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 SR–C2–2013–031 and should be submitted on or before September 13, 2013.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[23]

Kevin M. O'Neill,

Deputy Secretary.

[FR Doc. 2013–20570 Filed 8–22–13; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–70227; File No. SR–FINRA–2013–034]

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Form U4 Regarding the Reporting of Unsatisfied Judgments and Liens

August 19, 2013.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'')[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on August 13, 2013, Financial Industry Regulatory Authority, Inc. (''FINRA'') 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 FINRA. FINRA has designated the proposed rule change as constituting a ''non-controversial'' rule change under paragraph (f)(6) of Rule 19b–4 under the Act,[3] which renders the proposal effective upon receipt of this filing by the Commission. 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 proposing to amend the Uniform Application for Securities Industry Registration or Transfer (''Form U4'') with respect to the reporting of unsatisfied judgments and liens.

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

The text of the proposed rule change is available on FINRA's Web site at *http://www.finra.org,* at the principal office of FINRA 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, 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, Proposed Rule Change

1. Purpose

The Form U4 is the Uniform Application for Securities Industry Registration or Transfer. Representatives of broker-dealers, investment advisers, or issuers of securities must use the Form U4 to become registered in the appropriate jurisdictions and with the appropriate self-regulatory organizations (''SROs''). The Form U4 elicits administrative information (*e.g.,* residential history, office of employment, outside business activities) and disclosure information (*e.g.,* criminal charges and convictions, customer complaints, bankruptcies) about a representative. Firms and individuals have a continuing obligation to ensure that a Form U4 is timely updated when an event or proceeding occurs that renders a prior response on the form inaccurate or incomplete.

Section 14 of the Form U4 sets forth a series of questions regarding the existence of disclosure events that must be answered in the affirmative or negative. Additional details must be provided on the appropriate Disclosure Reporting Page (''DRP'') for any affirmative answer to those questions. One of the disclosure events that must be reported on Form U4 involves unsatisfied judgments and liens. To report that a registered representative has become subject to an unsatisfied judgment or lien, a firm must respond affirmatively to Question 14M on Form U4 and then complete the corresponding Judgment/Lien DRP to provide details about the unsatisfied judgment or lien. An unsatisfied judgment or lien must be reported no later than 30 days after a registered representative learns of the facts or circumstances giving rise to the event (*i.e.,* the filing of the judgment or lien).[4]

In connection with fee changes implemented last year, it came to FINRA's attention that the Form U4 does not elicit a piece of information regarding an unsatisfied judgment or lien that is essential in enabling the CRD system to identify whether such a matter has been reported late. Specifically, the Judgment/Lien DRP elicits information only about the date a judgment or lien was filed;[5] it does not elicit information about the date that the registered representative learned of the judgment or lien. In addition, the CRD system is programmed to determine whether a matter has been reported late based on a comparison of the date the judgment or lien was filed and the date it was reported. As result, the CRD system may assess an erroneous late disclosure fee because it is unable to take into account the date the registered representative learned of the judgment or lien.[6] In such circumstances, the late disclosure fee may be unwarranted or the amount of the fee may be incorrect because the CRD system assessed the late disclosure fee based on the date the judgment or lien was filed rather than when the registered representative learned of it.

To help limit the instances of erroneous late disclosure fees being assessed by the CRD system, in August 2012, FINRA implemented new procedures for the reporting of unsatisfied judgments and liens.[7] The new procedures instruct firms to provide the date the registered representative learned of the judgment or lien, if such date is different from the date the judgment or lien was filed, in a free-text section at the end of the DRP.[8] If a firm reports a date in this section of the DRP, FINRA staff reviews the date provided to determine whether

[23] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] 17 CFR 240.19b–4(f)(6).

[4] *See* FINRA By-Laws, Article V, Section 2(c), which states that every application for registration filed with the Corporation shall be kept current at all times by supplementary amendments via electronic process or such other process as the Corporation may prescribe to the original application. Such amendment to the application shall be filed with the Corporation not later than 30 days after learning of the facts or circumstances giving rise to the amendment.

[5] *See* Section 4 of the Form U4 Judgment/Lien DRP.

[6] FINRA will assess a late disclosure fee when a firm fails to report a disclosure event in a timely manner. The amount of the fee is based upon the number of days the disclosure is late. *See* Section 4(h) of Schedule A to the FINRA By-Laws.

[7] *See Information Notice,* August 17, 2012.

[8] *See* Section 8 of the Judgment/Lien DRP.

a late disclosure fee should be assessed and, if so, the amount of the fee.[9]

To provide additional clarity with respect to the reporting of events involving unsatisfied judgments and liens, the proposed rule change would amend Section 4 of the Judgment/Lien DRP to add a question regarding the date that the registered representative learned of the judgment or lien. The current question regarding the date the judgment or lien was filed will remain in Section 4 of the DRP.[10] By amending the Judgment/Lien DRP in this manner, all member firms will be aware of the need to report both the date the judgment or lien was filed with a court and the date the registered representative learned of the matter. In addition, the proposed rule change would allow FINRA to once again automate the process for the calculation and assessment of the late disclosure fee with respect to the reporting of unsatisfied judgments and liens.[11]

FINRA has filed the proposed rule change for immediate effectiveness. FINRA will announce the implementation date of the proposed rule change in a *Regulatory Notice* to be published no later than 90 days following Commission notice of the filing of the proposed rule change for immediate effectiveness. FINRA is proposing that the implementation date of the proposed rule change be the date of the software release to the CRD system in the fourth quarter of 2013.

2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,[12] which requires, among other things, that FINRA rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest. FINRA believes that, by adding a question to the Judgment/Lien DRP to elicit the date that a registered representative learned of a judgment or lien, the proposed rule change will clarify and facilitate industry reporting requirements and thereby help to ensure that member firms report information about unsatisfied judgments and liens accurately and completely. FINRA also believes that the proposed rule change will limit the instances of the assessment of an erroneous late disclosure fee by allowing FINRA to automate the process by which such a fee is calculated and assessed.

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

FINRA does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change to the Form U4 Judgment/Lien DRP will clarify and facilitate the accurate and complete reporting of information about unsatisfied judgments and liens by member firms. Furthermore, by specifically eliciting information about the date a registered representative learned of an unsatisfied judgment or lien, the proposed rule change will significantly limit, if not eliminate, the instances in which a member firm is assessed an erroneous late disclosure fee in connection with the reporting of such an event. This, in turn, will reduce the need for firms to contact FINRA for a refund of a late disclosure fee.[13]

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

Written comments were neither solicited nor received.

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

Because the foregoing 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 for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b–4(f)(6) thereunder.

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.

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.* Please include File Number SR–FINRA–2013–034 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.

All submissions should refer to File Number SR–FINRA–2013–034. 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 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–

[9] In conjunction with the implementation of the new procedures for the reporting of judgments and liens, the CRD system was modified to no longer automatically assess a late fee upon the reporting of these matters.

[10] FINRA, however, is proposing to clarify that this question pertains to the date that the judgment or lien was filed with a court.

[11] As noted above, in August 2012, FINRA suspended the automated process for calculating and assessing the late disclosure fee with respect to the reporting of unsatisfied judgments and liens, and instituted a temporary manual process. The proposed change would allow FINRA to reinstitute the automated process.

[12] 15 U.S.C. 78*o*–3(b)(6).

[13] Information about the late disclosure fee, including the procedure for requesting a refund, is available on FINRA's Web site at *http://www.finra.org/industry/compliance/registration/crd/usersupport/p005225.*

2013–034 and should be submitted on or before September 13, 2013.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[14]

Kevin M. O'Neill,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–70231; File No. SR–EDGA–2013–25]

Self-Regulatory Organizations; EDGA Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Eliminate EDGA Rule 13.4

August 19, 2013.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on August 7, 2013, EDGA Exchange, Inc. (''Exchange'' or ''EDGA'') 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. EDGA filed the proposal pursuant to Section 19(b)(3)(A)[3] of the Act and Rule 19b–4(f)(6)[4] thereunder so that the proposal was effective upon filing with the Commission. 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 eliminate Rule 13.4, ''Assigning of Registered Securities in the Name of a Member or Member Organization,'' which permits the Exchange to establish a signature guarantee program. All of the changes described herein are applicable to Members.[5] The text of the proposed rule change is available on the Exchange's Internet Web site at *www.directedge.com*, at the Exchange's principal office, and at the Public Reference Room of the Commission.

[14] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] 15 U.S.C. 78s(b)(3)(A).

[4] 17 CFR 240.19b–4(f)(6).

[5] A Member is any registered broker or dealer, or any person associated with a registered broker or dealer that has been admitted to membership in the Exchange.

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 these statements may be examined at the places specified in Item IV below. The self-regulatory organization 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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to eliminate Rule 13.4, ''Assigning of Registered Securities in the Name of a Member or Member Organization,'' which permits the Exchange to establish a signature guarantee program. In sum, a signature guarantee program allows an investor who seeks to transfer or sell securities held in physical certificate form to have their signature on the certificate ''guaranteed.'' Rule 13.4 permits Members to guarantee their signatures by authorizing one or more of their employees to assign registered securities in the Member's name and to guarantee assignments of registered securities on behalf of the Member where the security had been signed by one of the partners of the Member or by one of the authorized officers of the Member by executing and filing with the Exchange a separate Power of Attorney, also known as a traditional signature card program. Transfer agents often insist that a signature be guaranteed before they accept the transaction because it limits their liability and losses if a signature turns out to be forged.

Rule 17Ad–15 under the Act permits transfer agents to reject signature guarantees from eligible guarantor institutions that are not part of a signature guarantee program.[6] The rule encouraged a movement away from the traditional signature card programs administered by the exchanges towards signature guarantee programs that use a medallion imprint or stamp which evidences their participation in the program and is an acceptable signature guarantee (''Medallion Signature Guarantee Program'').[7] The Commission has also noted that:

> [a]n investor can obtain a signature guarantee from a financial institution—such as a commercial bank, savings bank, credit union, or broker dealer—that participates in one of the Medallion signature guarantee programs. . . . If a financial institution is not a member of a recognized Medallion Signature Guarantee Program, it would not be able to provide signature guarantees. Also, if [an investor is] not a customer of a participating financial institution, it is likely the financial institution will not guarantee [the investor's] signature. Therefore, the best source of a Medallion Guarantee would be a bank, savings and loan association, brokerage firm, or credit union with which [the investor does] business.[8]

In response to Rule 17Ad–15, certain exchanges have decommissioned or amended their rules to no longer provide for traditional signature card program.[9] While the Exchange adopted Rule 13.4 as part of its Form 1 exchange application,[10] it has never offered, and does not now intend to offer, a signature

[6] *See* 17 CFR 240.17Ad-15; Securities Exchange Act Release No. 30146 (January 10, 1992), 57 FR 1082 (February 24, 1992) (adopting Rule 17Ad–15).

[7] *See, e.g.,* Securities Exchange Act Release No. 33669 (February 23, 1994), 59 FR 10189 (March 3, 1994) (SR–MSTC–93–13) (''[t]his newly adopted Rule 17Ad–15 rule rendered [Midwest Securities Trust Company's (''MSTC'')] Signature Distribution Program and Signature Guarantee Program obsolete. Therefore, to avoid costs that produce no benefits, MSTC eliminated its Signature Distribution and Signature Guarantee Programs and deleted MSTC Rule 5, Sections 1 and 2 which govern these programs'').

[8] *See* ''Signature Guarantees: Preventing the Unauthorized Transfer of Securities,'' *http://www.sec.gov/answers/sigguar.htm* (last modified May 20, 2009).

[9] *See* Securities Exchange Act Release No. 34188 (June 9, 1994), 59 FR 30820 (June 15, 1994) (SR–MSTC–93–13) (order approving the elimination of MSTC's signature guarantee program stating that Rule 17Ad–15 rendered it obsolete); Securities Exchange Act Release No. 32590 (July 7, 1993), 58 FR 37978 (July 14, 1993) (order approving SR–PHLX–92–39 eliminating the PHLX's signature guarantee program in light of Rule 17Ad–15) (noting that ''[b]y eliminating its signature guarantee program, PHLX will streamline the signature guarantee process. In place of the cumbersome signature card system, PHLX will require participation in a Rule 17Ad–15 Signature Guarantee Program''). In 2006, the Philadelphia Stock Exchange, Inc. (currently Nasdaq OMX PHLX LLC) (''PHLX'') eliminated Rules 327—340 regarding signature guarantees in their entirety from its rulebook, noting that they are ''being deleted as obsolete because they refer to the delivery and settlement of securities, which is not done by the Exchange, but by registered clearing agencies.'' Securities Exchange Act Release No. 54329 (August 17, 2006), 71 FR 504538 (August 25, 2006) (SR–PHLX–2006–43); Securities Exchange Act Release No. 54538 (September 28, 2006), 71 FR 59184 (October 6, 2006 (order approving SR–PHLX–2006–43).

[10] *See* Securities Exchange Act Release No. 60651 (September 11, 2009), 74 FR 47827 (September 17, 2009) (File Nos. 10.193 and 10–194) (Notice of Filing of Exchange Applications for EDGA and EDGX Exchange, Inc. (''EDGX'')); Securities Exchange Act Release No. 61698 (March 12, 2010), 75 FR 13151 (March 18, 2010) (File Nos. 10–193 and 10–194) (Order Approving Exchange Applications for EDGA and EDGX).