

demonstrated its ability to remain timely in its filings for at least the previous 12 months. Moreover, the proposed amendment will foster cooperation and coordination with persons engaged in regulating transactions in securities by harmonizing the Exchange's listing requirements in this regard with those of Nasdaq.

#### *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. The proposed amendment may potentially increase the competition for the listing of Reverse Merger Companies, as it will eliminate a discrepancy between the applicable listing requirements of the Exchange and those of Nasdaq and therefore enable the Exchange to list Reverse Merger Companies that are currently qualified to list on Nasdaq but may not be able to list on the Exchange.

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

No written comments were solicited or received with respect to the proposed rule change.

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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>11</sup> and Rule 19b-4(f)(6) thereunder.<sup>12</sup> Because the 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 prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6)(iii) thereunder.

A proposed rule change filed under Rule 19b-4(f)(6)<sup>13</sup> normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),<sup>14</sup> the Commission may designate a shorter time if such action is consistent with the

protection of investors and the public interest.

At any time within 60 days of the filing of such 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 under Section 19(b)(2)(B)<sup>15</sup> of the Act to determine whether the proposed rule change 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](mailto:rule-comments@sec.gov). Please include File Number SR-NYSE-2013-62 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-NYSE-2013-62. 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 the 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-NYSE-2013-62 and should be submitted on or before October 21, 2013.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>16</sup>

**Kevin M. O'Neill,**

*Deputy Secretary.*

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**BILLING CODE 8011-01-P**

## **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-70486; File No. SR-OCC-2013-12]

### **Self-Regulatory Organizations; The Options Clearing Corporation; Order Approving Proposed Rule Change to Revise OCC By-Laws and Rules to Make Structural Changes to OCC's Membership/Risk Committee Regarding Public Directors and the Process for Designating Membership/Risk Committee Members**

September 24, 2013.

#### **I. Introduction**

On August 2, 2013, The Options Clearing Corporation ("OCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change SR-OCC-2013-12 pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder.<sup>2</sup> The proposed rule change was published for comment in the **Federal Register** on August 21, 2013.<sup>3</sup> The Commission received no comment letters. For the reasons discussed below, the Commission is granting approval of the proposed rule change.

#### **II. Description**

OCC is amending its By-Laws and Rules to make structural changes to OCC's Membership/Risk Committee ("MRC") regarding Public Directors<sup>4</sup>

<sup>16</sup> 17 CFR 200.30-3(a)(12).

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

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

<sup>3</sup> Exchange Act Release No. 34-70207 (August 15, 2013), 78 FR 51786 (August 21, 2013).

<sup>4</sup> In relevant part, Article III, Section 6A of OCC's By-Laws defines a Public Director as a person who is not affiliated with any national securities

<sup>11</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>12</sup> 17 CFR 240.19b-4(f)(6).

<sup>13</sup> 17 CFR 240.19b-4(f)(6).

<sup>14</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>15</sup> 15 U.S.C. 78s(b)(2)(B).

and the process for designating MRC members. Specifically, OCC is amending Article III, Section 9 of OCC's By-Laws to provide that at least one Public Director is required to serve on the MRC. The Public Director(s) will be nominated to serve on the MRC by the Chairman of the Board and such nomination will be subject to approval by the Board of Directors. OCC is also amending Article III, Section 9 of OCC's By-Laws to provide that the Chairman of the MRC will be required to be a Public Director. If more than one Public Director is nominated to serve on the MRC, the Chairman of the Board will nominate one of the Public Directors to serve as the MRC Chairman.

In addition, OCC is amending Article III, Section 9 of OCC's By-Laws to eliminate the requirement that MRC members must be designated at the first meeting of OCC's Board of Directors that follows each annual meeting. Instead, OCC's By-Laws will require MRC members to be designated annually.

OCC is also amending Article III, Section 9 to eliminate specific references to Article V of the By-Laws and Chapter VI of the Rules in order to avoid any erroneous inference that those are the only provisions of OCC's By-Laws and Rules that set forth powers and duties of the MRC, which are in fact contained in a number of other provisions of its By-Laws and Rules as well.

### III. Discussion

Section 19(b)(2)(C) of the Act<sup>5</sup> directs the Commission to approve a proposed rule change of a self-regulatory organization if it finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to such organization. Section 17A(b)(3)(F) of the Act<sup>6</sup> requires that the rules of a registered clearing agency be designed to, among other things, assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible, and, in general, protect investors and the public interest. Section 17A(b)(3)(F)<sup>7</sup> of the Act also requires that the rules of a registered clearing agency not be designed to permit unfair discrimination in the admission of participants or among participants in the use of the clearing agency.

exchange, national securities association, or any broker or dealer engaging in securities transactions.

<sup>5</sup> 15 U.S.C. 78s(b)(2)(C).

<sup>6</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>7</sup> *Id.*

The Commission finds that the rule change is consistent with Section 17A(b)(3)(F) of the Act<sup>8</sup> because amending OCC's By-Laws to require that OCC's Board of Directors appoints at least one Public Director to the MRC and designates a Public Director as Chairman of the MRC, should help ensure that diverse viewpoints contribute to the decision-making process at the MRC, which should ultimately lead to decisions that assure the safeguarding of securities and funds which are in OCC's custody or control or for which OCC is responsible, and generally protect investors and the public interest. Furthermore, by proposing rules that require the appointment of a Public Director to the MRC, the rule change should help diminish the likelihood of unfair discrimination in the evaluation of prospective OCC members and the treatment of current OCC members by interested participants.

### IV. Conclusion

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of the Act and in particular with the requirements of Section 17A of the Act<sup>9</sup> and the rules and regulations thereunder.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>10</sup> that the proposed rule change (File No. SR-OCC-2013-12) be and hereby is approved.<sup>11</sup>

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

**Kevin M. O'Neill,**

*Deputy Secretary.*

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**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-70482; File No. SR-FINRA-2013-039]

### Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing of Proposed Rule Change To Clarify the Classification and Reporting of Certain Securities to FINRA

September 24, 2013.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on September 16, 2013, the Financial Industry Regulatory Authority, Inc. ("FINRA") 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 FINRA. 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

FINRA is filing a proposed rule change to adopt an interpretation to clarify the classification and the reporting of certain securities to FINRA.

The proposed rule change does not make any changes to the text of FINRA rules.

#### II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, FINRA 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. FINRA 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

FINRA trade reporting rules generally require that members report over-the-counter ("OTC") transactions in debt securities that are TRACE-Eligible Securities and equity securities to

<sup>8</sup> *Id.*

<sup>9</sup> 15 U.S.C. 78q-1.

<sup>10</sup> 15 U.S.C. 78s(b)(2).

<sup>11</sup> In approving the proposed rule change, the Commission considered the proposal's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

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

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

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