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SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-73906; File No. SR-CHX-2014-20)

December 22, 2014

Self-Regulatory Organizations; Chicago Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend the Trading Permit Application Fee

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup>, and Rule 19b-4<sup>2</sup> thereunder, notice is hereby given that on December 15, 2014, the Chicago Stock Exchange, Inc. (“CHX” or the “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 self-regulatory organization. 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

CHX proposes to amend the Trading Permit application fee. The text of this proposed rule change is available on the Exchange’s Web site at ([www.chx.com](http://www.chx.com)) and in 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 CHX included statements concerning the purpose of and basis for the proposed rule changes 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 CHX has prepared summaries, set forth in sections A, B and C below, of the most significant aspects of such statements.

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

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 Section A of the Fee Schedule to increase the Trading Permit application fee from \$200 to \$2,000 per application.<sup>3</sup> The Trading Permit application fee is essentially a new Participant application fee, as every active Participant must hold a Trading Permit and no Participant may hold more than one Trading Permit.<sup>4</sup> The Exchange submits that the current fee is no longer commensurate with the actual cost associated with the Exchange’s comprehensive review of Trading Permit applications. Thus, the Exchange believes it is appropriate to increase the Trading Permit application fee to be identical to similar fees of other national securities exchanges, like NASDAQ and NASDAQ BX.<sup>5</sup>

The Exchange also proposes to replace the term “Trading Permit” after “\$2000/” with the more accurate term “application,” as the fee is currently assessed per application. For example, a separate Trading Permit application fee is, and will continue to be, assessed for each Trading Permit application submitted after (1) a withdrawal of an application by a prospective Participant or (2) rejection of an application by the Exchange. The Exchange believes that this amendment will clarify that if a prospective Participant submits more than one Trading Permit application, regardless of the reason, the prospective Participant will be assessed the proposed Trading Permit

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<sup>3</sup> CHX Article 1, Rule 1(aa) defines “Trading Permit” as “a permit issued by the Exchange, granting the holder a revocable license to execute approved securities transactions through the Exchange’s Trading Facilities, or to have those transactions executed on its behalf.”

<sup>4</sup> CHX Article 3, Rule 2(e) provides that “all Trading Permits must be held by active Participant Firms” and “no Participant Firm shall hold more than one Trading Permit.”

<sup>5</sup> See NASDAQ and NASDAQ BX fee schedules, both of which assess a \$2,000 fee per new member application.

application fee for each application. Incidentally, the Exchange also proposes to adopt language indicating that the fee is non-refundable.

The Exchange also proposes to eliminate the new Participant Firm registration fee of \$200 under Section C. In light of the proposed increase to the Trading Permit application fee, the Exchange believes that the new Participant Firm registration fee is unnecessary.

Aside from increasing the Trading Permit application fee to \$2,000 per application and the elimination of the new Participant Firm registration fee of \$200, the Exchange does not propose to substantively modify any other fees, assessments, credits or rebates.

#### Operative Date

The Exchange proposes to make this proposed rule change operative January 2, 2015.

#### 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act<sup>6</sup> in general, and furthers the objectives of Sections 6(b)(4) of the Act<sup>7</sup> in particular, as the proposed rule provides for the equitable allocation of reasonable dues, fees and other charges among members and other persons using its facilities. The Exchange believes that the proposed increase of the Trading Permit application fee from \$200 to \$2,000 per application equitably allocates fees among prospective Participants in a non-discriminatory manner as it will be assessed to all prospective Participants. Similarly, the proposed elimination of the new Participant Firm registration fee equitably allocates fees among prospective Participants in a non-discriminatory manner as it will no longer be assessed to any prospective Participants. Moreover, the proposed Trading Permit application fee is reasonable in light of the fact that it is identical to

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<sup>6</sup> 15 U.S.C. 78f.

<sup>7</sup> 15 U.S.C. 78f(b)(4).

similar fees of other national securities exchanges, like NASDAQ and NASDAQ BX.<sup>8</sup>

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

The Exchange 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. To the contrary, the proposed Trading Permit application fee will enhance competition as it would be identical to similar fees of other national securities exchanges, such as NASDAQ and NASDAQ BX.<sup>9</sup>

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

No written comments were either solicited or received.

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

The foregoing rule change is effective upon filing pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>10</sup> and subparagraph(f)(2) of Rule 19b-4 thereunder<sup>11</sup> because it establishes or changes a due, fee or other charge imposed by the Exchange.

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.

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<sup>8</sup> See supra note 5.

<sup>9</sup> Id.

<sup>10</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>11</sup> 17 CFR 240.19b-4(f)(2).

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposal 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 e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File No. SR-CHX-2014-20 on the subject line.

##### Paper Comments:

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549.

All submissions should refer to File No. SR-CHX-2014-20. 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/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 changes 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. Copies of the filing also will be available for inspection and copying at the principal office of the

CHX. 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 No. SR-CHX-2014-20 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>12</sup>

Brent J. Fields  
Secretary

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<sup>12</sup> 17 CFR 200.30-3(a)(12).