

trade through violation of Regulation NMS.

NASDAQ notes that the proposed MOPB routing option is very similar to the SWPB routing option of the EDGX Exchange, Inc.⁵ The SWPB routing option checks the market's order book and then is sent to Protected Quotations, only for displayed size. Like the proposed MOPB, an SWPB order must be of sufficient size to execute against all Protected Quotations or the entire SWPB order will be immediately cancelled back to the member firm.

2. Statutory Basis

The statutory basis for the proposed rule change is Section 6(b)(5) of the Act,⁶ in that the proposal is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. The proposed rule change to introduce the MOPB routing option will provide market participants with a useful order type that will help member firms avoid inadvertent violation of Rule 611 of Regulation NMS in an internally-crossed trade by cancelling an order that, although intended to fully sweep Protected Quotes, will not do so. As noted, the proposed routing option is very similar to the SWPB routing option of the EDGX Exchange, Inc., and therefore raises no novel issues.

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

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed change is designed to provide a new routing option that will serve as an additional safeguard to prevent the execution of an internally-crossed order that would violate Rule 611 of Regulation NMS. As such, NASDAQ does not believe the proposed change will have any impact whatsoever on competition, but does believe that it is entirely appropriate in furtherance of the purposes of the Act.

⁵ See EDGX Rule 11.9(b)(2)(p); see also Securities Exchange Act Release No. 63779 (January 26, 2011), 76 FR 5636 (February 1, 2011) (SR-EDGX-2011-01).

⁶ 15 U.S.C. 78f(b)(5).

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 does not: (i) Significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) 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)(ii) of the Act⁷ and subparagraph (f)(6) of Rule 19b-4 thereunder.⁸

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-NASDAQ-2013-078 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-NASDAQ-2013-078. 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 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal offices of NASDAQ. 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-NASDAQ-2013-078, and should be submitted on or before June 20, 2013.

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

Kevin M. O'Neill,
Deputy Secretary.

[FR Doc. 2013-12818 Filed 5-29-13; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-69629; File No. SR-CBOE-2013-054]

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing of a Proposed Rule Change To Amend Rule 6.42

May 23, 2013.

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 May 13, 2013, 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

¹ 17 CFR 200.30-3(a)(12).

² 15 U.S.C. 78s(b)(1).

³ 17 CFR 240.19b-4.

⁷ 15 U.S.C. 78s(b)(3)(A)(ii).

⁸ 17 CFR 240.19b-4(f)(6).

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

The Exchange proposes to amend Rule 6.42. 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 Exchange proposes to amend its Rule 6.42—Minimum Increments for Bids and Offers—regarding minimum increments of bids and offers for complex orders. Currently, Rule 6.42(4) states that bids and offers on complex orders may be expressed in any increment regardless of the minimum increments otherwise appropriate to the individual legs of the order. This language allows for complex order bids and offers to be expressed in any increment whatsoever. The Exchange believes that setting a minimum increment for bids and offers on complex orders of \$0.01 will ensure that there is a reasonable lowest minimum increment for bids and offers that makes it simple to monitor and participate for all market participants. As such, in order to limit this potential, the Exchange hereby proposes to state that bids and offers on complex orders, as defined in Interpretation and Policy .01 to Rule 6.42, may be expressed in any net price increment that may not be less than \$0.01 (as determined by the Exchange on a class-by-class basis and

announced to the Trading Permit Holders via Regulatory Circular) regardless of the minimum increments otherwise appropriate to the individual legs of the order. The addition of the “(as determined by the Exchange on a class-by-class basis and announced to the Trading Permit Holders via Regulatory Circular)” language will allow the Exchange to establish such minimum increments on a class-by-class basis in order to ensure uniformity of minimum bid and offer increments within a class (as the Exchange may already do for bids and offers on complex orders in options on the S&P 500 Index (“SPX”), p.m.-settled S&P 500 Index (“SPXPM”) or on the S&P 100 Index (“OEX” and “XEO”)) as well as ensure that Trading Permit Holders are notified of such minimum increments via Regulatory Circular.

For example, the Exchange could release out a Regulatory Circular stating that the minimum increments for complex order bids and offers within a certain class would be \$0.01. Or the Exchange could release a Regulatory Circular stating that the minimum increments for complex order bids and offers within a certain class would be \$0.025, or even that \$0.01 and \$0.025 increments could be used for complex order bids and offers within a certain class (if, for example, such a class is accustomed to trading on both penny increments and also 2.5-cent increments). The Exchange could not, however, release a Regulatory Circular stating that the minimum increments for complex order bids and offers would be \$0.005, or anything lower than \$0.01.

The Exchange also proposes to make a similar change regarding complex orders in SPX, SPXPM, OEX and XEO (the “Specific Options”). Currently, Rule 6.42(4) states that bids and offers on complex orders in the Specific Options, except for box/roll spreads, shall be expressed in decimal increments no smaller than \$0.05 or in any increment, as determined by the Exchange on a class-by-class basis and announced to the Trading Permit Holders via Regulatory Circular.³ This “any increment” language would also allow for the Exchange to determine that the minimum increment for bids and offers on complex orders in one or more class of the Specific Options would be smaller than \$0.01. The Exchange desires to prevent the entry of bids and offers on such orders from being smaller than \$0.01 for some of the reasons described above as well as to set a reasonable floor for such bid and offer increments. As such, the Exchange

proposes to amend this language to state that bids and offers on complex orders in options on the S&P 500 Index (SPX), p.m.-settled S&P 500 Index (SPXPM) or on the S&P 100 Index (OEX and XEO), except for box/roll spreads, shall be expressed in increments no smaller than \$0.05 or in any net price increment that may not be less than \$0.01, as determined by the Exchange on a class-by-class basis and announced to the Trading Permit Holders via Regulatory Circular. The Exchange proposes to delete the word “decimal” from before “increments” because the specification of decimal increments is no longer relevant.

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 the Section 6(b)(5)⁵ requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)⁶ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange believes that setting a minimum increment for bids and offers on complex orders of \$0.01 will ensure that there is a reasonable lowest minimum increment for bids and offers that makes it simple to monitor and participate for all market participants, thereby removing impediments to and perfecting the mechanism of a free and open market.

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. The

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(5).

⁶ *Id.*

³ See CBOE Rule 6.42(4).

Exchange believes that the proposed change will not impose an unnecessary burden on intramarket competition because it applies to bids and offers in complex orders from all market participants. The Exchange believes that the proposed change will not impose an unnecessary burden on intermarket competition because it applies only to CBOE. To the extent that setting the lowest possible minimum increment for bids and offers in complex orders at \$0.01 may be attractive to market participants at other options exchange, such market participants are always welcome to become CBOE market participants.

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission will:

- A. By order approve or disapprove such proposed rule change, or
- B. institute proceedings to determine whether the proposed rule change should be 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-CBOE-2013-054 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-2013-054. 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 20549-1090, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such 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-CBOE-2013-054, and should be submitted on or before June 20, 2013.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁷

Kevin M. O'Neill,
Deputy Secretary.

[FR Doc. 2013-12796 Filed 5-29-13; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-69633; File No. SR-Phlx-2013-55]

Self-Regulatory Organizations; NASDAQ OMX PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to \$0.50 and \$1 Strike Price Intervals for Classes in the Short Term Option Series Program

May 23, 2013.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,²

⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

notice is hereby given that, on May 17, 2013, NASDAQ OMX PHLX LLC (the "Exchange" or "Phlx") 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 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 is filing with the Commission a proposal to amend Rule 1012 (Series of Options Open for Trading) and Rule 1101A (Terms of Option Contracts) to give the Exchange the ability to initiate strike prices in more granular intervals for Short Term Options ("STOs") in the same manner as on other options exchanges;³ while permitting, during the expiration week of non-Short Term Options that are on a class that has been selected to participate in the Short Term Option Series Program (referred to as a "Related non-Short Term Option series"), for the Related non-Short Term Option series to have the same strike price interval setting parameters as STOs.⁴

The Exchange requests that the Commission waive the 30-day operative delay period contained in Exchange Act Rule 19b-4(f)(6)(iii).⁵

The text of the proposed rule change is available on the Exchange's Web site at <http://nasdaqomxphlx.cchwallstreet.com>, at the principal office of the Exchange, and at the Commission's Public Reference Room.

³ STOs, also known as "Weekly options" as well as "Short Term Options", are series in an options class that are approved for listing and trading on the Exchange in which the series are opened for trading on any Thursday or Friday that is a business day and that expire on the Friday of the next business week. If a Thursday or Friday is not a business day, the series may be opened (or shall expire) on the first business day immediately prior to that Thursday or Friday, respectively. See Rules 1000(b)(44), 1000A(b)(16), Commentary .11 to Rule 1012 and Rule 1101A(b)(vi) regarding the Short Term Option Series Program (also known as the "Program") for equity, exchange traded fund ("ETF") and index options. The Program has been operational since 2010. See Securities Exchange Act Release No. 62296 (June 15, 2010), 75 FR 35115 (June 21, 2010) (SR-Phlx-2010-84) (notice of filing and immediate effectiveness establishing the Short Term Option Series Program on the Exchange).

⁴ The Related non-Short Term Option will be the same option class as the Weekly option but will have a longer expiration cycle (e.g., a SPY monthly expiration option as compared to a SPY Weekly option.)

⁵ 17 CFR 240.19b-4(f)(6)(iii).