Information on the PMF Program can be found at www.pmf.gov.

Analysis
Title: Presidential Management Fellows (PMF) Application.
OMB Number: 3206–0082.
Affected Public: Current graduate students and individuals who obtained an advanced degree within the previous two years.
Number of Respondents: 25,000.
Estimated Time per Respondent: 13 minutes.
Total Burden Hours: 5,417 hours.
John Berry,
Director.
[FR Doc. 2012–24176 Filed 10–1–12; 8:45 am]
BILLING CODE 6325–38–P

POSTAL SERVICE
Board of Governors; Sunshine Act Meeting

DATES AND TIMES: October 15, 2012, at 4:00 p.m., and October 16, 2012, at 8:00 a.m.
STATUS: Closed.
MATTERS TO BE CONSIDERED:
Monday, October 15, 2012 at 4:00 p.m.
1. Strategic Issues.
Tuesday, October 16, 2012 at 8:00 a.m.
1. Strategic Issues, continued.
3. Pricing.
5. Governors’ Executive Session—Discussion of prior agenda items and Board Governance.
CONTACT PERSON FOR MORE INFORMATION:

John S. Moore,
Secretary.
[FR Doc. 2012–24279 Filed 9–28–12; 11:15 am]
BILLING CODE 7710–12–P

SECURITIES AND EXCHANGE COMMISSION
Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Public Law 94–409, that the Securities and Exchange Commission will hold a Closed Meeting on Thursday, October 4, 2012 at 2:00 p.m.
Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the Closed Meeting. Certain staff members who have an interest in the matters also may be present.
The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(3), (5), (7), (9)(B) and (10) and 17 CFR 200.402(a)(3), (5), (7), (9)(ii) and (10), permit consideration of the scheduled matters at the Closed Meeting.
Commissioner Walter, as duty officer, voted to consider the items listed for the Closed Meeting in a closed session.
The subject matter of the Closed Meeting scheduled for Thursday, October 4, 2012 will be:
Institution and settlement of injunctive actions; institution and settlement of administrative proceedings; and other matters relating to enforcement proceedings.
At times, changes in Commission priorities require alterations in the scheduling of meeting items.
For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact:
The Office of the Secretary at (202) 551–5400.
Dated: September 27, 2012.
Elizabeth M. Murphy,
Secretary.
[FR Doc. 2012–24247 Filed 9–28–12; 11:15 am]
BILLING CODE 6011–01–P

SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to Codification of a Fee Schedule for the Sale by Market Data Express, LLC, an Affiliate of CBOE, of a Data Product That Includes Option Valuations

September 26, 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 September 14, 2012, the Chicago Board Options Exchange, Incorporated (the “Exchange” or “CBOE”) 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 the Substance of the Proposed Rule Change

This proposal submitted by Chicago Board Options Exchange, Incorporated (“CBOE” or “Exchange”) is to codify a fee schedule for the sale by Market Data Express, LLC (“MDX”), an affiliate of CBOE, of a data product that includes option valuations. The text of the proposed rule change is available on the Exchange’s Web site (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 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 purpose of the proposed rule change is to establish fees that MDX will charge for a new market data product, referred to as the CBOE Customized Option Valuation Service (the “Service”). The Service would provide subscribers with an “end-of-day” file of option valuations for Flexible Exchange (“FLEX”) options and certain over-the-

1 An end of day file refers to data that is distributed prior to the opening of the next trading day.
2 FLEX options are exchange traded options that provide investors with the ability to customize basic option features including size, expiration date, exercise style, and certain exercise prices.
counter ("OTC") options (the "Data"). The Data would be available for internal use and distribution by subscribers. MDX would offer the Data for sale to CBOE Trading Permit Holders ("TPHs") and non-TPHs.

The Data would consist of indicative \(^5\) values for three categories of "customized" options. The first category of options is all open series of FLEX options listed on any exchange that offers FLEX options for trading. \(^6\) The second category is OTC options that have the same degree of customization as FLEX options. The third category includes options with strike prices expressed in percentage terms. Values for such options would be expressed in percentage terms and would be theoretical values.\(^7\)

A small number of market data vendors produce option value data that is similar to the Data.\(^8\) The Options Clearing Corporation ("OCC") also produces FLEX option value data that is similar to the FLEX option value data that would be included in the Service.\(^9\) These vendors and the OCC use model-driven processes to produce their data. Instead of using a model-driven process, CBOE would use values produced by CBOE registered market-makers to produce the Data. Participating CBOE market-makers would submit values to MDX on options series specified by MDX on a daily basis. These values would be generated by the market-maker's internal pricing models. The valuations that MDX would ultimately publish would be an average of multiple contributions of values from participating CBOE market-makers.\(^10\) For each value provided by MDX through the Service, MDX would include a corresponding indication of the number of market-maker contributors that factored into that value.\(^11\)

The fees that MDX would assess for the Data are set forth in the following table which would be included on the Price List on the MDX Web site (www.marketdataexpress.com).

<table>
<thead>
<tr>
<th>Number of options</th>
<th>Per option/per day</th>
</tr>
</thead>
<tbody>
<tr>
<td>0–50</td>
<td>$1.25</td>
</tr>
<tr>
<td>51–100</td>
<td>1.00</td>
</tr>
<tr>
<td>101–500</td>
<td>0.75</td>
</tr>
<tr>
<td>500+</td>
<td>0.50</td>
</tr>
</tbody>
</table>

MDX would charge a fee per option per day for the Data. The amount of the fee would be reduced based on the number of options purchased. A subscriber would pay $1.25 per option per day for each option purchased up to 50 options, $1.00 per option per day for each option purchased from 51 to 100 options, $0.75 per option per day for each option purchased from 101 to 500 options, and $0.50 (sic) per option per day for each option purchased over 500 options. For example, a subscriber that purchases values for 150 options per day would pay $1.25 per option per day for the first 50 options ($62.50), $1.00 per option per day for the next 50 options ($50.00) and $0.75 per option per day for the remaining 50 options ($37.50) for a total of $150 per day.

Subscribers would be able to purchase options daily, weekly, monthly or quarterly through the MDX Web site. TPHs and non-TPHs would be charged the same fees for the Data. The Data would be delivered to subscribers via File Transfer Protocol (FTP) or secure copy shortly after the close of trading each day. MDX expects to launch the Service during the fourth quarter of 2012.

B. Self-Regulatory Organization's Statement on Burden on Competition

CBOE 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. To the contrary, the Exchange believes the proposed rule change is pro-competitive in that it would allow the Exchange, through MDX, to disseminate a new data service on a voluntary basis. The Service is voluntary on the part of the Exchange, which is not required to offer such services, and voluntary on the part of prospective subscribers that are not required to use it. The Exchange believes that the Service would help attract new users and new order flow to the Exchange, thereby improving the Exchange's ability to compete in the market for options order flow and executions.

The Exchange also believes that the proposed fees for the Data are consistent with the requirements of the Act because competition provides an effective constraint on the market data fees that the Exchange, through MDX, has the ability and the incentive to charge. CBOE has a compelling need to attract order flow from market participants in order to maintain its share of trading volume. This compelling need to attract order flow imposes significant pressure on CBOE to act reasonably in setting its fees for market data, particularly given that the market participants that will pay such fees often will be the same market participants from whom CBOE must attract order flow. These market participants include broker-dealers that control the handling of a large volume of customer and proprietary order flow. Given the portability of order flow from one exchange to another, any exchange that sought to charge unreasonably high data fees would risk alienating many of the same customers on whose orders it depends for competitive survival. CBOE currently competes with eight options vendors that currently compete with eight options vendors.

\(^5\) "Indicative" values are indications of potential market prices only and as such are neither firm nor the basis for a transaction.

\(^6\) Current FLEX options open interest spans over 2,000 series on over 300 different underlying securities.

\(^7\) These values would be theoretical in that they would be indications of potential market prices for options that have not traded (i.e., do not yet exist). Market participants sometimes express option values in percentage terms rather than in dollar terms because it is easier to assess the change, or lack of change, in the marketplace from one day to the next when values are expressed in percentage terms.

\(^8\) These vendors include SuperDerivatives, Market, Prism, and Bloomberg’s BVAL service.

\(^9\) The OCC makes this data available on its Web site at http://www.theocc.com/webapps/flexreports.

\(^10\) The Exchange has filed a proposed rule change describing in detail the Service, the qualification criteria that a CBOE market-maker must meet in order to be allowed to contribute values to MDX for purposes of producing Data for the Service, and the compensation MDX will pay to participating market-makers. See Securities Exchange Act Release No. 67813 (September 10, 2012) [77 FR 56903 (September 14, 2012)] [SR-CBOE-2012-083].

\(^11\) MDX would publish on its Web site a description of the methodology used for averaging the values submitted by market-makers to produce a single publishable value.
Proposed Rule Change and Timing for the Notice of Filing and Immediate Effectiveness of Proposed Rule Change Related to AIM and SAM

The Exchange is proposing to make amendments to its rules pertaining to certain auction mechanisms. The text of the proposed rule change is available on the Exchange’s Web site (http://www.c2exchange.com/Legal/RuleFilings.aspx), at the Exchange’s Office of the Secretary and at the Commission.

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

14 The Commission has previously made a finding that the options industry is subject to significant competitive forces. See e.g., Securities Exchange Act Release No. 59949 (May 20, 2009), 74 FR 25593 (May 28, 2009) [SR–ISE–2009–97] (order approving ISE’s proposal to establish fees for a real-time depth offering).


