

attractiveness as a venue for trading securities.

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

Written comments were neither solicited nor received.

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

Because the foregoing proposed rule change: (i) Does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6) thereunder.⁶

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative for 30-days from the date of filing. However, Rule 19b-4(f)(6)(iii)⁷ permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that it may implement the proposed rule change on July 11, 2016, contemporaneously with a similar Nasdaq rule that was previously approved by the Commission⁸ and a virtually identical proposed rule change submitted by NASDAQ BX, Inc.⁹

The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest. The Exchange proposes to modify the way in which orders are accepted prior to the commencement of trading for securities that are subject to a trading halt. The Exchange notes that the current functionality for accepting orders prior to the Exchange releasing the security for trading is used infrequently and therefore the proposed rule change will have little impact on its customers. Further, the Commission does not

believe that the proposed rule change raises any new or novel issues. Accordingly, the Commission hereby waives the 30-day operative delay and designates the proposed rule change as operative upon filing.¹⁰

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 shall institute proceedings to determine whether the proposed rule 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 email to rule-comments@sec.gov. Please include File Number SR-PHLX-2016-70 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.
- All submissions should refer to File Number SR-PHLX-2016-70. 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

¹⁰ 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).

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 10:00 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-PHLX-2016-70, and should be submitted on or before August 2, 2016.

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

Brent J. Fields,
Secretary.

[FR Doc. 2016-16376 Filed 7-11-16; 8:45 am]

BILLING CODE 8011-01-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, July 14, 2016 at 2 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 her designee, has certified that, in her opinion, one or more of the exemptions set forth in 5 U.S.C. 552(b)(3), (5), (7), 9(B) and (10) and 17 CFR 200.402(a)(3), (a)(5), (a)(7), (a)(9)(ii) and (a)(10), permit consideration of the scheduled matter at the Closed Meeting.

Commissioner Piwowar, as duty officer, voted to consider the items listed for the Closed Meeting in closed session.

The subject matter of the Closed Meeting will be:

- Institution and settlement of injunctive actions;
- Institution and settlement of administrative proceedings;
- Adjudicatory matters;
- Opinion; and
- Other matters relating to enforcement proceedings.

¹¹ 17 CFR 200.30-3(a)(12).

⁶ 17 CFR 240.19b-4(f)(6). Furthermore, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file a 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, or such shorter time as designated by the Commission. The Exchange has provided such notice.

⁷ 17 CFR 240.19b-4(f)(6)(iii).

⁸ See *supra* note 3.

⁹ See SR-BX-2016-033 submitted on June 22, 2016.

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 Brent J. Fields from the Office of the Secretary at (202) 551-5400.

Dated: July 7, 2016.

Brent J. Fields,

Secretary.

[FR Doc. 2016-16497 Filed 7-8-16; 11:15 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-78235; File No. SR-C2-2016-010]

Self-Regulatory Organizations; C2 Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Rules Related to Execution and Priority

July 6, 2016.

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 June 29, 2016, C2 Options Exchange, Incorporated (“C2” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II, and III, 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

The Exchange proposes to amend its rules related to execution and priority. 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.

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).

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 proposed rule change amends C2’s execution and priority rules to more accurately reflect current System functionality and make other technical and nonsubstantive changes. First, the proposed rule change amends Rule 6.12(a) to provide the price-time and pro rata priority algorithms apply to orders and quotes. The current rule text states these trading priority allocations apply only to orders; however, the System applies these rules of trading priority to resting orders and quotes, which is consistent with the Exchange’s intention and, the Exchange believes, Participants’ expectations.⁵ Resting quotes may trade with incoming orders in the same manner as resting orders, and the proposed rule change merely updates the rule text to explicitly state this. The proposed rule change also makes nonsubstantive changes to Rule 6.12(a), including correcting punctuation and using consistent language in both subparagraphs (1) and (2).⁶

Second, the proposed rule change amends Rule 6.12(a)(2) to add detail regarding how the System distributes contracts pursuant to the pro-rata algorithm and rounds fractions of contracts. Current Rule 6.12(a)(2) states resting orders are prioritized according

⁵ Previous rule filings state these rules of trading priority apply to the allocation of both resting orders and quotes. See, e.g., SR-C2-2010-005. Additionally, Rule 6.12(a)(2) states an additional contract (if contracts cannot be distributed equally among Participants) will be distributed to the Participant whose *quote or order* has time priority, supporting the rule’s applicability to orders and quotes.

⁶ The proposed rule change similarly amends Rules 6.12(b)(1), 6.12(h), 6.16, 6.18(d), 6.34(d), and 6.51(b)(2)(B) to include references to quotes in rule provisions that currently only reference orders but also apply in the same manner to quotes.

to price, and if there are two or more orders at the best price, then trades are allocated proportionally according to size (in a pro rata fashion). Executable quantity is allocated to the nearest whole number, with fractions $\frac{1}{2}$ or greater rounded up and fractions less than $\frac{1}{2}$ rounded down. If there are two market participants that both are entitled to an additional $\frac{1}{2}$ contract and there is only one contract remaining to be distributed, the additional contract will be distributed to the participant whose quote or order has time priority. This is consistent with System functionality; however, it represents only one example (a situation in which there are two market participants and only one remaining contract) rather than a general rule regarding allocations of contracts that cannot be allocated proportionally in whole numbers. For example, three market participants may be entitled to an additional fraction of a contract.

The proposed rule change amends this provision to state if there are two or more resting orders or quotes at the best price, then the System allocates contracts from an incoming order or quote to resting orders and quotes sequentially in the order in which the System received them (*i.e.*, according to time) proportionally according to size (*i.e.*, on a pro rata basis). The System allocates contracts to the first resting order or quote proportionally according to size (based on the number of contracts to be allocated and the size of the resting orders and quotes). Then, the System recalculates the number of contracts to which each remaining resting order and quote is afforded proportionally according to size (based on the number of remaining contracts to be allocated and the size of the remaining resting quotes and orders) and allocates contracts to the next resting order or quote. The System repeats this process until it allocates all contracts from the incoming order or quote. The System rounds fractions $\frac{1}{2}$ or greater up and fractions less than $\frac{1}{2}$ down prior to each allocation. This proposed provision is consistent with the current rule that states contracts are distributed to quotes and orders in time priority. It adds detail regarding the sequential nature of the allocation process and applies the provision to situations in which any number of orders or quotes may be entitled to non-whole numbers of contracts. The Exchange believes this is a fair, objective process and simple systematic process to allocate “extra” contracts when more than one market participant may be entitled to those extra contracts