



8011-01p
SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-69012; File No. 10-209)

March 1, 2013

Topaz Exchange, LLC; Notice of Filing of Application for Registration as a National Securities Exchange under Section 6 of the Securities Exchange Act of 1934

On July 3, 2012, Topaz Exchange, LLC (“Topaz Exchange” or “Applicant”) submitted to the Securities and Exchange Commission (“Commission”) a Form 1 application under the Securities Exchange Act of 1934 (“Exchange Act”), seeking registration as a national securities exchange under Section 6 of the Exchange Act.¹ On December 19, 2012, Topaz Exchange submitted Amendment No. 1 to its Form 1 application.² On December 31, 2012, Topaz Exchange submitted Amendment No. 2 to its Form 1 application.³

¹ On March 1, 2013, the Commission issued an order granting Topaz Exchange exemptive relief, subject to certain conditions, in connection with the filing of its Form 1 application. *See* Securities Exchange Act Release No. 69011. Because the Applicant’s Form 1 application was incomplete without the exemptive relief, the date of filing of such application is March 1, 2013.

² Amendment No. 1, among other things, includes changes to the Limited Liability Company Agreement and the Constitution of Topaz Exchange concerning board composition and size, the initial director election process, and the use of regulatory funds. Amendment No. 1 also includes revisions to proposed rules of Topaz Exchange to remove rules relating to complex orders; to respond to comments on the Form 1 application from Commission staff; and to reflect recent changes to comparable rules of International Securities Exchange, LLC (“ISE”). Amendment No. 1 further provides additional descriptions in the Form 1 application regarding proposed allocation procedures, auction mechanisms, execution of qualified contingent crosses, and the initial director election process, and removes references to complex orders.

³ Amendment No. 2, among other things, provides updated information regarding the board of directors of ISE and the Corporate Governance Committee of ISE and includes information regarding Longitude S.A., a newly incorporated affiliate of Topaz Exchange, which information includes the Articles of Incorporation of Longitude S.A. Amendment No. 2 also provides financial information for Longitude S.A. Finally, Amendment No. 2 provides an updated organizational chart that reflects the affiliates of Topaz Exchange.

The Commission is publishing this notice to solicit comments on Topaz Exchange's Form 1 application, as amended. The Commission will take any comments it receives into consideration in making its determination about whether to grant Topaz Exchange's request to be registered as a national securities exchange. The Commission will grant the registration if it finds that the requirements of the Exchange Act and the rules and regulations thereunder with respect to Topaz Exchange are satisfied.⁴

The Applicant's Form 1 application, as amended, provides detailed information on how Topaz Exchange proposes to satisfy the requirements of the Exchange Act. Topaz Exchange would be wholly-owned by its parent company, International Securities Exchange Holdings, Inc. ("ISE Holdings"), which also is the parent company of an existing national securities exchange, ISE. Topaz Exchange would operate a fully automated electronic trading platform for the trading of listed options and would not maintain a physical trading floor. Liquidity would be derived from orders to buy and orders to sell submitted to Topaz Exchange electronically by its registered broker-dealer members, as well as from quotes submitted electronically by market makers.

A more detailed description of the manner of operation of Topaz Exchange's proposed system can be found in Exhibit E to Topaz Exchange's Form 1 application. The proposed rulebook for the proposed exchange can be found in Exhibit B to Topaz Exchange's Form 1 application, and the governing documents for both Topaz Exchange and ISE Holdings can be found in Exhibit A and Exhibit C to Topaz Exchange's Form 1 application, respectively. A listing of the officers and directors of Topaz Exchange can be found in Exhibit J to Topaz Exchange's Form 1 application.

⁴ 15 U.S.C. 78s(a).

Topaz Exchange's Form 1 application, including all of the Exhibits referenced above, is available online at www.sec.gov/rules/other.shtml as well as in the Commission's Public Reference Room. Interested persons are invited to submit written data, views, and arguments concerning Topaz Exchange's Form 1, including whether the application is consistent with the Exchange 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 e-mail to rule-comments@sec.gov. Please include File Number 10-209 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 10-209. This file number should be included on the subject line if e-mail 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 website (<http://www.sec.gov/rules/other.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to Topaz Exchange's Form 1 filed with the Commission, and all written communications relating to the application 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 website 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. 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 publicly available. All submissions should refer to File Number 10-209 and should be submitted on or before [insert date 45 days from publication in the Federal Register].

By the Commission.

Kevin M. O'Neill
Deputy Secretary

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