

JESOP is a party (each a “Section 17 Transaction”) will be effected only if the Investment Manager determines that:

(a) The terms of the Section 17 Transaction, including the consideration to be paid or received, are fair and reasonable to the Members of JESOP and do not involve overreaching of JESOP or its Members on the part of any person concerned;

(b) the Section 17 Transaction is consistent with the interests of the Members of JESOP, JESOP’s constitutive documents, and JESOP’s reports to its Members; and

(c) the Section 17 Transaction is undertaken only in connection with the Termination.

The Investment Manager will record and preserve a description of all Section 17 Transactions, its findings, the information or materials upon which its findings are based, and the basis therefor. All such records will be maintained for the life of JESOP, and at least six years thereafter, and will be subject to examination by the Commission and its staff. All such records will be maintained in an easily accessible place for at least the first two years after such a transaction.

2. If JESOP makes purchases or sales from or to an entity affiliated with JESOP because an officer, director or employee of the Jefferies Group either: (a) Serves as an officer, director, general partner or investment adviser of the entity, or (b) has a 5% or more investment in the entity, such individual will not participate in JESOP’s determination of whether or not to effect the purchase or sale. Any such purchase or sale will be made only in connection with the Termination.

3. The Investment Manager will adopt, and periodically review and update, procedures designed to ensure that reasonable inquiry is made, prior to the consummation of any Section 17 Transaction, that (a) the Section 17 Transaction is only effected to facilitate the Termination, and (b) the possible involvement in the Section 17 Transaction of any affiliated person or promoter of or principal underwriter for JESOP or any affiliated person of such person, promoter or principal underwriter, is made in accordance with these conditions.

4. The Investment Manager will not invest the funds of JESOP in any securities other than Series E Interests of Holdings, shares of money market funds registered under the Act, and “eligible securities,” as that term is defined in rule 2a-7 under the Act.

5. The Managing Member will send, or cause to be sent, to each person who

was a Member in JESOP at any time during the fiscal year then ended, JESOP’s financial statements audited by independent accountants. At the end of each fiscal year, as of that year end, the Managing Member will make or have a valuation made of all the assets of JESOP. In addition, within 90 days after the end of each fiscal year of JESOP, or as soon as practicable thereafter, the Managing Member of JESOP shall send, or cause to be sent, a report to each person who was a Member at any time during the fiscal year then ended, setting forth such tax information as shall be necessary for the preparation by the Member of his or her federal and state income tax returns, and a report of the investment activities of JESOP during such fiscal year.

6. JESOP, the Managing Member and the Investment Manager will maintain and preserve, for the life of JESOP and at least six years thereafter, such accounts, books, and other documents as constitute the record forming the basis for the audited financial statements and annual reports of JESOP to be sent to the Members, and agree that all such records will be subject to examination by the Commission and its staff. All such records will be maintained in an easily accessible place for at least the first two years.

7. The requested relief will terminate on March 29, 2013 and after that date JESOP will not rely on any Commission rule under the Act that provides relief permitting the operation of employees’ securities companies as such term is defined in section 2(a)(13) of the Act.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Kevin M. O’Neill,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-66651; File No. SR-C2-2012-010]

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

March 23, 2012.

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 March 19,

2012, 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 Web site (<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 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 a number of its application-related fees, as listed below:

Fee	Current fee amount	Proposed new fee amount
Application Fee (Organizations)	\$4,000	\$5,000
Application Fee (Sole-Proprietors) ..	2,500	3,000
Engage in Customer Business	2,500	3,000
Associated Person	350	500
Renewal (Organizations)	2,000	2,500
Statutory Disqualification	2,750	5,000
Fingerprint	50	60

The costs of processing these applications and activities have increased, and the Exchange therefore

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

proposes increasing the fees in order to recoup such costs. Further, these changes will make these fee amounts equivalent to corresponding fees on the Chicago Board Options Exchange, Incorporated (“CBOE”).³

The Exchange also proposes waiving Renewal fees for a six-month period beginning on April 1, 2012. The Renewal fee is assessed to organizations and sole proprietorships that were once C2 Trading Permit Holders but gave up their trading permits, and now want to return. The Exchange proposes waiving the Renewal fee for a six-month period beginning on April 1, 2012 in order to provide an incentive to former C2 Trading Permit Holders to return to C2.

The proposed changes are to take effect April 1, 2012.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with 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 Section 6(b)(4) of the Act,⁵ which provides that Exchange rules may provide for the equitable allocation of reasonable dues, fees, and other charges among its Trading Permit Holders and other persons using its facilities. The proposed increases in TPH Application fees are reasonable because such increases are necessary to cover the increased costs of processing such applications and activities. The proposed increases in TPH Application fees are equitable and not unfairly discriminatory because they apply equally to all qualifying market participants. Further, these changes will make these fee amounts equivalent to corresponding fees on CBOE.⁶

The proposed waiver of the Renewal fees for a six-month period beginning on April 1, 2012 is reasonable because it will permit former C2 Trading Permit Holders to avoid having to pay a fee they would otherwise have to pay to return to C2. The proposed waiver of the Renewal fees for a six-month period beginning on April 1, 2012 is equitable and not unfairly discriminatory because it will apply equally to all former C2 Trading Permit Holders who wish to return to C2. Moreover, this waiver will encourage former C2 Trading Permit Holders to return to C2, which will in turn bring greater liquidity and more

trading opportunities for all market participants.

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.

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

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

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)⁷ of the Act and paragraph (f) of Rule 19b-4⁸ 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.

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 email to rule-comments@sec.gov. Please include File Number SR-C2-2012-010 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-C2-2012-010. This file number should be included on the subject line if email 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 will also 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 No. SR-C2-2012-010 and should be submitted on or before April 19, 2012.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁹

Kevin M. O'Neill,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-66645; File No. SR-PHLX-2012-37]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by NASDAQ OMX PHLX LLC Relating to the Proprietary Traders Qualification Examination (“Series 56”)

March 22, 2012.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹, and Rule 19b-4² thereunder, notice is hereby given that on March 21, 2012, NASDAQ OMX PHLX LLC (“Phlx” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been

³ See CBOE Fees Schedule, Section 11.

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(4).

⁶ See Note 3.

⁷ 15 U.S.C. 78s(b)(3)(A).

⁸ 17 CFR 240.19b-4(f).

⁹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.