

All submissions should refer to File Number SR–OCC–2013–23. 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 of submission. 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 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 OCC and on OCC’s Web site at [http://www.optionsclearing.com/components/docs/legal/rules\\_and\\_bylaws/sr\\_occ\\_13\\_23.pdf](http://www.optionsclearing.com/components/docs/legal/rules_and_bylaws/sr_occ_13_23.pdf) and at [http://www.theocc.com/components/docs/legal/rules\\_and\\_bylaws/sr\\_occ\\_13\\_23\\_a1.pdf](http://www.theocc.com/components/docs/legal/rules_and_bylaws/sr_occ_13_23_a1.pdf).

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–OCC–2013–23 and should be submitted on or before February 5, 2014.

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

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

[FR Doc. 2014–00578 Filed 1–14–14; 8:45 am]

**BILLING CODE 8011–01–P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–71272; File No. SR–FINRA–2013–056]

### **Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend FINRA Rule 2251 (Forwarding of Proxy and Other Issuer-Related Materials), Which Includes Fees for Processing and Forwarding Proxy and Other Issuer Communications to Beneficial Owners, and Establish a Fee Under Certain Conditions for an Enhanced Brokers’ Internet Platform**

January 9, 2014.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act,” “SEA” or “Exchange Act”) <sup>1</sup> and Rule 19b–4 thereunder,<sup>2</sup> notice is hereby given that, on December 30, 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 and II 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,<sup>3</sup> 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 provisions of FINRA Rule 2251 (Forwarding of Proxy and Other Issuer-Related Materials) relating to rates of reimbursement for expenses incurred in forwarding proxy and other issuer-related material, to establish a five-year fee for the development of an enhanced brokers internet platform and to make miscellaneous conforming revisions.

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.

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

<sup>2</sup> 17 CFR 240.19b–4.

<sup>3</sup> 17 CFR 240.19b–4(f)(6).

#### **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 Rule 2251 requires FINRA members to transmit proxy materials and other communications to beneficial owners of securities and limits the circumstances in which FINRA members may vote proxies without instructions from those beneficial owners.<sup>4</sup> The Supplementary Material under FINRA Rule 2251 (FINRA Rule 2251.01) sets forth the rate reimbursement provisions pursuant to which FINRA members are entitled to receive fees in connection with the rule’s forwarding obligations. FINRA has previously indicated that, in the interest of ensuring regulatory clarity and harmonization with respect to proxy rate reimbursement, it intends to conform the rate reimbursement provisions of FINRA Rule 2251 with the New York Stock Exchange (“NYSE”) provisions in this area.<sup>5</sup>

On February 1, 2013, NYSE filed with the Commission a proposed rule change<sup>6</sup> to amend the provisions set forth under NYSE Rules 451 and 465, and the related provisions of Section 402.10 of the NYSE Listed Company Manual, for the reimbursement of expenses by issuers to NYSE member organizations for the processing and transmission of proxy materials and

<sup>4</sup> FINRA Rule 2251 was adopted as a consolidation of former NASD Rule 2260 and IM–2260 as part of FINRA’s rulebook consolidation process. See Securities Exchange Act Release No. 61052 (November 23, 2009), 74 FR 62857 (December 1, 2009) (Order Granting Approval of Proposed Rule Change; File No. SR–FINRA–2009–066).

<sup>5</sup> See Securities Exchange Act Release No. 47392 (February 21, 2003), 68 FR 9730 (February 28, 2003) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change; File No. SR–NASD–2003–019).

<sup>6</sup> See Securities Exchange Act Release No. 68936 (February 15, 2013), 78 FR 12381 (February 22, 2013) (Notice of Filing of Proposed Rule Change; File No. SR–NYSE–2013–07).

<sup>11</sup> 17 CFR 200.30–3(a)(12).

other issuer communications, and to establish a specified success fee for the development of qualified internet platforms for proxy voting purposes (the “Enhanced Brokers’ Internet Platform” or “EBIP”). The SEC approved NYSE’s proposed rule change on October 18, 2013 (for purposes of this filing, referred to as the “new NYSE proxy rate rules”).<sup>7</sup> Consistent with the NYSE action, FINRA is proposing to amend FINRA Rule 2251 to establish, in language virtually identical to the corresponding provisions under the new NYSE proxy rate rules, the same rate reimbursement provisions that have been adopted by the NYSE, including the specified success fee for the development of EBIPs, and to delete the provisions under FINRA Rule 2251 that are rendered obsolete by the NYSE rule change, as described below.

• **Processing Unit Fees:** Proposed FINRA Rule 2251.01(a)(1)(B)<sup>8</sup> establishes, for each set of proxy material, *i.e.*, proxy statement, form of proxy and annual report when processed as a unit, a Processing Unit Fee based on the following schedule according to the number of nominee<sup>9</sup> accounts through which the issuer’s securities are beneficially owned:

- 50 cents for each account up to 10,000 accounts;
- 47 cents for each account above 10,000 accounts, up to 100,000 accounts;
- 39 cents for each account above 100,000 accounts, up to 300,000 accounts;
- 34 cents for each account above 300,000 accounts, up to 500,000 accounts;
- 32 cents for each account above 500,000 accounts.

The proposed rule change provides that, under the above schedule, a member may charge the issuer the tier one rate for the first 10,000 accounts, or portion thereof, with decreasing rates applicable only on additional accounts in the additional tiers. The proposed

rule change provides that references in the Supplementary Material to the number of accounts means the number of accounts holding securities of the issuer at any nominee that is providing distribution services without the services of an intermediary, or when an intermediary<sup>10</sup> is involved, the aggregate number of nominee accounts with beneficial ownership in the issuer served by the intermediary. Further, the proposed rule change provides that, in the case of a meeting for which an opposition proxy has been furnished to security holders, the Processing Unit Fee shall be \$1.00 per account, in lieu of the fees in the above schedule.

• **Intermediaries:** Proposed FINRA Rule 2251.01(a)(1)(C)<sup>11</sup> establishes the following supplemental fees for intermediaries:

- \$22.00 for each nominee served by the intermediary that has at least one account beneficially owning shares in the issuer;
- an Intermediary Unit Fee for each set of proxy material, based on the following schedule according to the number of nominee accounts through which the issuer’s securities are beneficially owned:
  - 14 cents for each account up to 10,000 accounts;
  - 13 cents for each account above 10,000 accounts, up to 100,000 accounts;
  - 11 cents for each account above 100,000 accounts, up to 300,000 accounts;
  - 9 cents for each account above 300,000 accounts, up to 500,000 accounts;
  - 7 cents for each account above 500,000 accounts.

The proposed rule change provides that, under the above schedule, a member may charge the issuer the tier one rate for the first 10,000 accounts, or portion thereof, with decreasing rates applicable only on additional accounts in the additional tiers. For special meetings, the proposed rule change provides that the Intermediary Unit Fee shall be based on the following schedule, in lieu of the fees described in the schedule above:

- 19 cents for each account up to 10,000 accounts;
- 18 cents for each account above 10,000 accounts, up to 100,000 accounts;

<sup>10</sup> Proposed FINRA Rule 2251.01(a)(1)(A)(ii) defines “intermediary” to mean a proxy service provider that coordinates the distribution of proxy or other materials for multiple nominees. This provision corresponds to NYSE Rule 451.90(1)(a)(ii).

<sup>11</sup> Proposed FINRA Rule 2251.01(a)(1)(C) corresponds to NYSE Rule 451.90(1)(c).

- 16 cents for each account above 100,000 accounts, up to 300,000 accounts;

- 14 cents for each account above 300,000 accounts, up to 500,000 accounts;

- 12 cents for each account above 500,000 accounts.

The proposed rule change provides that, under the above schedule, a member may charge the issuer the tier one rate for the first 10,000 accounts, or portion thereof, with decreasing rates applicable only on additional accounts in the additional tiers. For purposes of the proposed rule, a special meeting is a meeting other than the issuer’s meeting for the election of directors. Further, the proposed rule change provides that, in the case of a meeting for which an opposition proxy has been furnished to security holders, the Intermediary Unit Fee shall be 25 cents per account, with a minimum fee of \$5,000 per soliciting entity, in lieu of the fees described in the two schedules given in this paragraph above, as the case may be. Where there are separate solicitations by management and an opponent, the opponent is to be separately billed for the costs of its solicitation.

• **Proxy Follow-up Material:** The proposed rule change revises FINRA Rule 2251.01(a)(2)<sup>12</sup> (Charges for Proxy Follow-Up Mailings) to establish, for each set of proxy follow-up material, a Processing Unit Fee of 40 cents per account, except for those relating to an issuer’s annual meeting for the election of directors, for which the Processing Unit Fee shall be 20 cents per account. The proposed rule change revises the header of FINRA Rule 2251.01(a)(2) to read “Charges for Proxy Follow-Up Material” and deletes the current text under that rule provision.

• **Beneficial Ownership Information:** Current FINRA Rule 2251.01(a)(3)<sup>13</sup> (Charge for Providing Beneficial Ownership Information) establishes a rate of six and one-half cents per name of non-objecting beneficial owner (“NOBO”) provided to the issuer pursuant to the issuer’s request. The proposed rule change revises Rule 2251.01(a)(3) to provide that, where the non-objecting beneficial ownership information is not furnished directly to the issuer by the member, but is furnished through an agent designated by the member, the issuer will be expected to pay in addition the

<sup>12</sup> FINRA Rule 2251.01(a)(2), as revised by the proposed rule change, corresponds to NYSE Rule 451.90(2).

<sup>13</sup> FINRA Rule 2251.01(a)(3), as revised by the proposed rule change, corresponds to NYSE Rule 451.92.

<sup>7</sup> See Securities Exchange Act Release No. 70720 (October 18, 2013), 78 FR 63530 (October 24, 2013) (Order Granting Approval of Proposed Rule Change; File No. SR-NYSE-2013-07) (the “Approval Order”).

<sup>8</sup> Proposed FINRA Rule 2251.01(a)(1)(B) corresponds to NYSE Rule 451.90(1)(b).

<sup>9</sup> Proposed FINRA Rule 2251.01(a)(1)(A)(i) defines “nominee” to mean a broker or bank subject to SEA Rule 14b-1 or Rule 14b-2, respectively. This provision corresponds with NYSE Rule 451.90(1)(a)(i). The new rule, in combination with proposed new FINRA Rule 2251.01(a)(1)(A)(ii) as set forth in note 10 below, replaces current FINRA Rule 2251.01(a)(1)(A) [sic]. The Commission notes that it is proposed FINRA Rule 2251.01(a)(1)(B)(i) that replaces current FINRA Rule 2251.01(a)(1)(A) and current FINRA Rule 2251 does not define “nominee.”

following fee to the agent, with a minimum fee of \$100 per requested list:

- 10 cents per name for the first 10,000 names or portion thereof;
- 5 cents per name for additional names up to 100,000 names; and
- 4 cents per name above 100,000.

The rule currently provides that any member that designates an agent for the purpose of furnishing requesting issuers with beneficial ownership information pursuant to SEA Rule 14b-1(c) and thereafter cancels that designation or appoints a new agent for such purpose should promptly inform interested issuers. The proposed rule change retains this language and provides that, when an issuer requests beneficial ownership information as of a date which is the record date for an annual or special meeting or a solicitation of written shareholder consent, the issuer may ask to eliminate names holding more or less than a specified number of shares, or names of shareholders that have already voted, and the issuer may not be charged a fee for the NOBO names so eliminated. In all other cases the issuer may be charged for all the names in the NOBO list.

• *Interim Report, Post Meeting Report and Other Material:* The proposed rule change revises FINRA Rule 2251.01(a)(4)<sup>14</sup> (Charges for Interim Report, Post Meeting Report and Other Material Mailings) to establish for interim reports, annual reports if processed separately, post meeting reports, or other material, a Processing Unit Fee of 15 cents per account. The proposed rule change revises the header of FINRA Rule 2251.01(a)(4) to read “Charges for Interim Report, Post Meeting Report and Other Material.”

• *Preference Management Fees:* The proposed rule change deletes the current text under FINRA Rule 2251.01(a)(5)<sup>15</sup> (Incentive Fees) and establishes, with respect to each account for which the nominee has eliminated the need to send materials in paper format through the mails (or by courier service), a Preference Management Fee in the following amount:

- 32 cents for each set of proxy material described in proposed FINRA Rule 2251.01(a)(1)(B); provided, however, that if the account is a Managed Account (as defined in proposed FINRA Rule 2251.01(a)(7), below), the Preference Management Fee shall be 16 cents.

- 10 cents for each set of material described in either FINRA Rule 2251.01(a)(2) or (a)(4), as discussed above.

The proposed rule change provides that the Preference Management Fee is in addition to, and not in lieu of, the other fees set forth under FINRA Rule 2251.01 as revised by the rule change. The proposed rule change revises the header of FINRA Rule 2251.01(a)(5) to read “Preference Management Fees.”

• *Notice and Access Fees:* Proposed FINRA Rule 2251.01(a)(6)<sup>16</sup> (Notice and Access Fees) provides that, when an issuer elects to utilize Notice and Access for a proxy distribution, there is an incremental fee based on all nominee accounts through which the issuer’s securities are beneficially owned as follows:

- 25 cents for each account up to 10,000 accounts;
- 20 cents for each account over 10,000 accounts, up to 100,000 accounts;
- 15 cents for each account over 100,000 accounts, up to 200,000 accounts;
- 10 cents for each account over 200,000 accounts, up to 500,000 accounts;
- 5 cents for each account over 500,000 accounts.

The proposed rule change provides that, under the above schedule, a member may charge the issuer the tier one rate for the first 10,000 accounts, or portion thereof, with decreasing rates applicable only on additional accounts in the additional tiers. The proposed rule change further provides that follow up notices will not incur an incremental fee for Notice and Access. In addition, no incremental fee will be imposed for fulfillment transactions (*i.e.*, a full package sent to a notice recipient at the recipient’s request), although out of pocket costs such as postage will be passed on as in ordinary distributions.

• *Managed Accounts:* Proposed FINRA Rule 2251.01(a)(7)<sup>17</sup> (Fee Exclusion in Certain Circumstances) provides that, notwithstanding any other provision under the rule, no fee shall be imposed for a nominee account that is a Managed Account and contains five or fewer shares or units of the security involved. The proposed rule defines “Managed Account” to mean an account at a nominee which is invested in a portfolio of securities selected by a professional adviser, and for which the account holder is charged a separate

asset-based fee for a range of services which may include ongoing advice, custody and execution services. The adviser can be either employed by or affiliated with the nominee, or a separate investment advisor contracted for the purpose of selecting investment portfolios for the managed account. Requiring that investments or changes to the account be approved by the client shall not preclude an account from being a “Managed Account,” nor shall the fact that commissions or transaction-based charges are imposed in addition to the asset-based fee. Proposed FINRA Rule 2251.01(a)(7) further provides that, notwithstanding any other provision under the rule, no fee shall be imposed for any nominee account which contains only a fractional share, *i.e.*, less than one share or unit of the security involved.

• *EBIP Fee:* Proposed FINRA Rule 2251.01(a)(8)<sup>18</sup> (Enhanced Brokers’ Internet Platform Fee) provides that, during the period ending December 31, 2018, there shall be a supplemental fee of 99 cents for each new account that elects, and each full package recipient among a brokerage firm’s accounts that converts to, electronic delivery while having access to an EBIP. The proposed rule change provides that this fee does not apply to electronic delivery consents captured by issuers (for example, through an open-enrollment program), nor to positions held in Managed Accounts (as defined in proposed FINRA Rule 2251.01(a)(7)) nor to accounts voted by investment managers using electronic voting platforms.<sup>19</sup> The proposed rule change provides that this is a one-time fee, meaning that an issuer may be billed this fee by a particular member only once for each account covered by this rule. Further, billing for this fee should be separately indicated on the issuer’s invoice and must await the next proxy or consent solicitation by the issuer that follows the triggering election of electronic delivery by an eligible account. Accounts receiving a notice pursuant to the use of notice and access by the issuer, and accounts to which mailing is suppressed by householding, will not trigger the fee under the proposed rule change. The proposed rule change further provides:

- To qualify under the rule, an EBIP must provide notices of upcoming corporate votes (including record and shareholder meeting dates) and the

<sup>14</sup> FINRA Rule 2251.01(a)(4), as revised by the proposed rule change, corresponds to NYSE Rule 451.90(3).

<sup>15</sup> FINRA Rule 2251.01(a)(5), as revised by the proposed rule change, corresponds to NYSE Rule 451.90(4).

<sup>16</sup> Proposed FINRA Rule 2251.01(a)(6) corresponds to NYSE Rule 451.90(5).

<sup>17</sup> Proposed FINRA Rule 2251.01(a)(7) corresponds to NYSE Rule 451.90(6).

<sup>18</sup> Proposed FINRA Rule 2251.01(a)(8) corresponds to NYSE Rule 451.90(7).

<sup>19</sup> FINRA notes that the EBIP fee does not apply to accounts that converted to electronic delivery prior to January 1, 2014.

ability to access proxy materials and a voting instruction form, and cast the vote, through the investor's account page on the member's Web site without an additional log-in.

- Any member that is not also a member of the NYSE with a qualifying EBIP must provide notice thereof to FINRA,<sup>20</sup> including the date such EBIP became operational, and any limitations on the availability of the EBIP to its customers.

- Conversions to electronic delivery by accounts with access to an EBIP need to be tracked for the purpose of reporting the activity to FINRA when requested, as do records of marketing efforts to encourage account holders to use the EBIP. In addition, records need to be maintained and reported to FINRA when requested regarding the proportion of non-institutional accounts that vote proxies after being provided access to an EBIP.

- *Miscellaneous Revisions:* The proposed rule change revises the header of FINRA Rule 2251.01(a)(1) to read "Basic Processing and Intermediary Unit Fees." To reflect the use of the term "process" throughout the new NYSE proxy rate rules, the proposed rule change revises "forward," "forwarding" and "transmit" throughout FINRA Rule 2251 to read "process and forward," "processing and forwarding" and "process and transmit," respectively.

FINRA notes that the guidance applicable to the new NYSE proxy rate rules as set forth in the Commission's Approval Order shall apply to Rule 2251 as revised by the proposed rule change.

FINRA has filed the proposed rule change for immediate effectiveness and has requested that the SEC waive the requirement that the proposed rule change not become operative for 30 days after the date of the filing, so FINRA can implement the proposed rule change on January 1, 2014.

## 2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,<sup>21</sup> which requires, among other things, that FINRA rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and

<sup>20</sup> Under the new NYSE proxy rate rules, the notification applies to NYSE member organizations as to the NYSE. To avoid regulatory duplication, the proposed rule change applies the EBIP notification requirement only to FINRA members that are not NYSE members. However, as noted below, all FINRA members would need to maintain, and would be subject to requests by FINRA for, the specified EBIP tracking information and records.

<sup>21</sup> 15 U.S.C. 78o-3(b)(6).

equitable principles of trade, and, in general, to protect investors and the public interest. FINRA believes that, by conforming the rate reimbursement provisions under FINRA Rule 2251 with the new NYSE proxy rate rules, the proposed rule change helps to ensure regulatory clarity and harmonization with respect to proxy rate reimbursement, thereby facilitating the processing and transmittal of proxy and other issuer-related materials to investors and conducting to the orderly administration of the Commission's proxy rules. Further, for the reasons set forth in the Approval Order, the Commission found that the new NYSE proxy rate rules are consistent with the requirements of Section 6(b)(4),<sup>22</sup> Section 6(b)(5)<sup>23</sup> and Section 6(b)(8)<sup>24</sup> of the Act. Because the proposed rule change conforms with the new NYSE proxy rate rules, FINRA believes that the proposed rule change is consistent with the corresponding provisions under Section 15A(b)(5),<sup>25</sup> Section 15A(b)(6)<sup>26</sup> and Section 15A(b)(9)<sup>27</sup> of the Act.

### 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. FINRA believes that, by conforming the rate reimbursement provisions under FINRA Rule 2251 with the new NYSE proxy rate rules, the proposed rule change helps to ensure regulatory clarity and

<sup>22</sup> 15 U.S.C. 78f(b)(4). Section 6(b)(4) requires that an exchange have rules that provide for the equitable allocation of reasonable dues, fees and other charges among its members, issuers and other persons using its facilities.

<sup>23</sup> 15 U.S.C. 78f(b)(5). Section 6(b)(5) requires that the rules of an exchange be designed, among other things, 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 a national market system and, in general to protect investors and the public interest, and not be designed to permit unfair discrimination between customers, issuers, brokers or dealers.

<sup>24</sup> 15 U.S.C. 78f(b)(8). Section 6(b)(8) prohibits any exchange rule from imposing any burden on competition that is not necessary or appropriate in furtherance of the Act.

<sup>25</sup> 15 U.S.C. 78o-3(b)(5). Section 15A(b)(5) requires that FINRA rules provide for the equitable allocation of reasonable dues, fees, and other charges among members and issuers and other persons using any facility or system that FINRA operates or controls. Relatedly, SEA Rule 14b-1 conditions a broker-dealer's obligation to forward issuer proxy materials to beneficial owners on the issuer's assurance that it will reimburse the broker-dealer's reasonable expenses, both direct and indirect, incurred in connection with performing that obligation. See 17 CFR 240.14b-1.

<sup>26</sup> 15 U.S.C. 78o-3(b)(6).

<sup>27</sup> 15 U.S.C. 78o-3(b)(9).

harmonization with respect to proxy rate reimbursement. FINRA believes that this will help FINRA members avoid conflicting requirements and related burdens that would otherwise result in the absence of the proposed rule change.

### 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 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 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<sup>28</sup> and Rule 19b-4(f)(6) thereunder.<sup>29</sup>

A proposed rule change filed under Rule 19b-4(f)(6)<sup>30</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>31</sup> the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. FINRA has asked the Commission to waive the 30-day operative delay so FINRA can implement the proposed rule change on January 1, 2014, in alignment with the implementation date of the new NYSE proxy rate rules. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest because it will allow FINRA to harmonize its rules with the new NYSE proxy rate rules, which should reduce the potential for investor confusion regarding the applicable proxy fees. Therefore, the Commission hereby waives the 30-day operative delay and

<sup>28</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>29</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and the text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. FINRA has satisfied this requirement.

<sup>30</sup> 17 CFR 240.19b-4(f)(6).

<sup>31</sup> 17 CFR 240.19b-4(f)(6)(iii).

designates the proposal operative upon filing.<sup>32</sup>

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](mailto:rule-comments@sec.gov). Please include File Number SR-FINRA-2013-056 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-FINRA-2013-056. 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 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-2013-056 and should be submitted on or before February 5, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>33</sup>

**Kevin M. O'Neill,**

*Deputy Secretary.*

[FR Doc. 2014-00581 Filed 1-14-14; 8:45 am]

**BILLING CODE 8011-01-P**

#### **SMALL BUSINESS ADMINISTRATION**

**[Disaster Declaration #13827 and #13828]**

##### **Nebraska Disaster Number NE-00055**

**AGENCY:** U.S. Small Business Administration.

**ACTION:** Amendment 1.

**SUMMARY:** This is an amendment of the Presidential declaration of a major disaster for Public Assistance Only for the State of Nebraska (FEMA-4156-DR), dated 11/26/2013.

*Incident:* Severe Storms, Winter Storms, Tornadoes, and Flooding

*Incident Period:* 10/02/2013 through 10/06/2013

*Effective Date:* 01/07/2014

*Physical Loan Application Deadline Date:* 01/27/2014

*Economic Injury (EIDL) Loan Application Deadline Date:* 08/25/2014

**ADDRESSES:** Submit completed loan applications to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

**FOR FURTHER INFORMATION CONTACT:** A. Escobar, Office of Disaster Assistance, U.S. Small Business Administration, 409 3rd Street SW., Suite 6050, Washington, DC 20416.

**SUPPLEMENTARY INFORMATION:** The notice of the President's major disaster declaration for Private Non-Profit organizations in the State of NEBRASKA, dated 11/26/2013, is hereby amended to include the following areas as adversely affected by the disaster.

*Primary Counties:* Greeley.

All other information in the original declaration remains unchanged.

(Catalog of Federal Domestic Assistance Numbers 59002 and 59008)

**James E. Rivera,**

*Associate Administrator for Disaster Assistance.*

[FR Doc. 2014-00557 Filed 1-14-14; 8:45 am]

**BILLING CODE 8025-01-P**

#### **SMALL BUSINESS ADMINISTRATION**

**[Disaster Declaration #13841 and #13842]**

##### **Arkansas Disaster #AR-00066**

**AGENCY:** U.S. Small Business Administration.

**ACTION:** Notice.

**SUMMARY:** This is a Notice of the Presidential declaration of a major disaster for Public Assistance Only for the State of Arkansas (FEMA-4160-DR), dated 01/06/2014.

*Incident:* Severe Winter Storm

*Incident Period:* 12/05/2013 through 12/06/2013

*Effective Date:* 01/06/2014

*Physical Loan Application Deadline Date:* 03/07/2014

*Economic Injury (EIDL) Loan Application Deadline Date:* 10/06/2014

**ADDRESSES:** Submit completed loan applications to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

**FOR FURTHER INFORMATION CONTACT:** A. Escobar, Office of Disaster Assistance, U.S. Small Business Administration, 409 3rd Street SW., Suite 6050, Washington, DC 20416.

**SUPPLEMENTARY INFORMATION:** Notice is hereby given that as a result of the President's major disaster declaration on 01/06/2014, Private Non-Profit organizations that provide essential services of governmental nature may file disaster loan applications at the address listed above or other locally announced locations.

The following areas have been determined to be adversely affected by the disaster:

Primary Counties:

Crawford, Franklin, Johnson, Logan, Madison, Marion, Newton, Polk, Scott, Searcy, Sebastian, Sharp, Van Buren.

The Interest Rates are:

	Percent
<i>For Physical Damage:</i>	
Non-Profit Organizations With Credit Available Elsewhere ...	2.625

<sup>32</sup> For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>33</sup> 17 CFR 200.30-3(a)(12).