

preserving the right of the party to an oral argument in the event the original argument was cancelled in error.

The Commission also notes that several of the changes would make it easier for the parties to satisfy the procedural requirements under the Code by allowing them to file papers electronically, authorizing their attorney or representative to accept service of a complaint and notices of certain expedited proceedings, and decreasing the number of copies required to be filed with an adjudicator. Moreover, the Commission believes that FINRA's proposed change requiring an attorney or representative to file a motion to withdraw, along with the contact information of the party no longer being represented, should help to ensure fair procedures by reducing any uncertainty as to whether a party is represented by an attorney and ensuring that FINRA has all necessary information to contact the party.

Further, the Commission believes that the change to require the NAC or Review Subcommittee to remand a disciplinary proceeding, if the respondent has shown good cause for his failure to participate, is appropriate. Finally, the Commission believes that it is appropriate for FINRA staff to set the rate for copies.

#### IV. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>10</sup> that the proposed rule change (SR-FINRA-2011-044) be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>11</sup>

**Kevin M. O'Neill,**  
*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-66098; File No. SR-NYSEArca-2011-97]

### Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of Proposed Rule Change Relating to Listing and Trading of Shares of the Teucrium Agriculture Fund Under NYSE Arca Equities Rule 8.200

January 4, 2012.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"

or "Exchange Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that, on December 20, 2011, NYSE Arca, Inc. ("Exchange" or "NYSE Arca") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II 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 list and trade shares of the Teucrium Agriculture Fund under NYSE Arca Equities Rule 8.200. The text of the proposed rule change is available at the Exchange, the Commission's Public Reference Room, and [www.nyse.com](http://www.nyse.com).

#### 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 self-regulatory organization 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 those 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 parts of such statements.

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

###### 1. Purpose

NYSE Arca Equities Rule 8.200, Commentary .02 permits the trading of Trust Issued Receipts ("TIRs") either by listing or pursuant to unlisted trading privileges ("UTP").<sup>3</sup> The Exchange proposes to list and trade shares ("Shares") of the Teucrium Agriculture Fund ("Fund") pursuant to NYSE Arca Equities Rule 8.200.

The Exchange notes that the Commission has previously approved the listing and trading of other issues of

TIRs on the American Stock Exchange LLC,<sup>4</sup> trading on NYSE Arca pursuant to UTP,<sup>5</sup> and listing on NYSE Arca.<sup>6</sup> Among these are the Teucrium Corn Fund, Teucrium Wheat Fund, Teucrium Soybean Fund, and Teucrium Sugar Fund, each a series of the Teucrium Commodity Trust ("Trust").<sup>7</sup> In addition, the Commission has approved other exchange-traded fund-like products linked to the performance of underlying commodities.<sup>8</sup>

The Shares represent beneficial ownership interests in the Fund, as described in the Registration Statement for the Fund.<sup>9</sup> The Fund is a commodity pool that is a series of the Trust, a Delaware statutory trust. The Fund is managed and controlled by Teucrium Trading, LLC ("Sponsor"). The Sponsor is a Delaware limited liability company that is registered as a commodity pool operator ("CPO") with the U.S. Commodity Futures Trading Commission ("CFTC") and is a member

<sup>4</sup> See, e.g., Securities Exchange Act Release No. 58161 (July 15, 2008), 73 FR 42380 (July 21, 2008) (SR-Amex-2008-39).

<sup>5</sup> See, e.g., Securities Exchange Act Release No. 58163 (July 15, 2008), 73 FR 42391 (July 21, 2008) (SR-NYSEArca-2008-73).

<sup>6</sup> See, e.g., Securities Exchange Act Release No. 58457 (September 3, 2008), 73 FR 52711 (September 10, 2008) (SR-NYSEArca-2008-91).

<sup>7</sup> See Securities Exchange Act Release Nos. 62213 (June 3, 2010), 75 FR 32828 (June 9, 2010) (SR-NYSEArca-2010-22) (order approving listing on the Exchange of Teucrium Corn Fund); 65344 (September 15, 2011), 76 FR 58549 (September 21, 2011) (SR-NYSEArca-2011-48) (order approving listing on the Exchange of the Teucrium Wheat Fund, Teucrium Soybean Fund, and Teucrium Sugar Fund).

<sup>8</sup> See, e.g., Securities Exchange Act Release Nos. 57456 (March 7, 2008), 73 FR 13599 (March 13, 2008) (SR-NYSEArca-2007-91) (order granting accelerated approval for NYSE Arca listing and trading of the iShares GS Commodity Trusts); 59781 (April 17, 2009), 74 FR 18771 (April 24, 2009) (SR-NYSEArca-2009-28) (order granting accelerated approval for NYSE Arca listing and trading of the ETFs Silver Trust); 59895 (May 8, 2009), 74 FR 22993 (May 15, 2009) (SR-NYSEArca-2009-40) (order granting accelerated approval for NYSE Arca listing and trading of the ETFs Gold Trust); 61219 (December 22, 2009), 74 FR 68886 (December 29, 2009) (SR-NYSEArca-2009-95) (order approving listing and trading on NYSE Arca of the ETFs Platinum Trust).

<sup>9</sup> See Amendment No. 1 to Form S-1 for Teucrium Commodity Trust, dated December 5, 2011 (File No. 333-173691) relating to the Fund ("Registration Statement"). The discussion herein relating to the Trust and the Shares is based, in part, on the Registration Statement. See also Amendment No. 4 to the Registration Statement on Form S-1 for Teucrium Commodity Trust, dated May 26, 2010 (File No. 333-162033) relating to the Teucrium Corn Fund; Amendment No. 3 to Form S-1 for Teucrium Commodity Trust, dated June 3, 2011 (File No. 333-167591) relating to the Teucrium Wheat Fund; Amendment No. 3 to Form S-1 for Teucrium Commodity Trust, dated June 3, 2011 (File No. 333-167590) relating to the Teucrium Soybean Fund; and Amendment No. 3 to Form S-1 for Teucrium Commodity Trust, dated June 3, 2011 (File No. 333-167585) relating to the Teucrium Sugar Fund.

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

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

<sup>3</sup> Commentary .02 to NYSE Arca Equities Rule 8.200 applies to TIRs that invest in "Financial Instruments." The term "Financial Instruments," as defined in Commentary .02(b)(4) to NYSE Arca Equities Rule 8.200, means any combination of investments, including cash; securities; options on securities and indices; futures contracts; options on futures contracts; forward contracts; equity caps, collars and floors; and swap agreements.

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

<sup>11</sup> 17 CFR 200.30-3(a)(12).

of the National Futures Association. The Bank of New York Mellon ("Custodian" or "Administrator") is the custodian, transfer agent and administrator for the Fund. Foreside Fund Services, LLC ("Distributor") is the distributor for the Fund's Shares.

#### Teucrium Agriculture Fund

According to the Registration Statement, the investment objective of the Fund is to have the daily changes in percentage terms of the Shares' net asset value ("NAV") reflect the daily changes in percentage terms of a weighted average ("Underlying Fund Average") of the NAVs per share of four other commodity pools that are series of the Trust and are sponsored by the Sponsor: The Teucrium Corn Fund, the Teucrium Wheat Fund, the Teucrium Soybean Fund and the Teucrium Sugar Fund (collectively, "Underlying Funds").<sup>10</sup> The Fund seeks to achieve its investment objective by investing under normal market conditions<sup>11</sup> in the publicly-traded shares of each Underlying Fund so that the Underlying Fund Average will have a weighting of 25% for each Underlying Fund, and the Fund's assets will be rebalanced, generally on a daily basis, to maintain the approximate 25% allocation to each Underlying Fund. The Fund does not intend to invest directly in futures contracts ("Futures Contracts") or other Commodity Interests (as defined below), although it reserves the right to do so in the future, including if an Underlying Fund ceases operations or if shares of an Underlying Fund cease trading on the Exchange.

According to the Registration Statement, the investment objective of each Underlying Fund is to have the daily changes in percentage terms of its shares' NAV reflect the daily changes in percentage terms of a weighted average of the closing settlement prices for certain Futures Contracts for the commodity specified in the Underlying Fund's name. (This weighted average is referred to herein as the Underlying Fund's "Benchmark," the Futures Contracts that at any given time make up an Underlying Fund's Benchmark

<sup>10</sup> Additional information regarding the Underlying Funds is included in the proposed rule changes approved by the Commission for the Underlying Funds and in their corresponding registration statements. See notes 7 and 9, *supra*.

<sup>11</sup> The term "under normal market conditions" includes, but is not limited to, the absence of extreme volatility or trading halts in the commodity markets or the financial markets generally; operational issues causing dissemination of inaccurate market information; or force majeure type events such as systems failure, natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labor disruption or any similar intervening circumstance.

are referred to herein as the Underlying Fund's "Benchmark Component Futures Contracts," and the commodity specified in the Underlying Fund's name is referred to herein as its "Specified Commodity"). Specifically, the Teucrium Corn Fund's Benchmark is: (1) The second-to-expire Futures Contract for corn traded on the Chicago Board of Trade ("CBOT"), weighted 35%, (2) the third-to-expire CBOT corn Futures Contract, weighted 30%, and (3) the CBOT corn Futures Contract expiring in the December following the expiration month of the third-to-expire contract, weighted 35%. The Teucrium Wheat Fund's Benchmark is: (1) The second-to-expire CBOT wheat Futures Contract, weighted 35%, (2) the third-to-expire CBOT wheat Futures Contract, weighted 30%, and (3) the CBOT wheat Futures Contract expiring in the December following the expiration month of the third-to-expire contract, weighted 35%. The Teucrium Soybean Fund's Benchmark is: (1) The second-to-expire CBOT soybean Futures Contract, weighted 35%, (2) the third-to-expire CBOT soybean Futures Contract, weighted 30%, and (3) the CBOT soybean Futures Contract expiring in the November following the expiration month of the third-to-expire contract, weighted 35%, except that CBOT soybean Futures Contracts expiring in August and September will not be part of the Teucrium Soybean Fund's Benchmark because of the less liquid market for these Futures Contracts. The Teucrium Sugar Fund's Benchmark is: (1) The second-to-expire Sugar No. 11 Futures Contract traded on ICE Futures U.S. ("ICE Futures"),<sup>12</sup> weighted 35%, (2) the third-to-expire ICE Futures Sugar No. 11 Futures Contract, weighted 30%, and (3) the ICE Futures Sugar No. 11 Futures Contract expiring in the March following the expiration month of the third-to-expire contract, weighted 35%.

Each Underlying Fund seeks to achieve its investment objective by investing under normal market conditions in Benchmark Component Futures Contracts or, in certain circumstances, in other Futures Contracts for its Specified Commodity. In addition, and to a limited extent, an Underlying Fund also may invest in exchange-traded options on Futures Contracts for its Specified Commodity and in swap agreements<sup>13</sup> based on its

<sup>12</sup> According to the Registration Statement, although sugar Futures Contracts are primarily traded on the ICE Futures, they may also be traded on the New York Mercantile Exchange ("NYMEX").

<sup>13</sup> According to the Registration Statement, a cleared swap agreement is a standard contract to exchange a periodic stream of payments determined by reference to a notional amount, with one party's

Specified Commodity that are cleared through a futures exchange or its affiliated provider of clearing services ("Cleared Swaps") in furtherance of the Underlying Fund's investment objective. Once position limits or accountability levels on Futures Contracts on an Underlying Fund's Specified Commodity are reached, each Underlying Fund's intention is to invest first in Cleared Swaps based on its Specified Commodity to the extent practicable under the position limits or accountability levels applicable to such Cleared Swaps and appropriate in light of the liquidity in the market for such Cleared Swaps, and then in contracts and instruments such as cash-settled options on Futures Contracts and forward contracts, swaps other than Cleared Swaps, and other over-the-counter transactions that are based on the price of its Specified Commodity or Futures Contracts on its Specified Commodity (collectively, "Other Commodity Interests," and, together with Futures Contracts and Cleared Swaps, "Commodity Interests"). According to the Registration Statement, by utilizing certain or all of these investments, the Sponsor will endeavor to cause each Underlying Fund's performance to closely track that of its Benchmark.

The Underlying Funds seek to achieve their investment objectives primarily by investing in Commodity Interests such that daily changes in the Underlying Fund's NAV will be expected to closely track the changes in its Benchmark. Each Underlying Fund's positions in Commodity Interests will be changed or "rolled" on a regular basis in order to track the changing nature of its Benchmark. For example, several times a year (on the dates on which Futures Contracts on the Underlying Fund's Specified Commodity expire), a particular Futures Contract will no longer be a Benchmark Component Futures Contract, and the Underlying Fund's investments will have to be changed accordingly. In order that the Underlying Funds' trading does not cause unwanted market movements and to make it more difficult for third parties to profit by trading based on such expected market movements, the Underlying Funds' investments typically will not be rolled entirely on that day, but rather will typically be rolled over a period of several days.

payments determined by reference to a specified price for an underlying asset or index, and the other's determined by reference to the current market price of that asset or index. Cleared swaps may be executed bilaterally or on an exchange or other trading platform, but must be accepted for clearing by a derivatives clearing organization.

Consistent with achieving each Underlying Fund's investment objective of closely tracking its Benchmark, the Sponsor may for certain reasons cause the Underlying Fund to enter into or hold Futures Contracts other than the Benchmark Component Futures Contracts, Cleared Swaps and/or Other Commodity Interests. For example, certain Cleared Swaps have standardized terms similar to, and are priced by reference to, a corresponding Benchmark Component Futures Contract. Additionally, Other Commodity Interests that do not have standardized terms and are not exchange-traded, referred to as "over-the-counter" Commodity Interests, can generally be structured as the parties to the Commodity Interest contract desire. Therefore, an Underlying Fund might enter into multiple Cleared Swaps and/or over-the-counter Commodity Interests related to its Specified Commodity that are intended to exactly replicate the performance of Benchmark Component Futures Contracts of the Underlying Fund, or a single over-the-counter Commodity Interest designed to replicate the performance of its Benchmark as a whole. Assuming that there is no default by a counterparty to an over-the-counter Commodity Interest, the performance of the Commodity Interest will necessarily correlate exactly with the performance of the Underlying Fund's Benchmark or the applicable Benchmark Component Futures Contract.<sup>14</sup> The Underlying Funds might also enter into or hold Commodity Interests other than Benchmark Component Futures Contracts to facilitate effective trading, consistent with the discussion of an Underlying Fund's "roll" strategy in the preceding paragraph. In addition, an Underlying Fund might enter into or hold Commodity Interests related to its Specified Commodity that would be expected to alleviate overall deviation between the Underlying Fund's performance and that of its Benchmark that may result from certain market and trading inefficiencies or other reasons. According to the Registration Statement, by utilizing certain or all of the investments described above, the Sponsor will endeavor to cause each Underlying Fund's performance to closely track that of its Benchmark.

While the Fund expects to maintain substantially all of its assets in shares of

<sup>14</sup> With respect to the Underlying Funds, the creditworthiness of each potential counterparty will be assessed by the Sponsor. The Sponsor will assess or review, as appropriate, the creditworthiness of each potential or existing counterparty to an over-the-counter contract pursuant to guidelines approved by the Sponsor.

the Underlying Funds at all times, the Fund may hold some residual amount of assets in obligations of the United States government ("Treasury Securities") or cash equivalents, and/or hold such assets in cash (generally in interest-bearing accounts). The Underlying Funds invest in Commodity Interests to the fullest extent possible without being leveraged<sup>15</sup> or unable to satisfy their expected current or potential margin or collateral obligations with respect to their investments in Commodity Interests. After fulfilling such margin and collateral requirements, the Underlying Funds will invest the remainder of the proceeds from the sale of baskets (as described below) in Treasury Securities or cash equivalents, and/or hold such assets in cash. Therefore, the focus of the Sponsor in managing the Underlying Funds is investing in Commodity Interests and in Treasury Securities, cash and/or cash equivalents. The Fund and Underlying Funds will earn interest income from the Treasury Securities and/or cash equivalents that it purchases and on the cash it holds through the Custodian.

The Sponsor will endeavor to place the Fund's trades in the Underlying Funds and otherwise manage the Fund's investments so that the Fund's average daily tracking error against the Underlying Fund Average will be less than 10 percent over any period of 30 trading days. More specifically, the Sponsor will endeavor to manage the Fund so that  $A$  will be within plus/minus 10 percent of  $B$ , where  $A$  is the average daily change in the Fund's NAV for any period of 30 successive valuation days, *i.e.*, any trading day as of which the Fund calculates its NAV, and  $B$  is the average daily change in the Underlying Fund Average over the same period.<sup>16</sup>

According to the Registration Statement, the Sponsor employs a "neutral" investment strategy intended so that the Fund will track the changes in the Underlying Fund Average and each Underlying Fund will track the changes in its Benchmark regardless of whether the Underlying Fund Average

<sup>15</sup> The Sponsor represents that the Fund and Underlying Funds will invest in their applicable Commodity Interests in a manner consistent with their respective investment objectives and not to achieve additional leverage.

<sup>16</sup> According to the Registration Statement, the Sponsor believes that market arbitrage opportunities will cause the Fund's Share price on the NYSE Arca to closely track the Fund's NAV per Share. The Sponsor believes that the net effect of this expected relationship and the expected relationship described above between the Fund's NAV and the Underlying Fund Average will be that the changes in the price of the Fund's Shares on the NYSE Arca will closely track, in percentage terms, changes in the Underlying Fund Average.

or Benchmark goes up or down. According to the Registration Statement, the Fund's and Underlying Funds' "neutral" investment strategies are designed to permit investors generally to purchase and sell the Fund's Shares for the purpose of investing indirectly in the agricultural commodities market in a cost-effective manner. Such investors may include participants in agricultural industries and other industries seeking to hedge the risk of losses in their commodity-related transactions, as well as investors seeking exposure to the agricultural commodities market. The Sponsor does not intend to operate the Fund or an Underlying Fund in a fashion such that its per share NAV will equal, in dollar terms, the spot price of a unit of a Specified Commodity or the price of any particular Futures Contract.

According to the Registration Statement, the Fund and the Underlying Funds do not intend to limit the size of their offerings and will attempt to expose substantially all of their proceeds to the agricultural commodities market either directly through Commodity Interests or, in the case of the Fund, indirectly through the Underlying Funds. If an Underlying Fund encounters position limits or price fluctuation limits for Futures Contracts and/or Cleared Swaps on U.S. exchanges, it may then, if permitted under applicable regulatory requirements, purchase Other Commodity Interests and/or Futures Contracts listed on foreign exchanges. However, the Futures Contracts available on such foreign exchanges may have different underlying sizes, deliveries, and prices than the Benchmark Component Futures Contracts. In addition, the Futures Contracts available on these exchanges may be subject to their own position limits or similar restrictions. In any case, notwithstanding the potential availability of these instruments in certain circumstances, position limits could force the Fund and the Underlying Funds to limit the number of Creation Baskets (as defined below) that they sell.<sup>17</sup>

#### Calculation of NAV

The Fund's NAV is calculated by taking the current market value of its total assets and subtracting any liabilities. The Administrator will

<sup>17</sup> With respect to the Fund, there will be no specified limit on the maximum amount of Creation Baskets that can be sold. At some point, however, applicable position limits may practically limit the number of Creation Baskets that will be sold if the Sponsor determines that the other investment alternatives available to the Fund at that time will not enable it to meet its stated investment objective.

calculate the NAV of the Fund once each trading day as of the earlier of the close of the New York Stock Exchange ("NYSE") or 4 p.m. Eastern time ("E.T."). The NAV for a particular trading day will be released after 4:15 p.m. E.T.

For purposes of determining the Fund's NAV, the Fund's investments in the Underlying Funds will be valued based on the Underlying Funds' NAVs. In turn, in determining the value of the Futures Contracts held by the Underlying Funds, the Administrator will use the closing price on the exchange on which they are traded. The Administrator will determine the value of all other Fund and Underlying Fund investments as of the earlier of the close of the NYSE or 4 p.m. E.T. The value of Cleared Swaps and over-the-counter Commodity Interests will be determined based on the value of the commodity or Futures Contract underlying such Commodity Interest, except that a fair value may be determined if the Sponsor believes that the Underlying Fund is subject to significant credit risk relating to the counterparty to such Commodity Interest. Treasury Securities held by the Fund or Underlying Funds will be valued by the Administrator using values received from recognized third-party vendors (such as Reuters) and dealer quotes. NAV will include any unrealized profit or loss on open Commodity Interests held by each Underlying Fund and any other credit or debit accruing to the Fund but unpaid or not received by the Fund.

#### Dissemination of Indicative Fund Value

The Indicative Fund Value ("IFV") will be calculated by using the prior day's closing NAV per Share of the Fund as a base and updating that value throughout the NYSE Arca Core Trading Session (9:30 a.m. to 4 p.m. E.T.) to reflect changes in the values of the Underlying Funds' shares. Changes in the value of Treasury Securities and cash equivalents will not be included in the calculation of IFV. For this and other reasons, the IFV disseminated during NYSE Arca trading hours should not be viewed as an actual real time update of the NAV.

The IFV for the Fund and each Underlying Fund will be widely disseminated by one or more major market data vendors on a per share basis every 15 seconds during the NYSE Arca Core Trading Session.<sup>18</sup> The normal trading hours for Futures Contracts may

begin after 9:30 a.m. and end before 4 p.m. E.T., and there is a gap in time at the beginning and the end of each day during which the Underlying Funds' shares are traded on the NYSE Arca, but real-time trading prices for at least some of the Futures Contracts held by the Underlying Funds are not available. As a result, during those gaps there will be no update to the IFVs of the Underlying Funds and such IFVs, therefore, will be static.

#### Creation and Redemption of Shares

The Fund will create and redeem Shares from time to time, but only in one or more "Creation Baskets" or "Redemption Baskets," each consisting of 100,000 Shares. The creation and redemption of baskets are made in exchange for delivery to the Fund or the distribution by the Fund of the amount of cash equal to the combined NAV of the number of Shares included in the baskets being created or redeemed determined as of 4 p.m. E.T. on the day the order to create or redeem baskets is properly received.

Authorized Purchasers are the only persons that may place orders to create and redeem baskets. Authorized Purchasers must be (1) either registered broker-dealers or other securities market participants, such as banks and other financial institutions that are not required to register as broker-dealers to engage in securities transactions as described in the Registration Statement, and (2) Depository Trust Company participants.

The total deposit required to create each basket ("Creation Basket Deposit") is the amount of Treasury Securities and/or cash that is in the same proportion to the total assets of the Fund (net of estimated accrued but unpaid fees, expenses and other liabilities) on the purchase order date as the number of Shares to be created under the purchase order is in proportion to the total number of Shares outstanding on the purchase order date.

The procedures by which an Authorized Purchaser can redeem one or more baskets mirror the procedures for the creation of baskets. On any business day, an Authorized Purchaser may place an order with the Distributor to redeem one or more baskets. Creation and redemption orders must be placed by noon E.T.

The redemption distribution from the Fund will consist of a transfer to the redeeming Authorized Purchaser of an amount of Treasury Securities and/or cash that is in the same proportion to the total assets of the Fund (net of estimated accrued but unpaid fees, expenses and other liabilities) on the

date the order to redeem is properly received as the number of Shares to be redeemed under the redemption order is in proportion to the total number of Shares outstanding on the date the order is received.

The Fund will meet the initial and continued listing requirements applicable to TIRs in NYSE Arca Equities Rule 8.200 and Commentary .02 thereto. With respect to application of Rule 10A-3 under the Act,<sup>19</sup> the Trust will rely on the exception contained in Rule 10A-3(c)(7).<sup>20</sup> A minimum of 100,000 Shares for the Fund will be outstanding as of the start of trading on the Exchange.

A more detailed description of the Fund, Underlying Funds, fees, Commodity Interests and other aspects of the applicable commodities markets, as well as investment risks, are set forth in the Registration Statement and the registration statements relating to the Underlying Funds and the releases approving the listing and trading of the Underlying Funds.<sup>21</sup> All terms relating to the Fund that are referred to, but not defined in, this proposed rule change are defined in the Registration Statement.

#### Availability of Information Regarding the Shares

The Web site for the Fund ([www.teucriumtagsfund.com](http://www.teucriumtagsfund.com)) and/or the Exchange, which will be publicly accessible at no charge, will contain the following information: (a) The current NAV per Share daily and the prior business day's NAV and the reported closing price; (b) the midpoint of the bid-ask price in relation to the NAV as of the time the NAV is calculated ("Bid-Ask Price"); (c) calculation of the premium or discount of such price against such NAV; (d) the bid-ask price of Shares determined using the highest bid and lowest offer as of the time of calculation of the NAV; (e) data in chart form displaying the frequency distribution of discounts and premiums of the Bid-Ask Price against the NAV, within appropriate ranges for each of the four (4) previous calendar quarters; (f) the prospectus; and (g) other applicable quantitative information. The Fund will also disseminate the Fund's holdings on a daily basis on the Fund's Web site.

The NAV for the Fund will be calculated by the Administrator once a day and will be disseminated daily to all market participants at the same time. The Exchange will also make available

<sup>18</sup> Currently, it is the Exchange's understanding that several major market data vendors display and/or make widely available IFVs published on Consolidated Tape Association ("CTA") or other data feeds.

<sup>19</sup> 17 CFR 240.10A-3.

<sup>20</sup> 17 CFR 240.10A-3(c)(7).

<sup>21</sup> See notes 7 and 9, *supra*.

on its Web site daily trading volume of each of the Shares and shares of the Underlying Funds, closing prices of the Shares and shares of the Underlying Funds, and the corresponding NAV for the Fund and the Underlying Funds. The closing price and settlement prices of the corn, wheat and soybean Futures Contracts are also readily available from the CBOT, and of sugar Futures Contracts from ICE Futures. In addition, such prices are available from automated quotation systems, published or other public sources, or on-line information services such as Bloomberg or Reuters. Each Benchmark and the Underlying Fund Average will be disseminated by one or more major market data vendors every 15 seconds during the NYSE Arca Core Trading Session of 9:30 a.m. to 4 p.m. E.T. Quotation and last-sale information regarding the Shares and shares of the Underlying Funds will be disseminated through the facilities of the CTA.

The daily settlement prices for the corn, wheat and soybeans Futures Contracts are publicly available on the Web site of the CBOT ([www.cmegroup.com](http://www.cmegroup.com)) and, for the sugar Futures Contracts, on the Web site of ICE Futures ([www.theice.com](http://www.theice.com)). In addition, various data vendors and news publications publish futures prices and data. The Exchange represents that quotation and last sale information for the corn, wheat, soybeans and sugar Futures Contracts are widely disseminated through a variety of major market data vendors worldwide, including Bloomberg and Reuters. In addition, the Exchange further represents that complete real-time data for such contracts is available by subscription from Reuters and Bloomberg. The CBOT and ICE Futures also provide delayed futures information on current and past trading sessions and market news free of charge on their Web sites. The specific contract specifications for such contracts are also available at the CBOT and ICE Futures Web sites, as well as other financial informational sources. The spot price of corn, wheat, soybeans and sugar also is available on a 24-hour basis from major market data vendors.

The Fund will provide Web site disclosure of its portfolio holdings daily and will include the names, quantity, price and market value of shares of the Underlying Funds held by the Fund and other financial instruments, if any, and the characteristics of such instruments and cash equivalents, and amount of cash held in the portfolio of the Fund. In addition, the Underlying Funds provide Web site disclosure of their respective portfolio holdings daily and

include the names, quantity, price and market value of such holdings and the characteristics of such holdings. The Web site disclosure of the portfolio composition of the Fund will occur at the same time as the disclosure by the Sponsor of the portfolio composition to Authorized Purchasers so that all market participants are provided portfolio composition information at the same time. Therefore, the same portfolio information will be provided on the public Web site as well as in electronic files provided to Authorized Purchasers. Accordingly, each investor will have access to the current portfolio composition of the Fund and each Underlying Fund through the applicable fund's Web site.

#### Trading Rules

The Exchange deems the Shares to be equity securities, thus rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities. Shares will trade on the NYSE Arca Marketplace from 4 a.m. to 8 p.m. E.T. The Exchange has appropriate rules to facilitate transactions in the Shares during all trading sessions. As provided in NYSE Arca Equities Rule 7.6, Commentary .03, the minimum price variation ("MPV") for quoting and entry of orders in equity securities traded on the NYSE Arca Marketplace is \$0.01, with the exception of securities that are priced less than \$1.00 for which the MPV for order entry is \$0.0001.

The trading of the Shares will be subject to NYSE Arca Equities Rule 8.200, Commentary .02(e), which sets forth certain restrictions on Equity Trading Permit ("ETP") Holders acting as registered Market Makers in TIRs to facilitate surveillance. See "Surveillance" below for more information.

With respect to trading halts, the Exchange may consider all relevant factors in exercising its discretion to halt or suspend trading in the Shares. Trading may be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in the Shares inadvisable. These may include: (1) The extent to which trading is not occurring in the Futures Contracts or shares of the Underlying Funds, or (2) whether other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present. In addition, trading in Shares will be subject to trading halts caused by extraordinary market volatility pursuant to the Exchange's "circuit breaker" rule<sup>22</sup> or by the halt or

suspension of trading of the Futures Contracts or shares of the Underlying Funds.

The Exchange represents that the Exchange may halt trading during the day in which an interruption to the dissemination of the IFV or the Underlying Fund Average or the value of the applicable Benchmark Component Futures Contracts or the applicable Benchmark occurs. If the interruption to the dissemination of the IFV, the Underlying Fund Average, the value of the applicable Benchmark Component Futures Contracts or the applicable Benchmark persists past the trading day in which it occurred, the Exchange will halt trading no later than the beginning of the trading day following the interruption.<sup>23</sup> In addition, if the Exchange becomes aware that the NAV with respect to the Shares is not disseminated to all market participants at the same time, it will halt trading in the Shares until such time as the NAV is available to all market participants.

#### Surveillance

The Exchange intends to utilize its existing surveillance procedures applicable to derivative products, including TIRs, to monitor trading in the Shares. The Exchange represents that these procedures are adequate to properly monitor Exchange trading of the Shares in all trading sessions and to deter and detect violations of Exchange rules and applicable federal securities laws.

The Exchange's current trading surveillances focus on detecting securities trading outside their normal patterns. When such situations are detected, surveillance analysis follows and investigations are opened, where appropriate, to review the behavior of all relevant parties for all relevant trading violations. The Exchange is able to obtain information regarding trading in the Shares, shares of the Underlying Funds, and the physical commodities included in, or options, futures or options on futures on, Shares and shares of the Underlying Funds through ETP Holders, in connection with such ETP Holders' proprietary or customer trades through ETP Holders which they effect on any relevant market. The Exchange can obtain market surveillance information, including customer identity information, with respect to transactions occurring on exchanges

<sup>23</sup> The Exchange notes that, for each of the Underlying Funds, the Exchange may halt trading during the day in which an interruption to the dissemination of the IFV or the value of the applicable Benchmark Component Futures Contracts or Benchmark occurs.

<sup>22</sup> See NYSE Arca Equities Rule 7.12.

that are members of the Intermarket Surveillance Group (“ISG”) or with which the Exchange has in place a comprehensive surveillance sharing agreement. With respect to the Underlying Funds, which are listed and traded on the Exchange, the Exchange can obtain market surveillance information from CBOT, NYMEX and ICE Futures, which are ISG members, and from Kansas City Board of Trade (“KCBT”) and Minneapolis Grain Exchange (“MGEX”) in that the Exchange has in place a comprehensive surveillance sharing agreement with KCBT and MGEX. A list of ISG members is available at [www.isgportal.org](http://www.isgportal.org).<sup>24</sup>

In addition, to the extent that the Fund invests in Futures Contracts, not more than 10% of the weight of such Futures Contracts in the aggregate shall consist of components whose principal trading market is not a member of ISG or is a market with which the Exchange does not have a comprehensive surveillance sharing agreement.<sup>25</sup>

The Exchange also has a general policy prohibiting the distribution of material, non-public information by its employees.

#### Information Bulletin

Prior to the commencement of trading, the Exchange will inform its ETP Holders in an Information Bulletin of the special characteristics and risks associated with trading the Shares. Specifically, the Information Bulletin will discuss the following: (1) The risks involved in trading the Shares during the Opening and Late Trading Sessions when an updated IFV will not be calculated or publicly disseminated; (2) the procedures for purchases and redemptions of Shares in Creation Baskets and Redemption Baskets (and that Shares are not individually redeemable); (3) NYSE Arca Equities Rule 9.2(a), which imposes a duty of due diligence on its ETP Holders to learn the essential facts relating to every customer prior to trading the Shares; (4) how information regarding the IFV is disseminated; (5) the requirement that ETP Holders deliver a prospectus to investors purchasing newly issued Shares prior to or concurrently with the

confirmation of a transaction; and (6) trading information.

In addition, the Information Bulletin will advise ETP Holders, prior to the commencement of trading, of the prospectus delivery requirements applicable to the Fund. The Exchange notes that investors purchasing Shares directly from the Fund will receive a prospectus. ETP Holders purchasing Shares from the Fund for resale to investors will deliver a prospectus to such investors. The Information Bulletin will also discuss any exemptive, no-action and interpretive relief granted by the Commission from any rules under the Act.

In addition, the Information Bulletin will reference that the Fund is subject to various fees and expenses described in the Registration Statement. The Information Bulletin will also reference that the CFTC has regulatory jurisdiction over the trading of corn, wheat, soybean and sugar futures contracts traded on U.S. markets.

The Information Bulletin will also disclose the trading hours of the Shares of the Fund and that the NAV for the Shares is calculated after 4 p.m. E.T. each trading day. The Bulletin will disclose that information about the Shares of the Fund is publicly available on the Fund’s Web site.

#### 2. Statutory Basis

The basis under the Act for this proposed rule change is the requirement under Section 6(b)(5)<sup>26</sup> that an exchange have rules that are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to, and perfect the mechanism of a free and open market and, in general, to protect investors and the public interest.

The Exchange believes that the proposed rule change is designed to prevent fraudulent and manipulative acts and practices in that the Shares will be listed and traded on the Exchange pursuant to the initial and continued listing criteria in NYSE Arca Equities Rule 8.200 and Commentary .02 thereto. The Exchange has in place surveillance procedures that are adequate to properly monitor trading in the Shares in all trading sessions and to deter and detect violations of Exchange rules and applicable federal securities laws. The Benchmark Component Futures Contracts are traded on futures exchanges that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement. The closing price and

settlement prices of the Futures Contracts for corn, wheat and soybeans are readily available from the CBOT, and of Futures Contracts for sugar from ICE Futures. In addition, such prices are available from automated quotation systems, published or other public sources, or on-line information services such as Bloomberg or Reuters. Each Benchmark and the Underlying Fund Average will be disseminated by one or more major market data vendors every 15 seconds during the NYSE Arca Core Trading Session of 9:30 a.m. to 4 p.m. E.T. The Fund and the Underlying Funds will provide Web site disclosure of their portfolio holdings daily.

Quotation and last-sale information regarding the Shares and shares of the Underlying Funds will be disseminated through the facilities of the CTA. The IFV for the Fund and the Underlying Funds will be widely disseminated on a per share basis by one or more major market data vendors every 15 seconds during the NYSE Arca Core Trading Session. The Exchange may halt trading during the day in which the interruption to the dissemination of the IFV or the Underlying Fund Average or the value of the applicable Benchmark Component Futures Contracts or the applicable Benchmark occurs. If the interruption to the dissemination of the IFV, or the Underlying Fund Average or the value of the applicable Benchmark Component Futures Contracts or the applicable Benchmark persists past the trading day in which it occurred, the Exchange will halt trading no later than the beginning of the trading day following the interruption. In addition, if the Exchange becomes aware that the NAV with respect to the Shares is not disseminated to all market participants at the same time, it will halt trading in the Shares until such time as the NAV is available to all market participants.

The proposed rule change is designed to promote just and equitable principles of trade and to protect investors and the public interest in that a large amount of information is publicly available regarding the Fund and the Shares, thereby promoting market transparency. The NAV per Share will be calculated daily and made available to all market participants at the same time. One or more major market data vendors will disseminate for the Fund and the Underlying Funds on a daily basis information with respect to the recent NAV per share and shares outstanding.

The proposed rule change is designed to perfect the mechanism of a free and open market and, in general, to protect investors and the public interest in that it will facilitate the listing and trading of an additional type of exchange-traded

<sup>24</sup> The Exchange notes that not all Futures Contracts may trade on markets that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.

<sup>25</sup> The Exchange notes that, with respect to the Underlying Funds’ Futures Contracts traded on exchanges, not more than 10% of the weight of such Futures Contracts in the aggregate shall consist of components whose principal trading market is not a member of ISG or is a market with which the Exchange does not have a comprehensive surveillance sharing agreement.

<sup>26</sup> 15 U.S.C. 78f(b)(5).

product that will enhance competition among market participants, to the benefit of investors and the marketplace. As noted above, the Exchange has in place surveillance procedures relating to trading in the Shares and may obtain information via ISG from other exchanges that are members of ISG or with which the Exchange has entered into a comprehensive surveillance sharing agreement. In addition, as noted above, investors will have ready access to information regarding the Fund's holdings, IFV, and quotation and last sale information for the Shares.

#### *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.

#### *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**

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 the 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-NYSEArca-2011-97 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-NYSEArca-2011-97. 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 Section, 100 F Street NE., Washington, DC 20549-1090, on official business days between 10 a.m. and 3 p.m. Copies of the filing will also be available for inspection and copying at the NYSE's principal office and on its Internet Web site at [www.nyse.com](http://www.nyse.com). 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-NYSEArca-2011-97 and should be submitted on or before January 31, 2012.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>27</sup>

**Kevin M. O'Neill,**  
*Deputy Secretary.*

[FR Doc. 2012-185 Filed 1-9-12; 8:45 am]

**BILLING CODE 8011-01-P**

## **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-66100; File No. SR-Phlx-2011-185]

### **Self-Regulatory Organizations; NASDAQ OMX PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to the Rebates and Fees for Adding and Removing Liquidity in Select Symbols**

January 4, 2012.

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> notice is hereby given that on December 22, 2011, NASDAQ OMX PHLX LLC ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "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 Rebates and Fees for Adding and Removing Liquidity in Select Symbols in Section I, Part A of the Exchange's Fee Schedule.

While changes to the Fee Schedule pursuant to this proposal are effective upon filing, the Exchange has designated these changes to be operative on January 3, 2012.

The text of the proposed rule change is available on the Exchange's Web site at <http://nasdaqtrader.com/micro.aspx?id=PHLXfilings>, at the principal office of the Exchange, 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.

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

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

<sup>27</sup> 17 CFR 200.30-3(a)(12).