Internet Web site (*http://www.sec.gov/rules/sro.shtml*). Copies of the submission, all subsequent amendments, all written statements with respect to the advance notice that are filed with the Commission, and all written communications relating to the advance notice 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 filings also will be available for inspection and copying at the principal office of OCC and on OCC's Web site at *http://www.theocc.com/about/publications/bylaws.jsp.*

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–2014–802 and should be submitted on or before June 24, 2014.

By the Commission.

Kevin O'Neill,

Deputy Secretary.

[FR Doc. 2014–12772 Filed 6–2–14; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–72269; File No. SR–FINRA–2014–008]

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of Proposed Rule Change, as Modified by Amendment No. 1, Relating To Protecting Personal Confidential Information in Documents Filed With FINRA Dispute Resolution

May 28, 2014.

I. Introduction

On February 13, 2014, the Financial Industry Regulatory Authority, Inc. (''FINRA'') filed with the Securities and Exchange Commission (''Commission''), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'') [1] and Rule 19b–4 thereunder,[2] a proposed rule change to amend FINRA's Code of Arbitration Procedure for Customer Disputes (the ''Customer Code'') and the Code of Arbitration Procedure for Industry Disputes (the ''Industry Code'') to require parties to redact all but the last four digits of an individual's Social Security number, taxpayer identification number, or financial account number (collectively, ''personal confidential information'' or ''PCI'') from documents filed with FINRA Dispute Resolution (''DR''). The proposed rule change was published for comment in the **Federal Register** on February 28, 2014.[3] The Commission received six comments on the proposal.[4]

On April 10, 2014, FINRA granted the Commission an extension of time to act on the proposal until May 29, 2014.[5] On May 5, 2014, FINRA responded to the comment letters [6] and filed Amendment No. 1 to the proposed rule change in response to a commenter's concern.[7] The Commission is publishing this notice and order to solicit comments on Amendment No. 1 from interested persons, and to approve the proposed rule change, as modified by Amendment No. 1, on an accelerated basis.

II. Description of the Proposed Rule Change

Overview

FINRA filed the proposed rule change to amend the Customer Code and the Industry Code to provide that any document that a party files with DR that contains an individual's Social Security number, taxpayer identification number, or financial account number must be redacted to include only the last four digits of any of these numbers.[8] The proposed redaction requirements would apply only to documents filed with DR and would not apply to documents that parties exchange with each other or submit to the arbitrators at a hearing on the merits.[9] In addition, the proposed redaction requirements would not apply to cases administered under FINRA Rule 12800 of the Customer Code and FINRA Rule 13800 of the Industry Code (collectively, the ''Simplified Arbitration rules'').[10]

Requiring Parties To Redact Specified PCI From Documents Filed With FINRA

During an arbitration proceeding, parties file pleadings and other supporting documents with DR that may contain individuals' PCI. FINRA stated that, as a service to forum users, DR serves certain pleadings on other parties to an arbitration.[11] DR also provides arbitrators with pleadings and attachments.[12] FINRA believes that the greatest risk of DR staff misdirecting PCI occurs when DR staff serves pleadings on a party at an incorrect or outdated address (*e.g.,* an associated person of a member who has not updated his or her Central Registration Depository record).[13] In addition, FINRA stated that arbitrators occasionally have misplaced parties' pleadings containing PCI.[14]

FINRA also stated that, since FINRA employees are regularly exposed to PCI as they handle party documents, it has policies and procedures in place to help guide staff on how to keep confidential information safe.[15] For example, FINRA maintains an Information Privacy and Protection Policy, and administers Information Privacy and Protection Training to all FINRA staff annually.[16] In addition, DR has its own procedures for protecting confidential information relating to, among other matters, storage and disposal of case materials in a manner that preserves the confidentiality of the information, and removal of PCI that appears in awards

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

[2] 17 CFR 240.19b–4.

[3] *See* Securities Exchange Act Release No. 71608 (Feb. 24, 2014), 79 FR 11491 (Feb. 28, 2014) (''Notice'').

[4] *See* Letters from Steven B. Caruso, Esq., Maddox Hargett & Caruso, P.C., dated March 4, 2014 (''Caruso Letter''); Nataliya Nemtseva, Student Intern, Timothy Guilmette, Student Intern, Thomas Abrahamson, Student Intern, and Nicole Iannarone, Assistant Clinical Professor, Georgia State University College of Law's Investor Advocacy Clinic, dated March 14, 2014 (''Georgia State Letter''); Kara Cain, Esq., Aderant CompuLaw, dated March 19, 2014 (''Aderant Letter''); Jason Doss, Public Investors Arbitration Bar Association, dated March 20, 2014 (''PIABA Letter''); Ryan Jennings, Legal Intern, Christian Corkery, Legal Intern, and Daniel Coleman, Legal Intern, Securities Arbitration Clinic, St. Vincent DePaul Legal Program, Inc., St. John's University School of Law, dated March 20, 2014 (''St. John's Letter''); and Jill I. Gross, James D. Hopkins Professor of Law, Director, Investor Rights Clinic, Pace Law School, dated March 24, 2014 (''Pace Letter'').

[5] *See* Letter from Margo A. Hassan, Assistant Chief Counsel, FINRA Dispute Resolution, Inc., to Lourdes Gonzalez, Assistant Chief Counsel, Sales Practices, Division of Trading and Markets, Securities and Exchange Commission, dated April 10, 2014.

[6] *See* Letter from Margo A. Hassan, Assistant Chief Counsel, FINRA Dispute Resolution, Inc., to Secretary, Securities and Exchange Commission, dated May 5, 2014 (''FINRA Response Letter'').

[7] *See* Aderant Letter.

[8] *See* proposed FINRA Rules 12300(g)(1) and 13300(g)(1); *see also* Notice, 79 FR at 11492. The text of the proposed rule change is available at the principal office of FINRA, on FINRA's Web site at *http://www.finra.org,* and at the Commission's Public Reference Room.

[9] *See* proposed FINRA Rules 12300(g)(2) and 13300(g)(2); *see also* Notice, 79 FR at 11492.

[10] *See* proposed FINRA Rules 12300(g)(3) and 13300(g)(3); *see also* Notice, 79 FR at 11492. The Simplified Arbitration rules generally apply to arbitrations involving $50,000 or less, exclusive of interest and expenses.

[11] *See* Notice, 79 FR at 11492.

[12] *See id.*

[13] *See id.*

[14] *See id.*

[15] *See* Notice, 79 FR at 11492.

[16] *See id.*

that will be published.[17] In particular, DR procedures require arbitrators to keep confidential all information obtained in connection with arbitration and to participate in FINRA training programs on information security.[18]

In addition, FINRA has published guidance recommending that parties to an arbitration and their counsel take steps to protect confidential information.[19] FINRA's Protecting PCI Notice states, among other things, that parties and their counsel can safeguard confidential information by redacting such information from pleadings, exhibits, and other documents upon agreement of the parties.[20] For example, parties may agree not to use, or to redact, Social Security, account, or driver license numbers and, where such data must be referenced, parties can use only the last few digits of these numbers or similar information.[21]

FINRA believes that while these efforts have enhanced the security of parties' confidential information, the risks associated with the loss of PCI (*e.g.,* identity theft) remain as long as parties continue to file with DR pleadings and attachments containing PCI.[22] Accordingly, FINRA is proposing to amend the Customer Code and the Industry Code to require parties to redact specified PCI from documents that parties file with DR. Specifically, FINRA is proposing to amend Rule 12300 (Filing and Serving Documents) [23] and Rule 12307 (Deficient Claims) [24] of the Customer Code and Rule 1330 (Filing and Serving Documents) [25] and Rule 13307 (Deficient Claims) [26] of the Industry Code as described below.

Given that the proposed amendments to Rules 13300 and 13307 of the Industry Code are identical to the proposed amendments to Rules 12300 and 12307 of the Customer Code, the description below only refers to Rules 12300 and 12307 of the Customer Code. FINRA stated that its rationale is the same for both sets of rules.[27]

Proposed Amendments to FINRA Rule 12300

FINRA is proposing to amend Rule 12300 to provide that any document that a party files with DR that contains an individual's Social Security number, taxpayer identification number, or financial account number must be redacted to include only the last four digits of any of these numbers.[28] As proposed, the rule would specify that a party shall not include the full numbers.[29]

Under the proposed rule, if DR receives a claim, including supporting documents, with a full Social Security, taxpayer identification, or financial account number, it would deem the filing deficient under Rule 12307 and request that the party refile the document, without the PCI, within 30 days of receiving notice of non-compliance from DR.[30] In addition, if a party files a document with PCI that is not covered by Rule 12307 (a document other than a claim, such as a motion), FINRA would deem the filing to be improper and would request that the party refile the document, with the required redaction, within 30 days.[31] If the party refiles the document within the prescribed 30 days in compliance with the rule, FINRA would consider the document to be filed on the date the party initially filed it (*i.e.,* the non-complying document) with DR.[32]

Two Exemptions to the Proposed Amendments to FINRA Rule 12300

The proposed rule change would include two exemptions: (1) For documents that parties exchange with each other (not with DR) or submit to the arbitrators at a hearing on the merits; [33] and (2) for cases administered under the Simplified Arbitration rules.[34]

As explained above, FINRA believes that its greatest risk of misdirecting PCI occurs when DR staff is transmitting pleadings and documents to parties and arbitrators (*e.g.,* serving pleadings).[35] Therefore, FINRA is proposing to exempt documents that parties exchange with each other or submit as exhibits during a hearing in order to minimize the burden of the new requirements.[36] FINRA stated, however, that parties can always agree to measures that protect PCI in documents they exchange with each other or submit or use at a hearing and DR staff would not be at risk of transmitting PCI.[37] Similarly, FINRA stated that parties typically only bring hard copies of exhibits to hearings, as opposed to transmitting them via email, and can safely dispose of them by using secure shredding services.[38] FINRA believes that its proposal represents a balanced approach to protecting PCI while minimizing the burden on parties.[39]

The second exemption relates to claims administered under FINRA's Simplified Arbitration rules.[40] Generally, a single arbitrator decides these claims based solely on the parties' written submissions. FINRA noted that many claimants who initiate claims under its Simplified Arbitration rules are not represented by counsel (*i.e.,* pro se parties).[41] FINRA believes that the redaction requirements in the proposed rule change may prove difficult for pro se parties.[42] Therefore, FINRA is proposing to exempt from this proposed rule all claims administered under the Simplified Arbitration rules.

Proposed Amendments to FINRA Rule 12307

FINRA Rule 12307 states that the DR Director will not serve any claim that is deficient, and identifies many reasons why a claim may be deficient, including that the claims does not name all the parties.[43] FINRA is proposing to make conforming changes to FINRA Rule 12307(a) to include as a claim that is deficient failure to "comply with the restrictions on filings with personal confidential information under Rule

[17] *See id.* at n.4 (stating that FINRA "keeps all documents and information in DR case files confidential except for arbitration awards. FINRA publishes every award in the Arbitration Awards Online Database on FINRA's Web site").

[18] *See* Notice, 79 FR at 11492.

[19] FINRA Notice to Parties, *Protecting Personal Confidential Information,* available at *http://www.finra.org/ArbitrationAndMediation/Arbitration/Rules/NoticestoArbitratorsParties/NoticestoParties/P123999* ("Protecting PCI Notice"); *see also id.*

[20] *See* Notice, 79 FR at 11492 (discussing FINRA's Protecting PCI Notice).

[21] *See id.*

[22] *See id.*

[23] *See* proposed FINRA Rule 12300(g)(1)–(3); *see also* Notice, 79 FR at 11492.

[24] *See* proposed FINRA Rule 12307(a)–(c); *see also* Notice, 79 FR at 11492.

[25] *See* proposed FINRA Rule 13300(g)(1)–(3); *see also* Notice, 79 FR at 11492.

[26] *See* proposed FINRA Rule 13307(a)–(c); *see also* Notice, 79 FR at 11492.

[27] *See* Notice, 79 FR at 11492.

[28] *See* proposed FINRA Rule 12300(g)(1); *see also* Notice, 79 FR at 11492.

[29] *See* proposed FINRA Rule 12300(g)(1).

[30] *See* proposed FINRA Rule 12307; *see also* Notice, 79 FR at 11492 n.7 (stating that "[t]he term "claim" means an allegation or request for relief and includes counterclaims, cross claims and third party claims").

[31] *See* Notice, 79 FR at 11492.

[32] *See* proposed FINRA Rule 12307(c); *see also* Notice, 79 FR at 11492.

[33] *See* proposed FINRA Rule 12300(g)(2); *see also* Notice, 79 FR at 11492.

[34] *See* proposed FINRA Rule 12300(g)(3); *see also* Notice, 79 FR at 11492.

[35] *See supra* note 13 ("The greatest risk of DR staff misdirecting PCI occurs when DR staff serves pleadings on a party . . . at an incorrect/outdated address.").

[36] *See* proposed FINRA Rule 12300(g)(2); *see also* Notice, 79 FR at 11493.

[37] *See* Notice, 79 FR at 11493; *see also supra* note 19 (discussing FINRA's Protecting PCI Notice).

[38] *See* Notice, 79 FR at 11493.

[39] *See* Notice, 79 FR at 11493.

[40] *See* proposed FINRA Rule 12300(g)(3); *see also* Notice, 79 FR at 11493.

[41] *See* Notice, 79 FR at 11493.

[42] *See id.* (noting that pro se parties may not be familiar with the practice of redacting documents).

[43] *See* proposed FINRA Rule 12307; *see also* Notice, 79 FR at 11493.

12300(g).'' [44] The proposal would also amend Rule 12307(c) to clarify that if the submitting party corrects any deficiency within 30 days, the claim would be considered filed on the date the deficient claim was filed initially with FINRA.[45] FINRA would also amend Rule 12307(c) to correct a typographical error by deleting the word ''the'' (indicated by brackets below) in the sentence that currently reads: ''The Director will notify the party making the counterclaim, cross claim or third party claim of [the] any deficiencies in writing.'' [46]

III. Summary of Comments, FINRA's Response, and Proposed Amendment No. 1

Overview

As noted above, the Commission received six comment letters on the proposed rule change [47] and a response letter from FINRA.[48] Five of the six commenters expressed support, in whole or in part, for FINRA's proposal.[49] Each of these five commenters, however, raised specific concerns about certain aspects of the proposed rule change as discussed in more detail below.[50] The sixth commenter, although not expressing a general view of support for or opposition to the proposal, questioned what event triggers the 30-day deadline to correct a non-compliant document that is included in the proposed rule change.[51]

A. Deadline for Correcting Non-Compliant Documents and Amendment No. 1

Under the proposed rule change, if FINRA finds a document to be deficient because a party did not comply with the redaction requirement, the filing party has 30 days to correct the submission.[52] One commenter affirmatively supported the proposed 30-day cure period.[53] Two other commenters, however, suggested amendments to FINRA's proposal.[54] One commenter suggested that FINRA should give parties an additional 15 days to submit compliant documents after the proposed 30-day period expired.[55] Specifically, this commenter suggested that if a party does not resubmit a compliant document within the original 30-day cure period, FINRA should send the party a second notice granting an additional 15 days in which to comply.[56] Another commenter requested that FINRA clarify what event triggers the 30-day deadline for a non-complying party to correct a deficiency.[57] This commenter stated that, as drafted, the proposed rule is ambiguous and could be read to begin either: 30 days from the date FINRA deems the filing improper, 30 days from the date of FINRA's written notice of the deficiency, or 30 days from the date of the party's receipt of the notice.[58]

In response to the comment suggesting that FINRA provide parties an additional 15 days to correct non-complaint submissions, FINRA noted that its existing deficient claim Rules 12307(b) and 13307(b) provide a 30-day deadline to correct other claim deficiencies.[59] FINRA also stated that it believes that the 30-day deadline for correcting any deficient claim, whether for non-compliance with redaction obligations or otherwise, should be consistent under FINRA's rules.[60] For this reason, FINRA believes that the proposed 30-day cure period is appropriate.[61]

In response to the comment recommending that FINRA clarify what event triggers the 30-day deadline to correct a deficiency, FINRA noted that its existing Deficient Claims Rules 12307(b) and 13307(b) provide that if the claimant corrects the deficiency ''within 30 days from the time the claimant receives notice,'' FINRA would consider the claim to be filed on the date the initial statement of claim was filed.[62] FINRA also stated that it believes the deadline to submit compliant documents should be consistent under its rules.[63] Therefore, FINRA proposed Amendment No. 1 to the proposed rule change to clarify that the triggering event for the deadline to submit compliant documents is 30 days ''from the time a party receives notice'' of non-compliance from the Director of FINRA arbitration.[64]

B. Exemptions From FINRA's Proposed Redaction Requirements

As noted above, the proposed rule change would include two exemptions: (1) For documents that parties exchange with each other (not with DR) or submit to the arbitrators at a hearing on the merits; [65] and (2) for cases administered under the Simplified Arbitration rules.[66] Four commenters either raised concerns about or recommended changes to the proposed exemptions.[67]

One commenter suggested that the proposal should be more comprehensive.[68] In particular, the commenter suggested that FINRA require parties to redact PCI from all documents submitted or exchanged in all stages, and in every type, of arbitration proceeding regardless of whether the documents are submitted to DR, another party, or an arbitrator.[69] The same commenter reasoned that investors face the same potential harm regardless of the method of submission (*e.g.,* electronically or on paper), the type of proceeding (including simplified arbitration), whether the submitting party is pro se or represented by counsel, or to whom the documents are provided.[70]

Similarly, another commenter suggested that FINRA not exempt from the redaction obligations documents submitted to DR by pro se parties.[71] Specifically, this commenter stated that even if FINRA is concerned that many claimants in simplified arbitration are pro se parties who, in the absence of counsel, may have difficulty with the redaction process, ''that concern is soundly outweighed by far greater concerns over identity theft.'' [72] The commenter also suggested that instead of exempting pro se investors, FINRA should assist those pro se parties with the redaction process, if needed.[73] Alternatively, this commenter stated that if indeed FINRA believes that pro se parties might have difficulty

[44] *See* proposed FINRA Rule 12307(a).

[45] *See* proposed FINRA Rule 12307(c).

[46] *See id.*

[47] *See supra* note 4.

[48] *See supra* note 6.

[49] *See* Caruso Letter; Georgia State Letter; PIABA Letter; St. John's Letter; and Pace Letter.

[50] *See supra* note 49.

[51] *See* Aderant Letter

[52] *See* proposed FINRA Rule 12307(c).

[53] *See* PIABA Letter at 2.

[54] *See* Aderant Letter and Georgia State Letter.

[55] *See* Georgia State Letter.

[56] *See id.*

[57] *See* Aderant Letter.

[58] *See id.* at 1–2.

[59] *See* FINRA Response Letter at 4.

[60] *See id.*

[61] *See id.* (''FINRA staff believes that the deadline for all non-compliance should be . . . consistent, and that 30 days is sufficient.'').

[62] *See id.*

[63] *See id.*

[64] *See id.* at 4–6 (reflecting the text of FINRA's Amendment No. 1 to the proposed rule).

[65] *See* proposed FINRA Rule 12300(g)(2); *see also* Notice, 79 FR at 11492.

[66] *See* proposed FINRA Rule 12300(g)(3); *see also* Notice, 79 FR at 11492.

[67] *See* Georgia State Letter; PIABA Letter; St. John's Letter; and Pace Letter.

[68] *See* Georgia State Letter.

[69] *See id.*

[70] *See id.*

[71] *See* Pace Letter.

[72] *Id.* (stating that ''[i]f anything, pro se investors need more protection from the possibility of identity theft, not less'').

[73] *See id.; see also* Georgia State Letter at 2–3 (recommending that FINRA inform parties about the redaction process by (1) ''creating a guide outlining the process and offering tips for compliance'' and (2) providing instructions, in both the Submission Agreement and the notices of non-compliance, on how to redact documents and the risks associated with non-compliance).

complying with the proposed redaction obligations, then the simplified arbitration exemption should be amended to exempt all pro se parties and not just all claims under the Simplified Arbitration rules. If FINRA decides to adopt an exception for pro se parties, the commenter stated that FINRA should explain to pro se parties the importance of protecting confidential information and strongly encourage them to redact PCI from the documents they file with FINRA.[74]

Two other commenters recommended that FINRA exempt all pro se parties from complying with the proposed redaction requirements, and not just those filing simplified arbitration claims, noting that pro se claims may be heard in both arbitration and simplified arbitration.[75] One of these commenters also suggested that FINRA should not exempt represented parties in simplified arbitration as many claimants in simplified arbitration are represented by counsel.[76]

In its response, FINRA stated that the exemption for documents parties exchange with each other or submit to arbitrators at a hearing is appropriate because it ''would reduce the burden of the redaction requirements on the parties and would not raise the risk of DR staff transmitting PCI.'' [77] FINRA also noted that currently parties can agree to measures to help protect PCI in documents they share (*e.g.,* parties can agree to use secure shredding facilities to dispose of documents used at a hearings).[78] In addition, as a practical matter, FINRA does not receive copies of the documents parties exchange with each other during discovery, which would make policing that exchange more difficult.[79] Moreover, FINRA explained that if it instructed arbitrators to reject documents with PCI at a hearing, the rejection could disrupt the hearing, resulting in significant delays in completing a case.[80] FINRA also stated that given the current precautions in place it believes that, by adopting this exemption, ''it is taking a balanced approach to protecting PCI and minimizing burden on parties.'' [81]

FINRA also believes that the exemption for cases administered under the Simplified Arbitration rules is appropriate because, in part, ''the risk of FINRA, the parties, or arbitrators misdirecting or losing documents with PCI is reduced'' in simplified arbitration because, among other things, a single arbitrator resolves the dispute and hearings are not generally held in simplified arbitration.[82] In addition, FINRA also stated that there is a large concentration of pro se parties in cases administered under the Simplified Arbitration rules and, as previously noted, those parties may have greater difficulty with the redaction process than parties represented by counsel.[83] Finally, FINRA acknowledged that while not every simplified arbitration proceeding involves a pro se party and not every other type of arbitration proceeding involves represented parties, as a practical matter, ''having a clear distinction between cases administered under the Simplified Arbitration rules and all other cases makes application of the exemption more straight forward for FINRA staff administering cases.'' [84]

For the reasons stated above, FINRA declined to amend the two exemptions from its proposed redaction requirements.[85] FINRA also stated, however, that in order to respond to the concerns raised by commenters about the proposed exemption for cases administered under the Simplified Arbitration rules, FINRA would add a discussion to its Web page alerting pro se parties to the potential for identity theft associated with the disclosure of PCI and emphasizing the importance of excluding and/or redacting PCI from documents filed with FINRA.[86] FINRA believes that this is a practical approach to alerting pro se parties to the importance of protecting PCI. FINRA also noted that its staff answers parties' questions about the arbitration process on a regular basis, and that FINRA staff would explain the redaction process if asked by a party, pro se or otherwise.[87]

C. Additional Redaction Requested by Certain Commenters

Two commenters requested that FINRA amend the proposal to require the redaction of additional confidential information.[88] One commenter recommended that FINRA also require parties to redact the day and month of birth from documents filed with FINRA, noting that this would be consistent with the Federal Rules of Civil Procedure, Criminal Procedure, and Bankruptcy Procedure, and ''should not place an unreasonable burden on the parties.'' [89] The second commenter recommended that FINRA amend the proposal to require parties to redact the entire Social Security number and taxpayer identification number, stating that full redaction would provide the parties with more protection and would not be any more burdensome than partial redaction.[90] This second commenter also noted that FINRA's Discovery Guide already requires full redaction of these numbers for certain items set forth in the Document Production Lists.[91]

In response, FINRA stated that during the development of the proposed rule change, FINRA identified Social Security numbers, taxpayer identification numbers, and financial account numbers as the types of confidential information ''most commonly found in arbitration documents'' filed with DR and, as such, FINRA's constituents raised concerns only about those numbers.[92] Accordingly, FINRA declined to amend the proposal to require the redaction of an individual's date of birth at this time. FINRA also stated, however, that if the Commission approves the proposal, FINRA would ''consider whether it makes sense to propose additional redaction requirements after it evaluates the efficacy of the amendments.'' [93] In addition, FINRA stated that it would update and reissue its Protecting PCI Notice [94] to include a reference to birth dates.[95]

In its response, FINRA also stated that it believes that the last four digits of an individual's Social Security numbers, taxpayer identification numbers, and financial account numbers provide a useful way to identify parties and their accounts during an arbitration proceeding.[96] In addition, FINRA

[74] *Id.*

[75] *See* PIABA Letter and St. John's Letter.

[76] *See* St. John's Letter.

[77] *See* FINRA Response Letter at 2 (claiming that ''[t]he number and size of documents produced during discovery or submitted at a hearing can be voluminous, and the burden of redaction can be onerous'').

[78] *See id.* at 2–3.

[79] *See id.* at 3 n.6.

[80] *See id.* at 3.

[81] *See id.*

[82] *See id.*

[83] *See id.; see also* Notice, 79 FR at 11493 (noting that pro se parties may not be familiar with the practice of redacting documents).

[84] *See* FINRA Response Letter at 3.

[85] *See id.* at 3.

[86] *See id.* (explaining that FINRA's Web site provides resources to pro se parties in arbitration and mediation such as a section on its Web site entitled ''Resources for Investors Representing Themselves in FINRA Arbitrations and Mediations'').

[87] *See id.*

[88] *See* Georgia State Letter and PIABA Letter.

[89] Georgia State Letter at 2.

[90] *See* PIABA Letter.

[91] *See id.; see also* Georgia State Letter (claiming that FINRA's proposal ''would take away some investor protections that are already in place, since the FINRA Discovery Guide requires certain redactions on documents parties exchange in the discovery process'').

[92] *See* FINRA Response Letter at 3.

[93] *Id.*

[94] *See supra* note 19.

[95] *See* FINRA Response Letter at 3–4.

[96] *See id.* at 4 (FINRA also explained that its Discovery Guide, which requires full redaction for

explained that the Federal Rules of Civil Procedure allow parties to include the last four digits of the Social Security number and taxpayer identification number in filings made with the court.[97] For these reasons, FINRA declined to amend the proposal to require the redaction of individuals' entire Social Security numbers, taxpayer identification numbers, and financial account numbers.[98]

IV. Solicitation of Comments on Amendment No. 1

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change, as amended by Amendment No. 1, 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–2014–008 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549–1090.

All submissions should refer to File Number SR–FINRA–2014–008. 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–2014–008 and should be submitted on or before June 24, 2014.

V. Discussion and Commission Findings

After carefully considering the proposed rule change, as modified by Amendment No. 1, the comments submitted, and FINRA's response to the comments, the Commission finds that the proposed rule change, as modified by Amendment No. 1, is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities association.[99] In particular, the Commission finds that the proposed rule change is consistent with Section 15A(b)(6) of the Act,[100] which requires, among other things, that FINRA's rules 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.

As discussed above, FINRA proposes to amend the Customer Code and the Industry Code to provide that any document that a party files with FINRA that contains an individual's Social Security number, taxpayer identification number, or financial account number must be redacted to include only the last four digits of any of these numbers.[101] Pursuant to the proposal, the proposed redaction requirements would not apply to documents (1) that parties exchange with each other or submit to the arbitrators at a hearing on the merits [102] or (2) related to cases administered under its Simplified Arbitration rules.[103]

The Commission believes that the proposed rule change would further the purposes of the Act as it is reasonably designed to protect investors and the public interest. In particular, the Commission agrees with FINRA's assessment that prohibiting parties from submitting documents with PCI would help ''reduce the risk to forum users of identity theft.'' [104] The Commission also agrees with FINRA's assessment that given the processes FINRA already has in place,[105] the proposed redaction requirements should enhance FINRA's ongoing efforts to protect forum users' PCI and that the proposed exemptions to those redaction requirements provide relief from the burden of redaction at minimal risk to the parties.[106] The Commission also notes FINRA's representations, made in response to various commenters, to: (1) Amend its Web site to alert pro se parties to the potential for identity theft associated with the disclosure of PCI and emphasize the importance of excluding and/or redacting PCI from documents filed with FINRA; [107] (2) explain the redaction process to any pro se party seeking guidance; [108] (3) consider whether to propose additional redaction requirements after it evaluates the efficacy of the amendments; [109] and (4) update and reissue its 2010 Protecting PCI Notice to include a reference to birth dates.[110]

In addition, the Commission also believes that the clarification provided in Amendment No. 1 is also consistent with the Act. In response to FINRA's initial proposal, one commenter suggested that, as drafted, the proposed rule was ambiguous as to what event triggers the 30-day deadline for a non-complying party to correct a deficiency.[111] FINRA responded by partially amending its proposed rule to clarify that FINRA intends the deadline for correcting non-compliant documents to be 30 days from the time the party receives notice of non-compliance from FINRA.[112] The Commission agrees with FINRA's assessment that this trigger event is consistent with other trigger events used in its rules.[113] Accordingly,

certain items in the Document Production Lists, applies only to customer cases over $50,000, whereas the context of this proposed rule change is much broader).

[97] *See id.*

[98] *See id.*

[99] In approving the proposed rule change, the Commission has also considered the rule change's impact on efficiency, competition, and capital formation. *See* 15 U.S.C. 78c(f).

[100] 15 U.S.C. 78o–3(b)(6).

[101] *See* proposed FINRA Rules 12300(g)(1) and 13300(g)(1); *see also* Notice, 79 FR at 11492.

[102] *See* proposed FINRA Rules 12300(g)(2) and 13300(g)(2); *see also* Notice, 79 FR at 11492.

[103] *See* proposed FINRA Rules 12300(g)(3) and 13300(g)(3); *see also* Notice, 79 FR at 11492.

[104] *See* FINRA Response Letter at 2; *see also* Notice, 79 FR at 11493.

[105] *See* FINRA Response Letter at 2 (explaining that, as a general matter, FINRA has procedures in place to guide its staff on how to keep confidential information safe, maintains an Information Privacy and Protection Policy, and administers Information Privacy and Protection training to all FINRA staff annually. FINRA also noted that DR has its own procedures for protecting confidential information).

[106] *See* FINRA Response Letter at 2; *see also* Notice, 79 FR at 11493.

[107] *See* FINRA Response Letter at 3.

[108] *See id.*

[109] *See* id.

[110] *See id.* at 3–4.

[111] *See* Aderant Letter.

[112] *See* FINRA Response Letter at 4–6 (reflecting the text of FINRA's Amendment No. 1 to the proposed rule change).

[113] *See id.* at 4 (stating that FINRA believes that the deadline for all non-compliance should be consistent under FINRA's deficient claim rules).

the Commission believes that Amendment No. 1 is consistent with the Act.

VI. Accelerated Approval

The Commission finds good cause, pursuant to Section 19(b)(2) of the Act,[114] for approving the proposed rule change, as amended by Amendment No. 1 thereto, prior to 30th day after publication of Amendment No. 1 in the **Federal Register**. As discussed above, Amendment No. 1 responds to one concern raised by a commenter by partially amending FINRA's proposed rule change to clarify that FINRA intends the deadline for correcting non-compliant documents to be 30 days from the time the party receives notice of non-compliance from FINRA. The scope of the amendment adds clarity to one aspect of the proposal, and does not raise any novel regulatory concerns. Furthermore, accelerated approval would allow FINRA to institute the proposed rule change, as amended by Amendment No. 1, without delay. Accordingly, the Commission finds that good cause exists to approve the proposed rule change, as modified by Amendment No. 1, on an accelerated basis.

VII. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,[115] that the proposed rule change (SR–FINRA–2014–008), as modified by Amendment No. 1, be and hereby is approved on an accelerated basis.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[116]

Kevin M. O'Neill,

Deputy Secretary.

[FR Doc. 2014–12771 Filed 6–2–14; 8:45 am]

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[114] 15 U.S.C. 78s(b)(2).

[115] *Id.*

[116] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–72267; File No. SR–CBOE–2014–031]

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Withdrawal of a Proposed Rule Change To Amend the Fees Schedule

May 28, 2014.

On March 28, 2014, Chicago Board Options Exchange, Incorporated (the ''Exchange'' or ''CBOE'') filed with the Securities and Exchange Commission (the ''Commission''), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934,[1] and Rule 19b–4 thereunder,[2] a proposed rule change to adopt a fee of $50 per month per login ID for off-floor PULSe Workstation users that elect to access a Complex Order Book Feed. On May 27, 2014, the Exchange withdrew the proposed rule change (SR–CBOE–2014–031).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[3]

Kevin M. O'Neill,

Deputy Secretary.

[FR Doc. 2014–12770 Filed 6–2–14; 8:45 am]

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

[2] 17 CFR 240.19b–4.

[3] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–72265; File No. SR–NYSEArca–2013–127]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Designation of a Longer Period for Commission Action on a Proposed Rule Change, as Modified by Amendments No. 1 and No. 2 Thereto, To List and Trade Shares of Nine Series of the IndexIQ Active ETF Trust Under NYSE Arca Equities Rule 8.600

May 28, 2014.

On November 18, 2013, NYSE Arca, Inc. (''Exchange'' or ''NYSE Arca'') filed with the Securities and Exchange Commission (''Commission''), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'' or ''Exchange Act'') [1] and Rule 19b–4 thereunder,[2] a proposed rule change to list and trade shares of the IQ Long/Short Alpha ETF, IQ Bear U.S. Large Cap ETF, IQ Bear U.S. Small Cap ETF, IQ Bear International ETF, IQ Bear Emerging Markets ETF, IQ Bull U.S. Large Cap ETF, IQ Bull U.S. Small Cap ETF, IQ Bull International ETF and IQ Bull Emerging Markets ETF (collectively, ''Funds''). On November 26, 2013, the Exchange filed Amendment No. 1 to the proposed rule change.[3] The proposed rule change, as modified by Amendment No. 1, was published for comment in the **Federal Register** on December 4, 2013.[4]

On January 15, 2014, pursuant to Section 19(b)(2) of the Act,[5] the Commission designated a longer period within which to either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change.[6] On March 4, 2014, the Commission instituted proceedings to determine whether to approve or disapprove the proposed rule change.[7] On April 11, 2014, the Exchange submitted Amendment No. 2 to the proposed rule change.[8] The Commission received no comments on the proposed rule change.

Section 19(b)(2) of the Act [9] provides that, after initiating disapproval proceedings, the Commission shall issue an order approving or disapproving the proposed rule change not later than 180 days after the date of publication of notice of filing of the proposed rule change. The Commission may extend the period for issuing an order approving or disapproving the proposed rule change, however, by not more than 60 days if the Commission determines that a longer period is appropriate and publishes the reasons for such determination. The proposed rule change was published for notice and comment in the **Federal Register** on December 4, 2013. June 2, 2014 is 180 days from that date, and August 1, 2014 is 240 days from that date.

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

[2] 17 CFR 240.19b–4.

[3] Amendment No. 1 clarifies (i) how certain holdings will be valued for purposes of calculating a fund's net asset value, and (ii) where investors will be able to obtain pricing information for certain underlying holdings.

[4] Securities Exchange Act Release No. 70954 (November 27, 2013), 78 FR 72955 (''Notice'').

[5] 15 U.S.C. 78s(b)(2).

[6] *See* Securities Exchange Act Release No. 71309, 79 FR 3657 (January 22, 2014). The Commission determined that it was appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the proposed rule change. Accordingly, the Commission designated March 4, 2014 as the date by which it should approve, disapprove, or institute proceedings to determine whether to disapprove the proposed rule change.

[7] *See* Securities Exchange Act Release No. 71645, 79 FR 13349 (March 10, 2014).

[8] In Amendment No. 2, the Exchange provided additional details describing how the contents of the portfolio composition of the Fund would be disclosed on a daily basis. Specifically, the Fund will disclose on the Fund's Web site the following information regarding each portfolio holding, as applicable to the type of holding: ticker symbol, CUSIP number or other identifier, if any; a description of the holding (including the type of holding, such as the type of swap); the identity of the security, commodity, index or other asset or instrument underlying the holding, if any; for options, the option strike price; quantity held (as measured by, for example, par value, notional value or number of shares, contracts or units); maturity date, if any; coupon rate, if any; effective date, if any; market value of the holding; and the percentage weighting of the holding in the applicable Fund's portfolio.

[9] 15 U.S.C. 78s(b)(2).