

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 will institute proceedings to determine whether the proposed rule change 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-CBOE-2014-082 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-CBOE-2014-082. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street NE., Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal 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-CBOE-2014-082, and should be submitted on or before November 21, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>15</sup>

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

[FR Doc. 2014-25880 Filed 10-30-14; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-73433; File No. SR-NYSEArca-2014-122]

### Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Use of Derivative Instruments by the AdvisorShares Global Echo ETF

October 27, 2014.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (the "Act")<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that, on October 23, 2014, NYSE Arca, Inc. (the "Exchange" or "NYSE Arca") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I and II 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 Substance of the Proposed Rule Change

The Exchange proposes to reflect a change to the means of achieving the investment objective applicable to the AdvisorShares Global Echo ETF ("The Fund") relating to its use of derivative instruments. The text of the proposed rule change is available on the Exchange's Web site at [www.nyse.com](http://www.nyse.com), at the principal office of the Exchange, and at the Commission's Public Reference Room.

<sup>15</sup> 17 CFR 200.30-3(a)(12).

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

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

#### 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 the Statutory Basis for, the Proposed Rule Change

###### 1. Purpose

The Commission has approved listing and trading on the Exchange of shares ("Shares") of the Fund under NYSE Arca Equities Rule 8.600, which governs the listing and trading of Managed Fund Shares on the Exchange.<sup>4</sup> The Shares are offered by AdvisorShares Trust ("Trust"), a statutory trust organized under the laws of the State of Delaware and registered with the Commission as an open-end management investment company.<sup>5</sup>

The investment adviser to the Fund is AdvisorShares Investments, LLC ("Adviser"). The Fund's sub-advisers ("Sub-Advisers" and each a "Sub-Adviser"), which provide day-to-day portfolio management of the Fund, are First Affirmative Financial Network LLC; Reynders, McVeigh Capital Management, LLC; Baldwin Brothers Inc.; and Community Capital Management Inc.

In this proposed rule change, the Exchange proposes to change the description of the Fund's use of

<sup>4</sup> The Commission originally approved the listing and trading of the Shares on the Exchange on May 16, 2012. See Securities Exchange Act Release No. 67003 (May 16, 2012), 77 FR 30345 (May 22, 2012) (SR-NYSEArca-2012-24) ("Prior Order"). See also Securities Exchange Act Release No. 66696 (March 30, 2012), 77 FR 20660 (April 5, 2012) (SR-NYSEArca-2012-24) ("Prior Notice").

<sup>5</sup> The Trust is registered under the Investment Company Act of 1940 (15 U.S.C. 80a-1) ("1940 Act"). On July 15, 2011, the Trust filed with the Commission Post-Effective Amendment No. 32 to Form N-1A under the Securities Act of 1933 (15 U.S.C. 77a), and under the 1940 Act relating to the Fund (File Nos. 333-157876 and 811-22110) ("Registration Statement"). The description of the operation of the Trust and the Fund herein is based, in part, on the Registration Statement. In addition, the Commission has issued an order granting certain exemptive relief to the Trust under the 1940 Act. See Investment Company Act Release No. 29291 (May 28, 2010) (File No. 812-13677) ("Exemptive Order").

derivative instruments, as described below.<sup>6</sup>

On December 6, 2012, the staff of the Commission's Division of Investment Management ("Division") issued a no-action letter ("No-Action Letter") relating to the use of derivatives by actively-managed exchange-traded funds ("ETFs").<sup>7</sup> The No-Action Letter noted that, in March of 2010, the Commission announced in a press release that the staff was conducting a review to evaluate the use of derivatives by mutual funds, ETFs, and other investment companies and that, pending completion of this review, the staff would defer consideration of exemptive requests under the 1940 Act relating to, among others, actively-managed ETFs that would make significant investments in derivatives.

The No-Action Letter stated that the Division staff will no longer defer consideration of exemptive requests under the 1940 Act relating to actively-managed ETFs that make use of derivatives provided that they include representations to address some of the concerns expressed in the Commission's March 2010 press release. These representations are: (i) That the ETF's board periodically will review and approve the ETF's use of derivatives and how the ETF's investment adviser assesses and manages risk with respect to the ETF's use of derivatives; and (ii) that the ETF's disclosure of its use of derivatives in its offering documents and periodic reports is consistent with relevant Commission and staff guidance (together, the "No-Action Letter Representations"). The No-Action Letter stated that the Division would not recommend enforcement action to the Commission under sections 2(a)(32), 5(a)(1), 17(a), 22(d), and 22(e) of the 1940 Act, or rule 22c-1 under the 1940 Act if actively-managed ETFs operating in reliance on specified orders (which include the Trust's Exemptive Order<sup>8</sup>) invest in options contracts, futures contracts or swap agreements provided that they comply with the No-Action Letter Representations.<sup>9</sup>

<sup>6</sup> The Adviser represents that the Adviser and the Sub-Advisers have managed and will continue to manage the Fund in the manner described in the Prior Notice, and will not implement the changes described herein until the instant proposed rule change is operative.

<sup>7</sup> See No-Action Letter dated December 6, 2012 from Elizabeth G. Osterman, Associate Director, Office of Exemptive Applications, Division of Investment Management.

<sup>8</sup> See *supra*, note 5.

<sup>9</sup> The Adviser acknowledges that for the Fund to rely on the No-Action Letter, the Fund must comply with the No-Action Letter Representations. In this regard, (i) the Board of Trustees of the Trust will periodically review and approve the Fund's use of

The Prior Notice included the following representation: "Further, in accordance with the Exemptive Order, the Fund will not invest in options, futures, or swaps." (the "Derivatives Representation"). In view of the No-Action Letter, the Exchange is proposing to delete the Derivatives Representation. The Exchange now proposes that, to pursue the Fund's investment objective, the Fund be permitted to invest in options, futures, and forward contracts ("Derivative Instruments"), as described below.

Going forward, the Fund may buy and sell futures contracts and options on futures contracts. The Fund will only enter into futures contracts and options on futures contracts that are traded on a national futures exchange that is regulated by the Commodities Futures Trading Commission ("CFTC") and that is a member of the Intermarket Surveillance Group ("ISG").<sup>10</sup> With respect to the Fund's investments in futures contracts and options on futures contracts, the Fund may buy and sell only index futures contracts and options on futures contracts with respect to any index on which futures or options on futures are traded on a U.S. futures exchange. The Fund may use such index futures contracts and related options on futures contracts for bona fide hedging; attempting to offset changes in the value of securities held or expected to be acquired or be disposed of; attempting to gain exposure to a particular market, index or

derivatives and how the Adviser assesses and manages risk with respect to the Fund's use of derivatives and (ii) the Fund's disclosure of its use of derivatives in its offering documents and periodic reports will be consistent with relevant Commission and staff guidance.

<sup>10</sup> To the extent the Fund invests in futures, options on futures or other instruments subject to regulation by the CFTC, it will do so in reliance on and in compliance with CFTC regulations in effect from time to time and in accordance with the Fund's policies. The Trust, on behalf of certain of its series, has filed a notice of eligibility for exclusion from the definition of the term "commodity pool operator" in accordance with CFTC Regulation 4.5. Therefore, neither the Trust nor the Fund is deemed to be a "commodity pool" or "commodity pool operator" with respect to the Fund under the Commodity Exchange Act ("CEA"), and they are not subject to registration or regulation as such under the CEA. In addition, as of the date of this filing, the Adviser is not deemed to be a "commodity pool operator" or "commodity trading adviser" with respect to the advisory services it provides to the Fund. The CFTC recently adopted amendments to CFTC Regulation 4.5 and has proposed additional regulatory requirements that may affect the extent to which the Fund invests in instruments that are subject to regulation by the CFTC and impose additional regulatory obligations on the Fund and the Adviser. The Fund reserves the right to engage in transactions involving futures and options thereon to the extent allowed by CFTC regulations in effect from time to time and in accordance with the Fund's policies.

instrument; or other risk management purposes.

The Fund may invest in exchange-traded put and call options on securities indices and currencies. The Fund may purchase and write options only if such options are traded on a U.S. national securities exchange.

The Fund may invest in currency forwards.

Under normal market conditions, no more than 20% of the value of the Fund's net assets will be invested in Derivative Instruments.<sup>11</sup>

The Prior Notice stated that the Fund's investments would be consistent with the Fund's investment objective and would not be used to enhance leverage. In view of the Exchange's proposal to permit the Fund to use Derivative Instruments, the Fund's investments in Derivative Instruments could potentially be used to enhance leverage. However, the Fund's investments in Derivative Instruments will be consistent with the Fund's investment objective and will not be used to seek to achieve a multiple or inverse multiple of an index.

Investments in Derivative Instruments will be made in accordance with the 1940 Act and consistent with the Fund's investment objective and policies. The Fund will comply with the regulatory requirements of the Commission to maintain assets as "cover," maintain segregated accounts, and/or make margin payments when it takes positions in Derivative Instruments involving obligations to third parties (*i.e.*, instruments other than purchase options). If the applicable guidelines prescribed under the 1940 Act so require, the Fund will earmark or set aside cash, U.S. government securities, high grade liquid debt securities and/or other liquid assets permitted by the Commission in a segregated custodial account in the amount prescribed.<sup>12</sup>

<sup>11</sup> The Fund will limit its direct investments in futures to the extent necessary for the Adviser to claim the exclusion from regulation as a "commodity pool operator" with respect to the Fund under Rule 4.5 promulgated by the CFTC, as such rule may be amended from time to time. Under Rule 4.5 as currently in effect, the Fund will limit its trading activity in futures and options on futures (excluding activity for "bona fide hedging purposes," as defined by the CFTC) such that it will meet one of the following tests: (i) Aggregate initial margin and premiums required to establish its futures and options on futures will not exceed 5% of the liquidation value of the Fund's portfolio, after taking into account unrealized profits and losses on such positions; or (ii) aggregate net notional value of its futures and options on futures will not exceed 100% of the liquidation value of the Fund's portfolio, after taking into account unrealized profits and losses on such positions.

<sup>12</sup> With respect to guidance under the 1940 Act, see 15 U.S.C. 80a-18; Investment Company Act Release No. 10666 (April 18, 1979), 44 FR 25128

The Fund will include appropriate risk disclosure in its offering documents, including leveraging risk. Leveraging risk is the risk that certain transactions of the Fund, including the Fund's use of Derivative Instruments, may give rise to leverage, causing the Fund to be more volatile than if it had not been leveraged.<sup>13</sup>

Based on the above, the Exchange seeks this modification regarding the Fund's use of Derivative Instruments. The Adviser represents that there is no change to the Fund's investment objective. The Adviser and the Sub-Advisers believe that the ability to invest in Derivative Instruments will provide the Adviser and Sub-Advisers with additional flexibility to meet the Fund's investment objective.

The Fund will continue to comply with all initial and continued listing requirements under NYSE Arca Equities Rule 8.600.

Except for the changes noted herein, all other facts presented and representations made in the Rule 19b-4 filing underlying the Prior Order remain unchanged.

The changes described herein will be effective upon (i) the effectiveness of an amendment to the Trust's Registration Statement disclosing the Fund's intended use of Derivative Instruments and (ii) when this proposed rule change has become operative. The Adviser represents that the Adviser and Sub-Advisers have managed and will continue to manage the Fund in the manner described in the Prior Notice, and will not implement the changes described herein until this proposed rule change is operative.

#### Impact on Arbitrage Mechanism

The Adviser believes there will be minimal, if any, impact to the arbitrage mechanism as a result of the use of derivatives. Market makers and participants should be able to value derivatives as long as the positions are disclosed with relevant information. The Adviser believes that the price at which Shares trade will continue to be disciplined by arbitrage opportunities created by the ability to purchase or redeem Creation Units (as defined in the Prior Notice) at their net asset value ("NAV"), which should ensure that Shares will not trade at a material

discount or premium in relation to their NAV.

The Adviser does not believe there will be any significant impacts to the settlement or operational aspects of the Fund's arbitrage mechanism due to the use of derivatives. Certain derivatives may not be eligible for in-kind transfer, and such derivatives will be substituted with a "cash in lieu" amount when the Fund processes purchases or redemptions of Creation Units (as defined in the Prior Notice) in-kind.

#### Valuation for Purposes of Calculating Net Asset Value

As stated in the Prior Notice, the NAV per Share of the Fund is computed by dividing the value of the net assets of the Fund (*i.e.*, the value of its total assets less total liabilities) by the total number of Shares of the Fund outstanding, rounded to the nearest cent. Expenses and fees, including without limitation, the management, administration, and distribution fees, are accrued daily and taken into account for purposes of determining NAV. The NAV per Share for the Fund is calculated by the Administrator (The Bank of New York Mellon Corporation) and determined as of the close of the regular trading session on the New York Stock Exchange ("NYSE") (ordinarily 4:00 p.m., E.T.) on each day that the NYSE is open.

U.S. exchange-traded options will be valued at the closing price determined by the applicable exchange. The Fund will generally value exchange-traded futures at the settlement price determined by the applicable exchange. Currency forward contracts will normally be valued on the basis of quotes obtained from a third party broker-dealer who makes markets in such securities or on the basis of quotes obtained from an independent third-party pricing service.

#### Availability of Information

As described in the Prior Notice, on each business day, before commencement of trading in Shares in the Core Trading Session on the Exchange, the Fund discloses on its Web site the Disclosed Portfolio as defined in NYSE Arca Equities Rule 8.600(c)(2) that will form the basis for the Fund's calculation of NAV at the end of the business day. See "Disclosed Portfolio" below.

Pricing information for Derivative Instruments will be available from major broker-dealer firms, subscription services, and/or pricing services and, in addition, for exchange-traded Derivative Instruments, from the exchanges on which they are traded.

Intra-day and closing price information regarding exchange traded options (including options on futures) and futures will be available from the exchange on which such instruments are traded. Quotation and last sale information for exchange-traded options cleared via the Options Clearing Corporation is available from the Options Price Reporting Authority.

#### Disclosed Portfolio

The Fund's disclosure of derivative positions in the Disclosed Portfolio will include information that market participants can use to value these positions intraday. On a daily basis, 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); the identity of the security 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 Fund's portfolio.

#### Surveillance

The Exchange represents that trading in the Shares will be subject to the existing trading surveillances, administered by the Financial Industry Regulatory Authority ("FINRA") on behalf of the Exchange, which are designed to detect violations of Exchange rules and applicable federal securities laws.<sup>14</sup> The Exchange represents that these procedures are adequate to properly monitor Exchange trading of the Shares in all trading sessions and to deter and detect violations of Exchange rules and federal securities laws applicable to trading on the Exchange.

The surveillances referred to above generally focus on detecting securities trading outside their normal patterns, which could be indicative of manipulative or other violative activity. When such situations are detected, surveillance analysis follows and investigations are opened, where appropriate, to review the behavior of all relevant parties for all relevant trading violations.

(April 27, 1979); *Dreyfus Strategic Investing*, Commission No-Action Letter (June 22, 1987); *Merrill Lynch Asset Management, L.P.*, Commission No-Action Letter (July 2, 1996).

<sup>13</sup>To mitigate leveraging risk, the Fund will segregate or "earmark" liquid assets or otherwise cover the transactions that may give rise to such risk.

<sup>14</sup>FINRA surveils trading on the Exchange pursuant to a regulatory services agreement. The Exchange is responsible for FINRA's performance under this regulatory services agreement.

FINRA, on behalf of the Exchange, will communicate as needed regarding trading in the Shares, exchange-traded options, exchange-traded futures and exchange-traded options on futures with other markets and other entities that are members of the ISG, and FINRA, on behalf of the Exchange, may obtain trading information regarding trading in the Shares, exchange-traded options, exchange-traded futures and exchange-traded options on futures from such markets and other entities. In addition, the Exchange may obtain information regarding trading in the Shares, exchange-traded options, exchange-traded futures and exchange-traded options on futures, from markets and other entities that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.<sup>15</sup>

In addition, the Exchange also has a general policy prohibiting the distribution of material, non-public information by its employees.

## 2. Statutory Basis

The basis under the Act for this proposed rule change is the requirement under Section 6(b)(5)<sup>16</sup> that an exchange have rules that are designed 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, in general, to protect investors and the public interest.

The Exchange believes that the proposed rule change is designed to prevent fraudulent and manipulative acts and practices in that, under normal market conditions, no more than 20% of the value of the Fund's net assets will be invested in Derivative Instruments. The Fund's investments in Derivative Instruments will be consistent with the Fund's investment objective and will not be used to seek to achieve a multiple or inverse multiple of an index. Investments in Derivative Instruments will be made in accordance with the 1940 Act and consistent with the Fund's investment objective and policies. The Fund will comply with the regulatory requirements of the Commission to maintain assets as "cover," maintain segregated accounts, and/or make margin payments when it takes positions in Derivative Instruments involving obligations to third parties

<sup>15</sup> For a list of the current members of ISG, see [www.isgportal.org](http://www.isgportal.org). The Exchange notes that not all components of the Disclosed Portfolio for the Fund may trade on markets that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.

<sup>16</sup> 15 U.S.C. 78f(b)(5).

(i.e., instruments other than purchase options). If the applicable guidelines prescribed under the 1940 Act so require, the Fund will earmark or set aside cash, U.S. government securities, high grade liquid debt securities and/or other liquid assets permitted by the Commission in a segregated custodial account in the amount prescribed. Moreover, the Fund will include appropriate risk disclosure in its offering documents, including leveraging risk.

The proposed rule change is designed to promote just and equitable principles of trade and to protect investors and the public interest in that the Fund's disclosure of derivative positions in the Disclosed Portfolio will include information that market participants can use to value these positions intraday. On a daily basis, the Fund will disclose on the Fund's Web site specific information regarding each portfolio holding, as applicable to the type of holding. The Fund may use futures contracts and related options for bona fide hedging; attempting to offset changes in the value of securities held or expected to be acquired or be disposed of; attempting to gain exposure to a particular market, index or instrument; or other risk management purposes. In addition, such proposed change will provide the Adviser and Sub-Advisers with additional flexibility in meeting the Fund's investment objective. The Adviser does not believe there will be any significant impacts to the settlement or operational aspects of the Fund's arbitrage mechanism due to the use of derivatives. In addition, the Commission has previously approved the use of derivatives similar to those proposed herein by issues of Managed Fund Shares traded on the Exchange.<sup>17</sup> Consistent with the Prior Notice, NAV will continue to be calculated daily and the NAV and Disclosed Portfolio (as defined in NYSE Arca Equities Rule 8.600(c)(2)) will be made available to all market participants at the same time.

The proposed rule change is designed to perfect the mechanism of a free and open market and, in general, to protect investors and the public interest in that it will facilitate the listing and trading of an actively-managed exchange-traded

product that will enhance competition among market participants, to the benefit of investors and the marketplace. As noted, the additional flexibility to be afforded to the Adviser and Sub-Advisers by permitting the Fund to invest in Derivative Instruments under the proposed rule change is intended to enhance the Adviser's and Sub-Advisers' ability to meet the Fund's investment objective. FINRA, on behalf of the Exchange, will communicate as needed regarding trading in the Shares, exchange-traded options, exchange-traded futures and exchange-traded options on futures with other markets and other entities that are members of the ISG, and FINRA, on behalf of the Exchange, may obtain trading information regarding trading in the Shares, exchange-traded options, exchange-traded futures and exchange-traded options on futures from such markets and other entities. In addition, the Exchange may obtain information regarding trading in the Shares, exchange-traded options, exchange-traded futures and exchange-traded options on futures from markets and other entities that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement. In addition, as indicated in the Prior Notice, investors will have ready access to information regarding the Fund's holdings, the Portfolio Indicative Value (as defined in NYSE Arca Equities Rule 8.600(d)(2)(A)), the Disclosed Portfolio, and quotation and last sale information for the Shares. Consistent with the No-Action Letter, (i) the Board of Trustees of the Trust will periodically review and approve the Fund's use of derivatives and how the Adviser assesses and manages risk with respect to the Fund's use of derivatives and (ii) the Fund's disclosure of its use of derivatives in its offering documents and periodic reports will be consistent with relevant Commission and staff guidance.

## 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 Exchange believes the proposed rule change will permit the Adviser and Sub-Advisers additional flexibility in achieving the Fund's investment objective, thereby offering investors additional investment options.

<sup>17</sup> See, e.g., Securities Exchange Act Release Nos. 73081 (September 11, 2014), 79 FR 55859 (September 17, 2014) (SR-NYSEArca-2014-20) (order approving listing and trading on the Exchange of shares of the Reality Shares DIVS ETF under NYSE Arca Equities Rule 8.600); 72882 (August 20, 2014), 79 FR 50964 (August 26, 2014) (SR-NYSEArca-2014-58) (order approving listing and trading on the Exchange of shares of the PIMCO Short-Term Exchange-Traded Fund and the PIMCO Municipal Bond Exchange-Traded Fund under NYSE Arca Equities Rule 8.600).

*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**

Because the foregoing proposed rule change does not: (i) Significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, 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>18</sup> and Rule 19b-4(f)(6) thereunder.<sup>19</sup>

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](mailto:rule-comments@sec.gov). Please include File Number SR-NYSEArca-2014-122 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-NYSEArca-2014-122. This

file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street NE., Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing will also be available for inspection and copying at the principal office 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-NYSEArca-2014-122 and should be submitted on or before November 21, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>20</sup>

**Kevin M. O'Neill,**

*Deputy Secretary.*

[FR Doc. 2014-25888 Filed 10-30-14; 8:45 am]

**BILLING CODE 8011-01-P**

**SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-73436; File No. SR-C2-2014-024]**

**Self-Regulatory Organizations; C2 Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to the Complex Order Book**

October 27, 2014.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on October 15, 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 Substance of the Proposed Rule Change**

The Exchange proposes to amend its rules related to the complex order book ("COB"). The text of the proposed rule change is provided below.

(additions are *italicized*; deletions are [bracketed])

\* \* \* \* \*

**C2 Options Exchange, Incorporated Rules**

\* \* \* \* \*

**Rule 6.13. Complex Order Execution**

(a)-(c) No change.

. . . Interpretations and Policies:

.01-.06 No change.

.07 Execution of Complex Orders on the COB Open:

(a) Complex orders, including stock-option orders, do not participate in opening rotations for individual component option series legs conducted pursuant to Rule 6.11. When the last of the individual component option series legs that make up a complex order strategy has opened (and, in the case of a stock-option order, the underlying stock has opened), the COB for that strategy will open. The COB will open with no trade, except as follows:

[(a)i] The COB will open with a trade against the individual component option series legs if there are complex orders on only one side of the COB that are marketable against the opposite side of the derived net market. The resulting execution will occur at the derived net market price to the extent marketable pursuant to the rules of trading priority otherwise applicable to incoming electronic orders in the individual component legs. To the extent there is any remaining balance, the complex orders will trade pursuant to subparagraph (ii) below or, if unable to trade, be processed as they would on an intra-day basis under Rule 6.13. [(i) This subparagraph [(a)i] is not applicable to stock-option orders because stock-option orders do not trade against the individual component option series legs when the COB opens.]]

[(b)ii] The COB will open (or continue to open with another trade if a trade occurred pursuant to subparagraph (i)

<sup>18</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>19</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file 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. The Exchange has satisfied this requirement.

<sup>20</sup> 17 CFR 200.30-3(a)(12).

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

<sup>2</sup> 17 CFR 240.19b-4.