

estimates that each one of these firms processes an average of three new customers for penny stocks per week. Thus, each respondent processes approximately 156 penny stock disclosure documents per year. If communications in tangible form alone are used to satisfy the requirements of Rule 15g-2, then the copying and mailing of the penny stock disclosure document takes no more than two minutes. Thus, the total associated burden is approximately 2 minutes per response, or an aggregate total of 312 minutes per respondent. Since there are 221 respondents, the current annual burden is 68,952 minutes (312 minutes per each of the 221 respondents) or 1,150 hours for this third party disclosure burden. In addition, broker-dealers incur a recordkeeping burden of approximately two minutes per response when filing the completed penny stock disclosure documents as required pursuant to the Rule 15(g)(2)(c), which requires a broker-dealer to preserve a copy of the written acknowledgement pursuant to Rule 17a-4(b) of the Exchange Act. Since there are approximately 156 responses for each respondent, the respondents incur an aggregate recordkeeping burden of 68,952 minutes (221 respondents \times 156 responses for each \times 2 minutes per response) or 1,150 hours, under Rule 15g-2. Accordingly, the current aggregate annual hour burden associated with Rule 15g-2 (assuming that all respondents provide tangible copies of the required documents) is approximately 2,300 hours (1,150 third party disclosure hours + 1,150 recordkeeping hours).

The burden hours associated with Rule 15g-2 may be slightly reduced when the penny stock disclosure document required under the rule is provided through electronic means such as email from the broker-dealer (e.g., the broker-dealer respondent may take only one minute, instead of the two minutes estimated above, to provide the penny stock disclosure document by email to its customer). In this regard, if each of the customer respondents estimated above communicates with his or her broker-dealer electronically, the total ongoing respondent burden is approximately 1 minute per response, or an aggregate total of 156 minutes (156 customers \times 1 minutes per respondent). Assuming 221 respondents, the annual third party disclosure burden, if electronic communications were used by all customers, is 34,476 minutes (156 minutes per each of the 221 respondents) or 575 hours. If all respondents were to use electronic

means, the recordkeeping burden would be 68,952 minutes or 1,150 hours (the same as above). Thus, if all broker-dealer respondents obtain and send the documents required under the rules electronically, the aggregate annual hour burden associated with Rule 15g-2 is 1,725 (575 hours + 1,150 hours).

In addition, if the penny stock customer requests a paper copy of the information on the Commission's Web site regarding microcap securities, including penny stocks, from his or her broker-dealer, the printing and mailing of the document containing this information takes no more than two minutes per customer. Because many investors have access to the Commission's Web site via computers located in their homes, or in easily accessible public places such as libraries, then, at most, a quarter of customers who are required to receive the Rule 15g-2 disclosure document request that their broker-dealer provide them with the additional microcap and penny stock information posted on the Commission's Web site. Thus, each broker-dealer respondent processes approximately 39 requests for paper copies of this information per year or an aggregate total of 78 minutes per respondent (2 minutes per customer \times 39 requests per respondent). Since there are 221 respondents, the estimated annual burden is 17,238 minutes (78 minutes per each of the 221 respondents) or 288 hours. This is a third party disclosure type of burden.

We have no way of knowing how many broker-dealers and customers will choose to communicate electronically. Assuming that 50 percent of respondents continue to provide documents and obtain signatures in tangible form and 50 percent choose to communicate electronically to satisfy the requirements of Rule 15g-2, the total aggregate burden hours would be 2,301 ((aggregate burden hours for sending disclosure documents and obtaining signed customer acknowledgements in tangible form \times 0.50 of the respondents = 1,150 hours) + (aggregate burden hours for electronically signed and transmitted documents \times 0.50 of the respondents = 863 hours) + (288 burden hours for those customers making requests for a copy of the information on the Commission's Web site)).

Written comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the

quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

Please direct your written comments to: Thomas Bayer, Director/Chief Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 100 F Street NE., Washington, DC 20549, or send an email to: PRA_Mailbox@sec.gov.

Dated: April 29, 2014.

Kevin M. O'Neill,

Deputy Secretary.

[FR Doc. 2014-10142 Filed 5-2-14; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Public Law 94-409, that the Securities and Exchange Commission will hold a Closed Meeting on Thursday, May 8, 2014 at 2:00 p.m.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the Closed Meeting. Certain staff members who have an interest in the matters also may be present.

The General Counsel of the Commission, or her designee, has certified that, in her opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(3), (5), (7), 9(B) and (10) and 17 CFR 200.402(a)(3), (5), (7), 9(ii) and (10), permit consideration of the scheduled matter at the Closed Meeting.

Commissioner Aguilar, as duty officer, voted to consider the items listed for the Closed Meeting in closed session.

The subject matter of the Closed Meeting will be:

- Institution and settlement of injunctive actions;
- institution and settlement of administrative proceedings;
- consideration of amicus participation;
- adjudicatory matters; and
- other matters relating to enforcement proceedings.

At times, changes in Commission priorities require alterations in the scheduling of meeting items.

For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact the Office of the Secretary at (202) 551-5400.

Dated: May 1, 2014.

Kevin M. O'Neill,

Deputy Secretary.

[FR Doc. 2014-10362 Filed 5-1-14; 4:15 pm]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-72042; File No. SR-CFE-2014-001]

Self-Regulatory Organizations; CBOE Futures Exchange, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Adopt and Amend Certain Customer Protection and Financial Rules

April 29, 2014.

Pursuant to Section 19(b)(7) of the Securities Exchange Act of 1934 (“Act”),¹ notice is hereby given that on April 11, 2014, CBOE Futures Exchange, LLC (“CFE” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change described in Items I, II, and III below, which Items have been prepared by CFE. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons. CFE also has filed this proposed rule change with the Commodity Futures Trading Commission (“CFTC”). CFE filed a written certification with the CFTC under Section 5c(c) of the Commodity Exchange Act (“CEA”)² on April 11, 2014.

I. Self-Regulatory Organization’s Description of the Proposed Rule Change

The Exchange proposes to adopt and amend certain customer protection and financial rules that are applicable to security futures traded on CFE. The only security futures currently traded on CFE are traded under Chapter 16 of CFE’s Rulebook which is applicable to Individual Stock Based and Exchange-Traded Fund Based Volatility Index security futures. The rule amendments included as part of this rule change relate generally to amending CFE Rules to incorporate new and amended CFTC

regulations concerning customer protection and the financial surveillance of futures commission merchants (“FCMs”). The text of the proposed rule change is attached as Exhibit 4.³

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

In its filing with the Commission, CFE 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. CFE has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The purpose of the proposed CFE rule amendments included as part of this rule change is to amend CFE rules (i) to incorporate the final regulations adopted by the CFTC under the caption Enhancing Protections Afforded Customers and Customer Funds Held by Futures Commission Merchants and Derivatives Clearing Organizations (“CFTC Rulemaking”)⁴ and (ii) to enhance the financial surveillance of FCMs that are Trading Privilege Holders (“TPHs”). The rule amendments included as part of this rule change are to apply to all products traded on CFE, including both non-security futures and security futures. CFE is making these rule amendments in conjunction with other rule amendments being made by CFE consistent with the CFTC Rulemaking that are not required to be submitted to the Commission pursuant to Section 19(b)(7) of the Act⁵ and thus are not included as part of this rule change.

CFE has incorporated into Appendix to Chapter 5 of its Rulebook certain CFTC regulations relating to customer protection, recordkeeping, and reporting and has provided that a violation of any of those regulations shall be deemed a violation of a specific CFE Rule. With the exception of the amendments to CFE Rule 503A, all other amendments to CFE Rules contained in this filing are proposed to change the CFE Rules in the

Appendix to Chapter 5 of the CFE Rulebook to make their language consistent with the language in the CFTC regulations that was amended by the CFTC Rulemaking.

CFE already requires that its FCMs that are TPHs comply with all CFTC regulations. For example, CFE Rule 604 prohibits TPHs and their Related Parties from engaging in conduct in violation of Applicable Law (which includes, among other things, the CEA⁶ and CFTC regulations). CFE Rule 505 specifically requires TPHs to comply with CFTC regulations relating to the treatment of customer funds and the maintenance of related books and records. CFE Rule 518 specifically requires TPHs to comply with CFTC regulations relating to minimum financial requirements, financial reporting requirements, and protection of customer funds that are set forth in the Appendix to Chapter 5 of the CFE Rulebook. The purpose of these proposed rule amendments is to make the CFTC regulations that were added or amended by the CFTC Rulemaking even more explicit.

Risk Management Program for FCMs

CFE is proposing to add to its Rules new Rule 520 (and renumber all subsequent Rules in the Chapter) to require that FCMs comply with the risk management requirements set forth in CFTC Regulation 1.11: *Risk Management Program for futures commission merchants*.⁷ As a result of the CFTC Rulemaking, CFTC Regulation 1.52(b)(2) requires that all self-regulatory organizations (“SROs”) (defined as designated contract markets and registered futures associations in CFTC Regulation 1.52(a)(2)) adopt rules prescribing risk management requirements for FCM member registrants that are at least as stringent as the requirements contained in CFTC Regulation 1.11.⁸ CFTC Regulation 1.11 imposes, among other things, both recordkeeping and reporting requirements on FCMs. Specifically, FCMs must maintain their risk management policies and procedures, all written approvals, and all records and reports required under the Regulation.⁹ In addition, FCMs must furnish a copy of their risk management policies and procedures to the CFTC and its designated SRO upon application for registration and thereafter upon request, as well as furnish copies of Risk Exposure Reports

³ The Commission notes that the Exhibit 4 is attached to the filing, but is not attached to the publication of this notice.

⁴ 78 FR 68506 (Nov. 14, 2013).

⁵ 15 U.S.C. 78s(b)(7).

⁶ 7 U.S.C. 1 *et seq.*

⁷ 17 CFR 1.11.

⁸ 17 CFR 1.52.

⁹ 17 CFR 1.11(c)(2), (h).

¹ 15 U.S.C. 78s(b)(7).

² 7 U.S.C. 7a-2(c).