

the proposed supplementary material to clarify what sort of materials are prohibited or provide an alternative example of prohibited pitch materials. SIFMA also asked that FINRA confirm that members may disclose in pitch materials the fact that research coverage will be provided for a particular issuer.

FINRA believes the principle is clear and has included examples to illustrate FINRA's view of its application. Whether other information included in pitch materials violate the principle will depend on the facts and circumstances.

#### Effective Date

SIFMA requested that FINRA provide a 120-day grace period between the adoption of the proposal and the implementation of the proposed rules because some of the proposals will require major systems changes to firms' information technology systems, research report templates, and policies and procedures. FINRA is sensitive to the time firms will require to update their policies and procedures and systems to comply with the proposed rule change and will take those factors into consideration when establishing an implementation date.

#### Other Comments

Kolber supported the proposed change to exempt from FINRA's research analyst registration and qualification requirements those individuals who produce "research reports" but whose primary job function is something other than to provide investment research. The remainder of Kolber's comments with respect to the research registration and qualification requirements addressed more generally the scope and difficulty of the Series 86 examination, which is not the subject of the proposal. Kolber also stated that the definition of "research report" can be difficult to apply because it sets forth a standard and then lists several exceptions from the definition. FINRA notes that the structure is very similar to the definition of research report in Regulation AC and is not an uncommon drafting method. Kolber's other comments are directed to the difficulty of distinguishing between the definitions of "sales literature" and "advertisement" in former NASD Rule 2210. That rule has since been replaced by consolidated FINRA Rule 2210, where those definitions no longer exist.

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period (i)

as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) By order approve or disapprove such proposed rule change, or
- (B) institute proceedings to determine whether the proposed rule change should be 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-FINRA-2014-047 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 20549-1090. All submissions should refer to File Number SR-FINRA-2014-047. 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 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of FINRA. 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-FINRA-2014-047 and should be submitted on or before December 15, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>100</sup>

**Kevin M. O'Neill,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-73621; File No. SR-NASDAQ-2014-095]

### Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Designation of Longer Period for Commission Action on Proposed Rule Change To Provide a New Optional Functionality to Minimum Quantity Orders

November 18, 2014.

On September 18, 2014, The NASDAQ Stock Market LLC ("NASDAQ" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), 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> a proposed rule change to amend NASDAQ Rule 4751(f)(5) to provide a new optional functionality for Minimum Quantity Orders. The proposed rule change was published for comment in the **Federal Register** on October 6, 2014.<sup>3</sup> The Commission received no comment letters regarding the proposed rule change.

Section 19(b)(2) of the Act<sup>4</sup> provides that within 45 days of the publication of notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether these proposed rule changes should be disapproved. The 45th day for this filing is November 20, 2014.

<sup>100</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.

<sup>3</sup> See Securities Exchange Act Release No. 73266 (September 30, 2014), 79 FR 60207 ("Notice").

<sup>4</sup> 15 U.S.C. 78s(b)(2).

The Commission is extending the 45-day time period for Commission action on the proposed rule change. The Commission finds that it is appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the proposed rule change. The proposed rule change would, among other things, provide new optional functionality for minimum quantity orders.

Accordingly, pursuant to Section 19(b)(2) of the Act<sup>5</sup> and for the reasons stated above, the Commission designates January 4, 2015, as the date by which the Commission should either approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>6</sup>

**Kevin M. O'Neill,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-73628; File No. SR-CBOE-2014-085]

### Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to Professional Orders

November 18, 2014.

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 November 10, 2014, Chicago Board Options Exchange, Incorporated (the "Exchange" or "CBOE") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. 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

The Exchange proposes to amend the definition of "Professional" in Rule 1.1(ggg) and adopt Interpretation and

Policy .01 to Rule 1.1(ggg) concerning the definition of an "order" for purposes of Rule 1.1(ggg). The text of the proposed rule change is provided below and in Exhibit 1.

(additions are *italicized*; deletions are [bracketed])

\* \* \* \* \*

#### Chicago Board Options Exchange, Incorporated Rules

\* \* \* \* \*

#### CHAPTER I

##### Definitions

##### ¶ 2001 Definitions

**RULE 1.1** When used in these Rules, unless the context otherwise requires:

(a) Any term defined in the Bylaws and not otherwise defined in this Chapter shall have the meaning assigned to such term in the Bylaws.

(b)–(fff)

##### Professional

(ggg) The term "Professional" means any person or entity that (i) is not a broker or dealer in securities, and (ii) places more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). A Professional will be treated in the same manner as a broker or dealer in securities for purposes of Rules 6.2A, 6.2B, 6.8C, 6.9, 6.13A, 6.13B, 6.25, 6.45, 6.45A (except for Interpretation and Policy .02), 6.45B (except for Interpretation and Policy .02), 6.53C(c)(ii), 6.53C(d)(v), subparagraphs (b) and (c) under Interpretation and Policy .06 to Rule 6.53C, 6.74 (except Professional orders may be considered public customer orders subject to facilitation under paragraphs (b) and (d)), 6.74A, 6.74B, 8.13, 8.15B, 8.87, 24.19, 43.1, 44.4, 44.14. The Professional designation is not available in Hybrid 3.0 classes. *All Professional orders shall be marked with the appropriate origin code as determined by the Exchange.*

##### . . . Interpretations And Policies

*.01 For purposes of this Rule 1.1(ggg), an order which is placed for the beneficial account(s) of a person or entity that is not a broker or dealer in securities that is broken into multiple parts by a broker or dealer or by an algorithm housed at a broker or dealer or by an algorithm licensed from a broker or dealer, but which is housed with the customer in order to achieve a specific execution strategy including, for example, a basket trade, program trade, portfolio trade, basis trade, or*

*benchmark hedge, constitutes a single order and shall be counted as one order.*

\* \* \* \* \*

The text of the proposed rule change is also available on the Exchange's Web site (<http://www.cboe.com/AboutCBOE/CBOELegalRegulatoryHome.aspx>), at the Exchange's Office of the Secretary, and at 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 Exchange 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. The Exchange 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

The Exchange proposes to amend its definition of "Professional" to clarify how orders are computed under Rule 1.1(ggg). Specifically, the Exchange proposes to adopt Interpretation and Policy .01 to Rule 1.1(ggg) to its definition of "Professional" in Rule 1.1(ggg) to provide that for purposes of Rule 1.1(ggg), an order which is placed for the beneficial account(s) of a person or entity that is not a broker or dealer in securities that is broken into multiple parts by a broker or dealer or by an algorithm housed at a broker or dealer or by an algorithm licensed from a broker or dealer, but which is housed with the customer in order to achieve a specific execution strategy including, for example, a basket trade, program trade, portfolio trade, basis trade, or benchmark hedge, constitutes a single order and shall be counted as one order. The Exchange also proposes to add a provision to Rule 1.1(ggg), which would provide that all Professional orders shall be marked with the appropriate origin code as determined by the Exchange.

The Exchange believes that the proposed rule changes will add clarity and transparency to its current rules, which is in the interests of all market participants. The purpose of this rule filing is to codify the details of the Exchange's existing policies within the Rules. The Exchange is continuously

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

<sup>6</sup> 17 CFR 200.30-3(a)(31).

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

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