. An order with cash settlement instructions requires delivery of the securities the same day as the transaction in contrast to a regular way transaction, where the seller is

required to deliver the securities on the third business day. Next day settlement instructions require delivery of the securities on the first business day following the transaction. Orders that have settlement instructions of seller's option affords the seller the right to deliver the security or bond at any time within a specified period, ranging from not less than two business days to not more than 180 days for stocks and not less than two business days and no more than sixty days for U.S. government securities.

Cash, next day and seller's option settlement instructions are remnants of a time when the Exchange functioned completely as a manual auction market. While each of these settlement instructions may be included on order types that are submitted electronically to the Exchange, orders containing any of those settlement instructions cannot be immediately and automatically executed but must bypass the Exchange matching/execution engine, Display Book, and are literally printed on paper at the trading post for manual processing on the Floor.

Proposed Elimination of Cash, Next Day, Seller's Option Settlement Instructions

In the Exchange's current more electronic market, orders received by Exchange systems that are marketable upon entry are eligible to be immediately and automatically executed. Order types and settlement instructions that require manual intervention pose significant impediments to the efficient functioning of the Exchange's market. To this end the Exchange filed with the Commission to remove legacy orders that require manual processing. Specifically, on January 31, 2008, the Exchange filed with the Commission to amend NYSE Rule 13 to invalidate the use of the manual order types "Alternative Order—Either/Or Order", "Orders Good Until a Specified Time", "Scale Order" and "Switch Order—Contingent Order" and Rule 124's order types "Limited Order, With or Without Sale" and "Basis Price Order" as being incompatible with the more electronic Exchange market environment.⁵

The Exchange's commitment to provide its market participants with the ability to have their orders executed in the most efficient manner necessitates the elimination of cash, next day and seller's option as valid settlement instructions for orders submitted to the

² 17 CFR 200.30-3(a)(71)(i).

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

⁴ See SR-NYSE Alternext-2009-14 (to be filed February 18, 2009). The Commission notes that the referenced filing was rejected because of a deficiency in the proposed rule text.

⁵ See Securities and Exchange Act Release No. 57295 (February 8, 2008), 73 FR 8731 (February 14, 2008) (SR-NYSE-2008-11).