should sunset after five years, unless a post implementation review finds that the Proposed Rules promote investor protection, capital formation and competition. The Board stated in the Final Rule Release that it has considered feedback received on the concept release issued by the Commission on Possible Revisions to Audit Committee Disclosures (''SEC Concept Release'') [19] in developing the Proposed Rules. It also stated that it will continue to monitor the provisions included in the Proposed Rules to determine if revisions should be made in the future. In addition, the Board has a process in place to perform post-implementation reviews for its standards and rules.[20] Therefore, the Commission does not believe a specific sunset provision is necessary in the Proposed Rules.

IV. The PCAOB's EGC Request

Section 103(a)(3)(C) of the Sarbanes-Oxley Act requires that any rules of the Board ''requiring mandatory audit firm rotation or a supplement to the auditor's report in which the auditor would be required to provide additional information about the audit and the financial statements (auditor discussion and analysis)'' shall not apply to an audit of an EGC. The Board's Proposed Rules do not fall into this category of rules.[21] Section 103(a)(3)(C) further provides that ''[a]ny additional rules'' adopted by the PCAOB after April 5, 2012 do not apply to EGCs ''unless the Commission determines that the application of such additional requirements is necessary or appropriate in the public interest, after considering the protection of investors and whether the action will promote efficiency, competition, and capital formation.'' The Proposed Rules fall within this category of additional rules and thus the Commission must make a determination under the statute about the applicability of the Proposed Rules to EGCs. Having considered those statutory factors, and as explained further herein, the Commission finds that applying the Proposed Rules to audits of EGCs is necessary or appropriate in the public interest.

In proposing application of the Proposed Rules to audits of all issuers, including EGCs, the PCAOB requested that the Commission make the determination required by Section 103(a)(3)(C). To assist the Commission in making its determination, the PCAOB prepared and submitted to the Commission its own EGC analysis. The PCAOB's EGC analysis includes discussions of characteristics of self-identified EGCs and economic considerations pertaining to audits of EGCs, including efficiency, competition, and capital formation.

In its analysis, the Board states, with support from commenters, that requiring the same disclosures for audits of EGCs as for all issuers would provide the same general benefits to investors in EGCs as would be applicable to investors in non-EGCs. On the cost side, the Board does not believe that compliance costs for auditors will be significant. Rather, based on the overall characteristics of EGCs, the Board believes it is unlikely that the cost of collecting data to comply with the Proposed Rules will be disproportionately high for EGCs as a group. Further, the Board's analysis notes that commenters generally indicated they were not aware of any significant costs that would be specific to audits of EGCs when compared to the costs of non-EGC audits.

The PCAOB's EGC analysis was included in the Commission's public notice soliciting comment on the Proposed Rules. Based on the analysis submitted, we believe the information in the record is sufficient for the Commission to make the requested EGC determination in relation to the Proposed Rules. The Commission also takes note, in particular, of the PCAOB's approach to the Proposed Rules, which are not intended to substantively change auditor performance requirements; should reduce investors' search costs since the information will be provided in one place in a searchable database; and have been developed in a way to mitigate potential increases in auditor liability. In addition, the auditor's requirements under the new standard are focused on communicating the characteristics of the auditor, of which the auditor is already aware or can readily obtain.

V. Conclusion

The Commission has carefully reviewed and considered the Proposed Rules and the information submitted therewith by the PCAOB, including the PCAOB's EGC analysis, and the comment letters received. In connection with the PCAOB's filing and the Commission's review,

A. The Commission finds that the Proposed Rules are consistent with the requirements of the Sarbanes-Oxley Act and the securities laws and are necessary or appropriate in the public interest or for the protection of investors; and

B. Separately, the Commission finds that the application of the Proposed Rules to EGC audits is necessary or appropriate in the public interest, after considering the protection of investors and whether the action will promote efficiency, competition, and capital formation.

It is therefore ordered, pursuant to Section 107 of the Sarbanes-Oxley Act and Section 19(b)(2) of the Exchange Act, that the Proposed Rules (File No. PCAOB–2016–01) be and hereby are approved.

By the Commission.

Brent J. Fields,

Secretary.

[FR Doc. 2016–11292 Filed 5–12–16; 8:45 am]

BILLING CODE 8011–01–P

[19] *See Possible Revisions to Audit Committee Disclosures,* Release No. 33–9862 (July 1, 2015), *available at: http://www.sec.gov/rules/concept/2015/33-9862.pdf.*

[20] *See PCAOB Requests Comment on Engagement Quality Review Standard Under New Post-Implementation Review Program,* PCAOB News Release (Apr. 6, 2016), *available at http://pcaobus.org/News/Releases/Pages/2016-request-for-comment-AS7-center-post-implementation-review.aspx.*

[21] While the precise scope of this category of rules under Section 103(a)(3)(C) is not entirely clear, we do not interpret this statutory language as precluding the application of Board rules requiring additional factual information about the engagement partner and certain audit participants to the audits of EGCs. In our view, this approach reflects an appropriate interpretation of the statutory language and is consistent with our understanding of the Congressional purpose underlying this provision.

SECURITIES AND EXCHANGE COMMISSION

In the Matter of GroveWare Technologies Ltd., Luve Sports, Inc., and Northcore Technologies, Inc., File No. 500–1; Order of Suspension of Trading

May 11, 2016.

It appears to the Securities and Exchange Commission that there is a lack of current and accurate information concerning the securities of GroveWare Technologies Ltd. (CIK No. 1484931), a revoked Nevada corporation with its principal place of business listed as Toronto, Ontario, Canada with stock quoted on OTC Link (previously, ''Pink Sheets'') operated by OTC Markets Group, Inc. (''OTC Link'') under the ticker symbol GROV, because it has not filed any periodic reports since the period ended March 31, 2013. On August 18, 2015, a delinquency letter was sent by the Division of Corporation Finance to GroveWare Technologies Ltd. requesting compliance with its periodic filing obligations, but GroveWare Technologies Ltd. did not receive the delinquency letter due to its

failure to maintain a valid address on file with the Commission as required by Commission rules (Rule 301 of Regulation S–T, 17 CFR 232.301 and Section 5.4 of EDGAR Filer Manual).

It appears to the Securities and Exchange Commission that there is a lack of current and accurate information concerning the securities of Luve Sports, Inc. (CIK No. 1497421), a revoked Nevada corporation with its principal place of business listed as Zapopan, Jalisco, Mexico with stock quoted on OTC Link (previously, ''Pink Sheets'') operated by OTC Markets Group, Inc. (''OTC Link'') under the ticker symbol LUVE, because it has not filed any periodic reports since the period ended June 30, 2013. On August 18, 2015, a delinquency letter was sent by the Division of Corporation Finance to Luve Sports, Inc. requesting compliance with its periodic filing obligations, but Luve Sports, Inc. did not receive the delinquency letter due to its failure to maintain a valid address on file with the Commission as required by Commission rules (Rule 301 of Regulation S–T, 17 CFR 232.301 and Section 5.4 of EDGAR Filer Manual).

It appears to the Securities and Exchange Commission that there is a lack of current and accurate information concerning the securities of Northcore Technologies, Inc. (CIK No. 1079171), an Ontario corporation with its principal place of business listed as Toronto, Ontario, Canada with stock quoted on OTC Link under the ticker symbol NTLNF, because it has not filed any periodic reports since the period ended December 31, 2012. On August 18, 2015, a delinquency letter was sent by the Division of Corporation Finance to Northcore Technologies, Inc. requesting compliance with its periodic filing obligations, but Northcore Technologies, Inc. did not receive the delinquency letter due to its failure to maintain a valid address on file with the Commission as required by Commission rules (Rule 301 of Regulation S–T, 17 CFR 232.301 and Section 5.4 of EDGAR Filer Manual).

The Commission is of the opinion that the public interest and the protection of investors require a suspension of trading in the securities of the above-listed companies.

Therefore, it is ordered, pursuant to Section 12(k) of the Securities Exchange Act of 1934, that trading in the securities of the above-listed companies is suspended for the period from 9:30 a.m. EDT on May 11, 2016, through 11:59 p.m. EDT on May 24, 2016.

By the Commission.

Jill M. Peterson,

Assistant Secretary.

[FR Doc. 2016–11459 Filed 5–11–16; 4:15 pm]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

Release No. 34–77786; File No. SR–FINRA–2016–014]

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing of a Proposed Rule Change Relating to National Adjudicatory Council Composition, Member Terms and Election Procedures

May 9, 2016.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'') [1] and Rule 19b–4 thereunder,[2] notice is hereby given that on April 28, 2016, Financial Industry Regulatory Authority, Inc. (''FINRA'') filed with the Securities and Exchange Commission (''SEC'' or ''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by FINRA. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

FINRA is proposing to amend the By-Laws of FINRA's regulatory subsidiary, FINRA Regulation, Inc. (''FINRA Regulation''), to expand the size of the National Adjudicatory Council (''NAC'') to 15 members, with the number of non-industry members exceeding the number of industry members; lengthen the terms of office of future NAC members to four years; and update the process used for sending and counting ballots in the event of a contested nomination and election to fill certain NAC industry member seats.

The text of the proposed rule change is available on FINRA's Web site at *http://www.finra.org,* at the principal office of FINRA and at the Commission's Public Reference Room.

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

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

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

1. Purpose

Background

In 2007, as part of the consolidation of the member firm regulatory functions of National Association of Securities Dealers, Inc. (''NASD'') and NYSE Regulation, Inc. into a combined organization, FINRA, the SEC approved changes to the NASD By-Laws that, among other things, included a governance structure that apportioned public and industry representation on the FINRA Board of Governors (''FINRA Board'') and designated seven governor seats to represent member firms of various sizes based on the criteria of firm size.[3] As a result of these changes, the By-Laws of FINRA (''FINRA By-Laws'') require that the FINRA Board consist of no fewer than 16 and no more than 25 governors.[4] They provide also that the number of Public Governors serving on the FINRA Board shall exceed the number of Industry Governors.[5]

The FINRA Board consists currently of 24 governors, including 13 Public Governors, 10 Industry Governors and FINRA's chief executive officer.[6] The ten Industry Governors include a Floor Member Governor, an Independent Dealer/Insurance Affiliate Governor, an Investment Company Affiliate Governor and seven governors that are subject to election to the FINRA Board by member broker-dealers based on the criteria of firm size—three Small Firm Governors, one Mid-Size Firm Governor and three Large Firm Governors.[7]

The National Adjudicatory Council

The NAC acts on behalf of FINRA in several capacities and its powers are authorized by the By-Laws of FINRA

---

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

[2] 17 CFR 240.19b–4.

[3] *See* Securities Exchange Act Release No. 56145 (July 26, 2007), 72 FR 42169 (August 1, 2007), as amended by Securities Exchange Act Release No. 56145A (May 30, 2008), 73 FR 32377 (June 6, 2008) (Order Approving File No. SR–NASD–2007–023).

[4] *See* FINRA By-Laws, Article VII, Section 4 (Composition and Qualifications of the Board), paragraph (a).

[5] *Supra* note 4.

[6] *Supra* note 4. The number of Public Governors is determined by the FINRA Board.

[7] *Supra* note 4.