

August 28, 2017

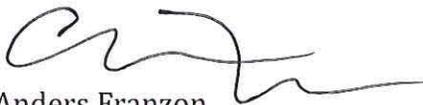
Brent J. Fields  
Secretary  
Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549-1090

Re: File No. SR-C2-2017-018, Amendment No. 1

Dear Mr. Fields:

On August 25, 2017, C2 Options Exchange, Incorporated (the "Exchange") filed with the Securities and Exchange Commission (the "Commission") Amendment No. 1 to SR-C2-2017-018, which was originally submitted on May 15, 2017 (the "Proposal"). Amendment No. 1 was submitted in order to clarify certain points, including the addition of rule text intended to clarify aspects of the Proposal. Pursuant to the Proposal, the Exchange proposed to modify various requirements for the collection of information that is duplicative of information intended to be collected for the consolidated audit trail ("CAT") adopted pursuant to the National Market System Plan Governing the Consolidated Audit Trail (the "CAT NMS Plan" or "Plan") once Members are effectively reporting to the CAT and the CAT's accuracy and reliability meet certain standards as described in the Proposal. In order to provide notice for public review of this Amendment No. 1, in addition to posting on the Exchange's public website, the Exchange is filing this comment letter with the Commission.

Sincerely,



Anders Franzon  
SVP, Associate General Counsel

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of \*       SECURITIES AND EXCHANGE COMMISSION      File No.\* SR -  - \*   
 WASHINGTON, D.C. 20549      Form 19b-4      Amendment No. (req. for Amendments \*)

Filing by C2 Options Exchange, Incorporated  
 Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

<input type="checkbox"/> Initial *	<input checked="" type="checkbox"/> Amendment *	<input type="checkbox"/> Withdrawal	<input checked="" type="checkbox"/> Section 19(b)(2) *	<input type="checkbox"/> Section 19(b)(3)(A) *	<input type="checkbox"/> Section 19(b)(3)(B) *
			Rule		
<input type="checkbox"/> Pilot	<input type="checkbox"/> Extension of Time Period for Commission Action *	<input type="text" value=""/> Date Expires *	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 <input type="checkbox"/> Section 806(e)(1) * <input type="checkbox"/> Section 806(e)(2) *	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 <input type="checkbox"/> Section 3C(b)(2) *
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Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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**Description**

Provide a brief description of the action (limit 250 characters, required when Initial is checked \*).

**Contact Information**

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name \*       Last Name \*   
 Title \*   
 E-mail \*   
 Telephone \*       Fax

**Signature**

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Title \*)

Date         
 By         
 (Name \*)

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

**Form 19b-4 Information \***

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

**Exhibit 1 - Notice of Proposed Rule Change \***

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies \***

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications**

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

**Exhibit 3 - Form, Report, or Questionnaire**

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

**Exhibit 4 - Marked Copies**

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

**Exhibit 5 - Proposed Rule Text**

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

**Partial Amendment**

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

**Partial Amendment No. 1 to SR-C2-2017-018**

C2 Options Exchange, Incorporated (the “Exchange” or “C2”) is filing this Partial Amendment No. 1 to SR-C2-2017-018, which was originally submitted on May 15, 2017 (the “Proposal”). Pursuant to the Proposal, the Exchange proposed to modify various requirements for the collection of information that is duplicative of information intended to be collected for the consolidated audit trail (“CAT”) adopted pursuant to the National Market System Plan Governing the Consolidated Audit Trail (the “CAT NMS Plan” or “Plan”) once Trading Permit Holders and TPH organizations are effectively reporting to the CAT and the CAT’s accuracy and reliability meet certain standards as described in the Proposal. The Commission published the proposed rule change for public comment in the Federal Register on June 1, 2017.<sup>1</sup>

With this Partial Amendment No. 1, the Exchange is including Exhibit 4, which reflects changes to the text of the proposed rule change pursuant to this Partial Amendment No. 1, and Exhibit 5, which reflects the changes to the current rule text that are proposed in the Proposal, as amended by this Partial Amendment No. 1.

This Partial Amendment No. 1 adds introductory language into Rule 8.7 to clarify that, if the SEC approves the proposed rule change, such Rule will be modified upon announcement by the Exchange that the CAT has achieved a sufficient level of accuracy and reliability.

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<sup>1</sup> Securities Exchange Act Release No. 80798 (May 26, 2017), 82 FR 25385 (June 1, 2017) (SR-C2-2017-018).

As part of the Proposal, to comply with certain provisions of the Plan,<sup>2</sup> the Exchange discussed the specific accuracy and reliability standards the CAT must meet for the Exchange to modify its rules as proposed. The Proposal notes that the Exchange believes the Rule provisions and related systems described above may be retired at a date after all Industry Members are reporting to the CAT when the proposed error rate thresholds have been met, and the Exchange has determined that its usage of the CAT Data has not revealed material issues that have not been corrected, confirmed that the CAT includes all data necessary to allow the Exchange to continue to meet its surveillance obligations, and confirmed that the Plan Processor is sufficiently meeting all of its obligations under the CAT NMS Plan.

If the Commission approves the proposed rule change, the rule text to modify the rules will be effective; however, Exchange will announce the implementation date of the proposed rule change (i.e., the modification of the rules) in a Regulatory Circular that will be published once the Exchange concludes the thresholds for accuracy and reliability described in the Proposal have been met and that the CAT Plan Processor is sufficiently meeting all of its obligations. Because the time period for implementation for the modification of the rules could be significant, the Exchange is proposing in this Partial Amendment No. 1 to add language into Rule 8.7 that would alert Trading Permit Holders and TPH organizations that the SEC has approved a proposed rule change to modify the Rule upon announcement by the Exchange that the CAT has achieved a sufficient level of accuracy and reliability. The rule text would also note that, upon this announcement by the Exchange, Trading Permit Holders and TPH organizations will no longer be required

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<sup>2</sup> See CAT NMS Plan, Appendix C, Section C.9.

to report certain order and transaction information pursuant to such Rule. The Exchange believes that adding this language into Rule 8.7 would help to alert Trading Permit Holders and TPH organizations of the status of the amended Rule and is proposing that this language be added to the Rules upon approval of the Proposal by the SEC.

The Exchange believes that the proposed changes clarify and add additional detail to the Proposal, as further described below, and are consistent with the Securities Exchange Act of 1934 in that they would further clarify and add additional detail to the Proposal and eliminate potential confusion.

EXHIBIT 4

Exhibit 4 shows the changes proposed in this Partial Amendment No. 1, with the proposed changes in the original filing shown as if adopted. Proposed new language in this Partial Amendment No. 1 is underlined; proposed deletions in this Partial Amendment No. 1 are in brackets.

**C2 Options Exchange, Incorporated**  
**Rules**

\* \* \* \* \*

**Rule 8.7. Securities Accounts of Market-Makers**

*The SEC has approved a proposed rule change to amend Rule 8.7 upon announcement by the Exchange that the Consolidated Audit Trail has achieved a sufficient level of accuracy and reliability. Upon this announcement by the Exchange, Trading Permit Holders and TPH organizations will no longer be required to record and report certain order and transaction information pursuant to Rule 8.7.*

(a) - (c) No change.

\* \* \* \* \*

EXHIBIT 5

Proposed new language is underlined; proposed deletions are in brackets.

**C2 Options Exchange, Incorporated  
Rules**

\* \* \* \* \*

**Rule 8.7. Securities Accounts [and Orders ]of Market-Makers**

The SEC has approved a proposed rule change to amend Rule 8.7 upon announcement by the Exchange that the Consolidated Audit Trail has achieved a sufficient level of accuracy and reliability. Upon this announcement by the Exchange, Trading Permit Holders and TPH organizations will no longer be required to record and report certain order and transaction information pursuant to Rule 8.7.

(a) No change.

(b) *Reports of [Orders]Positions.* Each Market-Maker shall, upon the request of the Exchange and in the prescribed form, report to the Exchange [every order entered by the Market-Maker for the purchase or sale of (i) a security underlying options traded on the Exchange, or (ii) a security convertible into or exchangeable for such underlying security, as well as] opening and closing positions in [all such securities]securities underlying options traded on the Exchange or securities convertible into or exchangeable for such underlying securities held in each account reported pursuant to paragraph (a) of this Rule. [The report pertaining to orders must include the terms of each order, identification of the brokerage firms through which the orders were entered, the times of entry or cancellation, the times report of execution were received and, if all or part of the order was executed, the quantity and execution price.]

(c) No change.

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