



8011-01p
SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-66458; File No. 600-9)

February 24, 2012

Self-Regulatory Organizations; Midwest Clearing Corporation; Order Cancelling Clearing Agency Registration

I. Background

On December 1, 1975, pursuant to Sections 17A(b) and 19(a)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 17Ab2-1 thereunder,² the Securities and Exchange Commission (“Commission”) approved on a temporary basis the application for registration as a clearing agency filed by the Midwest Clearing Corporation (“MCC”).³ By subsequent orders, the Commission extended MCC’s temporary registration.⁴ On September 23, 1983, pursuant to Section 17A and Rule 17Ab2-1 thereunder,⁵ the Commission approved on a permanent basis MCC’s registration as a clearing agency.⁶

MCC was a subsidiary of The Chicago Stock Exchange, Incorporated (“CHX”)⁷ and provided trade recording, comparison, clearance, and settlement services to its participants.⁸

¹ 15 U.S.C. 78q-1(b) and 78s(a)(1).

² 17 CFR 240.17Ab2-1.

³ Release No. 34-11875 (Nov. 26, 1975), 40 FR 55910 (Dec. 2, 1975).

⁴ Release Nos. 34-1358 (June 1, 1977), 42 FR 30066 (Jun. 10, 1977); 34-13911 (Aug. 31, 1977), 1977 WL 190688; 34-14531, 43 FR 10288 (Mar. 10, 1978); and 34-18584 (March 22, 1982), 47 FR 13266 (Mar. 29, 1982).

⁵ 15 U.S.C. 78q-1 and 17 CFR 240.17Ab2-1.

⁶ Release No. 34-20221, 48 FR 45167 (Oct. 3, 1983).

⁷ Letter from David C. Whitcomb Jr., General Counsel, Chicago Stock Exchange, to David Karasik, Division of Trading and Markets (Oct. 28, 2009) (“CHX 2009 Letter”).

⁸ Release No. 34-20221, supra note 6.

II. Cancellation of MCC's Registration as a Clearing Agency

In a letter dated October 28, 2009, CHX notified the Commission that MCC was no longer in operation and therefore had ceased to do business in the capacity specified in its application for registration.⁹ CHX also indicated that, given the time elapsed since MCC ceased active operations, it did not anticipate any future claims against MCC or itself.¹⁰

CHX also stated that “most of the books and records relating to MCC are beyond the statutory retention period. Any books and records of duration less than the statutory requirement will be maintained in accordance with the CHX's standard document retention policies.”¹¹

Section 19(a)(3) of the Act provides that in the event any self-regulatory organization is no longer in existence or has ceased to do business in the capacity specified in its application for

⁹ CHX 2009 Letter. MCC was incorporated in Delaware on September 21, 1973, and was dissolved on December 17, 2009. LexisNexis, Public Records, Corporate Filings search (<http://www.lexis.com>) and Secretary of State of the State of Delaware (<http://corp.delaware.gov/authver.shtml>). CHX believes that MCC's clearing agency operations had ceased by late 1995. E-mail from James G. Ongeena, Vice President and Associate General Counsel, CSX, to David Karasik, Division of Trading and Markets, Commission (Aug. 18, 2011) (providing a copy of a Transfer Agreement dated as of November 14, 1995, by and among CSX, Midwest Securities Trust Company (“MSTC”), MCC, The Depository Trust Company (“DTC”), and National Securities Clearing Corporation (“NSCC”) wherein MCC and MSTC agreed to, among other things, transfer MCC and MSTC's clearing and depository services and related assets and obligations including participants' open positions to DTC and NSCC).

¹⁰ CHX 2009 Letter. In addition, CHX represented to the Commission that as of August 16, 2011, CHX had not, to the best of its knowledge, received any claims against or document requests regarding MSTC within the last two years. E-mail from James G. Ongeena, Vice President and Associate General Counsel, Chicago Stock Exchange, to David Karasik, Division of Trading and Markets (Aug. 16, 2011).

¹¹ CHX 2009 Letter.

registration, “the Commission, by order, shall cancel its registration.”¹²

Based upon the representations and undertakings made by CHX to the Commission and because MCC is no longer in existence and has ceased to do business in the capacity specified in its registration application, the Commission is canceling its registration effective February 24, 2012.

IT IS THEREFORE ORDERED that:

Effective February 24, 2012, based on the facts and representations noted above, MCC’s registration as a clearing agency under Section 17A of the Exchange Act and Rule 17Ab2-1 thereunder is cancelled.

By the Commission.

Kevin M. O’Neill
Deputy Secretary

[FR Doc. 2012-5054 Filed 03/01/2012 at 8:45 am; Publication Date: 03/02/2012]

¹² 15 U.S.C. 78s(a)(3).