which any purchase in an Affiliated Underwriting occurred, the first two years in an easily accessible place, a written record of each purchase of securities in Affiliated Underwritings once an investment by a Fund of Funds in the securities of the Fund exceeds the limit of section 12(d)(1)(A)(i) of the Act, setting forth from whom the securities were acquired, the identity of the underwriting syndicate's members, the terms of the purchase, and the information or materials upon which the Board's determinations were made.

9. Before investing in a Fund in excess of the limit in section 12(d)(1)(A), a Fund of Funds and the applicable Trust will execute a FOF Participation Agreement stating without limitation that their respective boards of directors or trustees and their investment advisers, or trustee and Sponsor, as applicable, understand the terms and conditions of the order, and agree to fulfill their responsibilities under the order. At the time of its investment in Shares of a Fund in excess of the limit in section 12(d)(1)(A)(i), a Fund of Funds will notify the Fund of the investment. At such time, the Fund of Funds will also transmit to the Fund a list of the names of each Fund of Funds Affiliate and Underwriting Affiliate. The Fund of Funds will notify the Fund of any changes to the list of the names as soon as reasonably practicable after a change occurs. The Fund and the Fund of Funds will maintain and preserve a copy of the order, the FOF Participation Agreement, and the list with any updated information for the duration of the investment and for a period of not less than six years thereafter, the first two years in an easily accessible place.

10. Before approving any advisory contract under section 15 of the Act, the board of directors or trustees of each Investing Management Company including a majority of the disinterested directors or trustees, will find that the advisory fees charged under such contract are based on services provided that will be in addition to, rather than duplicative of, the services provided under the advisory contract(s) of any Fund, or its respective Master Fund, in which the Investing Management Company may invest. These findings and their basis will be fully recorded in the minute books of the appropriate Investing Management Company.

11. Any sales charges and/or service fees charged with respect to shares of a Fund of Funds will not exceed the limits applicable to a fund of funds as set forth in NASD Conduct Rule 2830.

12. No Fund, or its respective Master Fund, will acquire securities of an investment company or company relying on section 3(c)(1) or 3(c)(7) of the Act in excess of the limits contained in section 12(d)(1)(A) of the Act, except to the extent (i) the Fund, or its respective Master Fund, acquires securities of another investment company pursuant to exemptive relief from the Commission permitting the Fund, or its respective Master Fund, to acquire securities of one or more investment companies for short-term cash management purposes or (ii) the Fund acquires securities of the Master Fund pursuant to the Master-Feeder Relief.

For the Commission, by the Division of Investment Management, under delegated authority.

**Kevin M. O'Neill,**

*Deputy Secretary.*

[FR Doc. 2014–24209 Filed 10–9–14; 8:45 am]

**BILLING CODE 8011–01–P**

## SECURITIES AND EXCHANGE COMMISSION

**[Release No. 34–73302; File No. SR–NYSEMKT–2014–85]**

## Self-Regulatory Organizations; NYSE MKT LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change That Constitutes a Stated Interpretation With Respect to the Meaning, Administration, and Enforcement of Rule 46—Equities

October 6, 2014.

Pursuant to Section 19(b)(1) [1] of the Securities Exchange Act of 1934 (the ''Act'') [2] and Rule 19b–4 thereunder,[3] notice is hereby given that on October 2, 2014, NYSE MKT LLC (the ''Exchange'' or ''NYSE MKT'') filed with the Securities and Exchange Commission (the ''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. 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 the Substance of the Proposed Rule Change

The Exchange proposes a rule change that constitutes a stated interpretation with respect to the meaning, administration, and enforcement of Rule 46—Equities. The Exchange is not proposing any changes to the text of the current version of Rule 46– Equities. The proposed rule change is available on the Exchange's Web site at *www.nyse.com,* at the principal office of the Exchange, and at the Commission's Public Reference Room.

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

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

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

1. Purpose

NYSE MKT LLC (''NYSE MKT'' or the ''Exchange'') proposes a rule change that constitutes a stated interpretation with respect to the meaning, administration, and enforcement of Rule 46—Equities (''Rule 46'') in connection with the transfer of qualified Intercontinental Exchange, Inc. (''ICE'') staff Floor Governors to NYSE Regulation, Inc. (''NYSE Regulation'').

Rule 46 permits the Exchange to appoint active NYSE MKT members [4] as Floor Officials.[5] Rule 46 also permits the Exchange to appoint ''qualified'' ICE employees to act as Floor Governors, one of the more senior types of Floor Officials.[6] Supplementary Material .10

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

[2] 15 U.S.C. 78a.

[3] 17 CFR 240.19b–4.

[4] Rule 2(a)—Equities states that the term ''member,'' when referring to a natural person, means a natural person associated with a member organization who has been approved by the Exchange and designated by such member organization to effect transactions on the Exchange trading Floor or any facility thereof.

[5] Floor Officials are delegated certain authority from the Board of Directors of the Exchange to supervise and regulate active openings and unusual situations that arise in connection with the making of bids, offers or transactions on the trading Floor, and to review and approve certain trading actions, such as trades to be effected at wide variations in price and delayed openings and trading halts.

[6] Pursuant to Rules 46 and 46A—Equities, Floor Governors are one of several ranks of the broader category of Floor Officials, including, in order of increasing seniority, Floor Officials, Senior Floor Officials, Executive Floor Officials, Floor Governors and Executive Floor Governors. *See* Securities Exchange Act Release No. 57627 (April 4, 2008), 73 FR 19919 (April 11, 2008) (SR–NYSE–2008–19) (discussing New York Stock Exchange LLC (''NYSE'') Rules 46 and 46A that NYSE MKT adopted following the NYSE's acquisition of the

Continued

defines ''qualified'' employees as ''employees of ICE or any of its subsidiaries, excluding employees of NYSE Regulation, Inc., who shall have satisfied any applicable testing or qualification required by the Exchange for all Floor Governors.''

The prohibition on appointing NYSE Regulation employees to act as Floor Governors was put in place when the ''qualified Exchange employee'' category of Floor Official was adopted in 2008.[7] The prohibition was necessary to avoid potential conflicts of interest insofar as the process for qualifying Floor Officials, including Floor Governors, was performed by NYSE Regulation.[8] However, while Rule 46 prohibits appointment of NYSE Regulation employees to act as Floor Governors, the Exchange believes that the Rule does not prohibit already qualified Floor Governors from becoming NYSE Regulation employees. The hiring by NYSE Regulation of ICE employees or members who are already qualified to act as Floor Governors would not involve NYSE Regulation in qualifying those individuals to act as Floor Governors under Rule 46 and would therefore not give rise to the real or apparent conflict of interest the prohibition was intended to avoid.

The Exchange believes that the proposed interpretation would facilitate the contemplated transfer of existing ICE staff Floor Governors to NYSE Regulation. The individuals that would transfer to NYSE Regulation are experienced former Floor members who served as senior-level Floor Officials before becoming employees of ICE and are already qualified and have been appointed to act as staff Floor Governors. Because NYSE Regulation is not proposing to qualify additional staff not already approved as Floor Governors, the Exchange believes there would be no violation of Rule 46.

In addition, the interpretation does not in any way affect the role of Floor Officials or alter the safeguards in place to ensure that staff Floor Governors are knowledgeable and able to effectively intervene when needed on the Exchange trading Floor.[9] Finally, NYSE Regulation does not propose to seek to qualify existing NYSE Regulation employees as staff Floor Governors.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,[10] in general, and furthers the objectives of Section 6(b)(5) of the Act,[11] in particular, because it is designed to prevent fraudulent and manipulative acts and practices, promote just and equitable principles of trade, remove impediments to and perfect the mechanism of a free and open market and a national market system, and protect investors and the public interest. The Exchange believes that the proposed stated interpretation helps prevent fraudulent and manipulative acts and practices by continuing to require high standards for qualified Exchange employees to act as Floor Governors in addition to members. Similarly, the proposed stated interpretation promotes just and equitable principles of trade and removes impediments to and perfects the mechanism of a free and open market by ensuring that qualified Exchange employees are knowledgeable and able to effectively intervene on the Exchange trading Floor as needed. For the same reasons, the proposal is also designed to protect investors as well as the public interest.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is intended to effect a change that constitutes a stated policy, practice or interpretation with respect to the meaning, administration, or enforcement of an existing rule and therefore would not impose any burden on competition.

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

No written comments were solicited or received with respect to the proposed rule change.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) [12] of the Act and Rule 19b–4(f)(1) [13] thereunder. The proposed rule change effects a change that constitutes a stated policy, practice or interpretation with respect to the meaning, administration, or enforcement of an existing rule.

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate 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.

## IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

*Electronic Comments*

- Use the Commission's Internet comment form (*http://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov*. Please include File Number SR–NYSEMKT–2014–85 on the subject line.

Paper Comments

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

All submissions should refer to File Number SR–NYSEMKT–2014–85. 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

Exchange. *See* Securities Exchange Act Release No. 58705 (October 1, 2008), 73 FR 46075 (July 30, 2008) (SR–Amex–2008–63)).

[7] *See* Securities Exchange Act Release No. 34–57627 (April 4, 2008), 73 FR 19919 (April 11, 2008) (SR–NYSE–2007–2). As noted, NYSE's version of Rule 46 was later adopted by the Exchange.

[8] NYSE Regulation examined the fitness of prospective Floor Officials and administered a mandatory education program, which all candidates for Floor Official, including Floor Governor, had to complete. NYSE Regulation also administered a qualifying examination. *See* Securities Exchange Act Release No. 34–57627 (April 4, 2008), 73 FR 19919 (April 11, 2008) (SR–NYSE–2007–2). NYSE Regulation performed these tasks for Exchange Floor Officials following the NYSE's acquisition of NYSE MKT in late 2008. On June 14, 2010, the Exchange, NYSE Regulation and FINRA [sic] retained the Financial Industry Regulatory Authority (''FINRA'') pursuant to a Regulatory Services Agreement (''RSA'') to perform the market surveillance, enforcement and other miscellaneous functions that up to that point had been performed by NYSE Regulation, including all education and testing-related regulatory services on behalf of NYSE Regulation, including the Floor Official mandatory education program and qualification testing. *See* Securities Exchange Act Release No. 62354 (June 22, 2010), 75 FR 36730 (June 28, 2010) (SR–NYSEAmex–2010–57).

[9] *See* Securities Exchange Act Release No. 34–57627 (April 4, 2008), 73 FR 19919 (April 11, 2008) (SR–NYSE–2007–2) (discussing NYSE Rule later adopted by the Exchange). These safeguards include, among other things, that qualified Exchange employees, like qualified members, need to be appointed by the Exchange's chairman in consultation with the Executive Floor Governors and NYSE Regulation Board of Directors and approved by the Board of Directors.

[10] 15 U.S.C. 78f(b).

[11] 15 U.S.C. 78f(b)(5).

[12] 15 U.S.C. 78s(b)(3)(A).

[13] 17 CFR 240.19b–4(f)(6).

post all comments on the Commission's Internet Web site (*http://www.sec.gov/rules/sro.shtml*). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street NE., Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal offices of the Exchange. 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–NYSEMKT–2014–85, and should be submitted on or before October 31, 2014.

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

**Kevin M. O'Neill,**

*Deputy Secretary.*

[FR Doc. 2014–24226 Filed 10–9–14; 8:45 am]

**BILLING CODE 8011–01–P**

## SECURITIES AND EXCHANGE COMMISSION

**[Release No. 34–73306; File No. SR–C2–2014–025]**

## Self-Regulatory Organizations; C2 Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Fees Schedule

October 6, 2014.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the ''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on September 30, 2014, C2 Options Exchange, Incorporated (the ''Exchange'' or ''C2'') filed with the Securities and Exchange Commission (the ''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

### I. Self-Regulatory Organization's Statement of the Terms of the Substance of the Proposed Rule Change

The Exchange proposes to amend its Fees Schedule. The text of the proposed rule change is available on the Exchange's Web site (*http://www.c2exchange.com/Legal/*), at the Exchange's Office of the Secretary, and at the Commission's Public Reference Room.

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The Exchange proposes to amend its Fees Schedule.[3] Specifically, the Exchange proposes to increase the Linkage Routing fee from $0.50 per contract to $0.65 per contract in addition to the applicable C2 taker fee. The Linkage Routing fee is assessed to all orders routed pursuant to the Options Order Protection and Locked/Crossed Market Plan, excluding Public Customer orders in equity option classes. The purpose of the proposed change is to cover increased costs associated with routing orders through Linkage and paying the transaction fees for such executions at other exchanges.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the ''Act'') and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.[4] Specifically, the Exchange believes the proposed rule change is consistent with Section 6(b)(4) of the Act,[5] which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Trading Permit Holders and other persons using its facilities.

In particular, the Exchange's proposal to increase the Linkage Routing fee from $0.50 per contract to $0.65 per contract is reasonable because such increase will help offset the costs associated with routing orders through Linkage and paying the transaction fees for such executions at other exchanges. Additionally, the Exchange notes that if a non-customer market participant wishes to avoid the Linkage fee, it may choose to specify that C2 not route orders away on its behalf or designate the order as Immediate or Cancel, which would prevent the order from linking [sic] away to another Exchange [sic]. Moreover, a non-customer market participant may route directly to exchanges posting the best market if desired to avoid Linkage routing fees.

The Exchange next notes that this fee amount will be assessed to all orders routed via Linkage (excluding Public Customer orders in equity options classes). The Exchange believes that this proposed change is equitable and not unfairly discriminatory because non-customer (e.g., broker-dealer proprietary) orders originate from broker-dealers who are by and large more sophisticated than public customers and can readily control the exchange to which their orders are routed. While there may be some sophisticated customers who are capable of directing the exchange to which their orders are routed, generally, retail customers submit orders to their brokerages but do not or cannot specify the exchange to which a customer order is sent. Therefore, non-customer order flow can, in most cases, more easily route directly to other markets if desired and thus avoid Linkage routing fees. Therefore, it is equitable to assess a reasonable fee to cover the costs incurred for processing non-customer Linkage orders while continuing to exempt such Public Customer orders.

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

C2 does not believe that the proposed rule change will impose any burden on competition that is not necessary or

[14] 17 CFR 200.30–3(a)(12).

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

[2] 17 CFR 240.19b–4.

[3] C2 initially filed the proposed fee change on September 2, 2014 (SR–C2–2014–021). On September 10, 2014, C2 withdrew that filing and submitted filing SR–C2–2014–022. On September 18, 2014, C2 withdrew SR–C2–2014–022 and submitted SR–C2–2014–023. On September 30, 2014, C2 withdrew SR–C2–2014–023 and submitted this filing.

[4] 15 U.S.C. 78f(b).

[5] 15 U.S.C. 78f(b)(4).