

### 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-2016-042. 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-2016-042, and should be submitted on or before December 27, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>29</sup>

**Robert W. Errett,**

*Deputy Secretary.*

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### SECURITIES AND EXCHANGE COMMISSION

[Release No. IA-4576; November 29, 2016; FILE NO.: 801-99358]

#### **In the Matter of Ajenifuja Investments, LLC, 5226 Klingle Street NW., Washington, DC 20016; Investment Advisers Act of 1940; Notice of Intention to Cancel Registration Pursuant to Section 203(H) of the Investment Advisers Act of 1940**

Notice is given that the Securities and Exchange Commission (the "Commission") intends to issue an order, pursuant to Section 203(h) of the Investment Advisers Act of 1940 (the "Act"), cancelling the registration of Ajenifuja Investments, LLC, hereinafter referred to as the registrant.

Section 203(h) provides, in pertinent part, that if the Commission finds that any person registered under Section 203, or who has pending an application for registration filed under that section, is no longer in existence, is not engaged in business as an investment adviser, or is prohibited from registering as an investment adviser under section 203A, the Commission shall by order, cancel the registration of such person.

The registrant indicated on its initial and its most recent Form ADV filings that it is relying on rule 203A-2(e) to register with the Commission, which provides an exemption from the prohibition on registration for an adviser that provides investment advice to all of its clients exclusively through the adviser's interactive Web site, except that the adviser may advise fewer than 15 clients through other means during the preceding 12 months.<sup>1</sup> The Commission believes, based on the facts it has, that the registrant did not at the time of the Form ADV filings and thereafter, advise clients through an interactive Web site as defined under the rule<sup>2</sup>, and that it is therefore

<sup>1</sup> Section 203A of the Act generally prohibits an investment adviser from registering with the Commission unless it meets certain requirements. Rule 203A-2 provides exemptions from the prohibition on Commission registration in section 203A of the Act. Rule 203A-2(e) exempts from the prohibition on Commission registration certain investment advisers that provide advisory services through the Internet, as described above. See *Exemption for Certain Investment Advisers Operating Through the Internet*, Investment Advisers Act Release No. 2091 (December 12, 2002), available at <https://www.sec.gov/rules/final/ia-2091.htm> ("Internet Adviser Exemption Adopting Release"). Effective September 19, 2011, rule 203A-2(f) was renumbered as rule 203A-2(e). See *Rules Implementing Amendments to the Investment Advisers Act of 1940*, Investment Advisers Act Release No. 3221 (June 22, 2011), available at <http://www.sec.gov/rules/final/2011/ia-3221.pdf>.

<sup>2</sup> Rule 203A-2(e) defines "interactive Web site" as a Web site in which computer software-based

prohibited from registering as an investment adviser under section 203A of the Act. Accordingly, the Commission believes that reasonable grounds exist for a finding that this registrant is not eligible to be registered with the Commission as an investment adviser and that the registration should be cancelled pursuant to section 203(h) of the Act.

Any interested person may, by December 27, 2016, at 5:30 p.m., submit to the Commission in writing a request for a hearing on the cancellation, accompanied by a statement as to the nature of his or her interest, the reason for such request, and the issues, if any, of fact or law proposed to be controverted, and he or she may request that he or she be notified if the Commission should order a hearing thereon. Any such communication should be addressed: Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549.

At any time after December 27, 2016, the Commission may issue an order cancelling the registration, upon the basis of the information stated above, unless an order for a hearing on the cancellation shall be issued upon request or upon the Commission's own motion. Persons who requested a hearing, or who requested to be advised as to whether a hearing is ordered, will receive any notices and orders issued in this matter, including the date of the hearing (if ordered) and any postponements thereof. Any adviser whose registration is cancelled under delegated authority may appeal that decision directly to the Commission in accordance with rules 430 and 431 of the Commission's rules of practice (17 CFR 201.430 and 431).

For further information contact: Emily Rowland, Attorney-Adviser at 202-551-6787 (Office of Investment Adviser Regulation).

models or applications provide investment advice to clients based on personal information provided by each client through the Web site. An adviser relying on the exemption may not use its advisory personnel to elaborate or expand upon the investment advice provided by its interactive Web site, or otherwise provide investment advice to its Internet clients, except as permitted by the rule's de minimis exception. Such exception permits an adviser relying on the rule to advise clients through means other than its interactive Web site, so long as the adviser had fewer than 15 of these non-Internet clients during the preceding 12 months. See Internet Adviser Exemption Adopting Release, *id.*

<sup>29</sup> 17 CFR 200.30-3(a)(12).

For the Commission, by the Division of Investment Management, pursuant to delegated authority.<sup>3</sup>

**Robert W. Errett,**

*Deputy Secretary.*

[FR Doc. 2016-29047 Filed 12-2-16; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-79421; File No. SR-BOX-2016-48]

### Self-Regulatory Organizations; BOX Options Exchange LLC; Notice of Filing of Proposed Rule Change To Adopt Rules for an Open-Outcry Trading Floor

November 29, 2016.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that, on November 16, 2016, BOX Options Exchange LLC (the “Exchange” or “BOX”) filed with the Securities and Exchange Commission (“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 adopt rules for an open-outcry trading floor. The text of the proposed rule change is available from the principal office of the Exchange, at the Commission’s Public Reference Room and also on the Exchange’s Internet Web site at <http://boxexchange.com>.

#### 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 statutory 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 self-regulatory organization 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 is proposing to adopt rules to allow for open-outcry trading on a physical trading floor (“Trading Floor”). The Exchange notes that this is not a novel proposal and that other exchanges currently offer open-outcry trading in addition to electronic trading.<sup>3</sup> The Exchange is proposing a hybrid model similar to these other exchanges.

##### General

The Exchange is proposing various changes to the definition section of the Rulebook to accommodate the proposed Trading Floor. First, the Exchange is proposing to define “Floor Participant” as Floor Brokers as defined in Rule 7540 and Floor Market Makers as defined in Rule 8510(b).<sup>4</sup> The Exchange is proposing to define “Trading Floor” or “Options Floor” as the physical trading floor of the Exchange located in Chicago. The Trading Floor shall consist of at least one “Crowd Area” or “Pit”. A Crowd Area or Pit shall be marked with specific visible boundaries on the Trading Floor, as determined by the Exchange. All series for a particular option class will be allocated to the same Crowd Area. A Floor Broker must open outcry an order in the corresponding Crowd Area.

The Exchange is proposing to add the definition of “Presiding Exchange Officials.”<sup>5</sup> Specifically, the President of the Exchange and his or her designated staff shall be responsible for monitoring: (1) Dealings of Floor Participants and their associated persons on the Trading Floor, and of the premises of the Exchange immediately adjacent thereto; (2) the activities of Floor Participants and their associated persons, and shall establish standards and procedures for the training and qualification of Floor Participants and their associated persons active on the Trading Floor; (3) all Trading Floor employees of Floor Brokers and Floor Market Makers, and shall make and enforce such rules with respect to such employees as it may deem necessary; (4)

all connections or means of communications with the Trading Floor and may require the discontinuance of any such connection or means of communication when, in the opinion of the President or his or her designee, it is contrary to the welfare or interest of the Exchange; (5) the location of equipment and the assignment and use of space on the Trading Floor; and (6) relations with other options exchanges.

Next, the Exchange is proposing to add a definition for the “BOX Order Gateway.” The BOX Order Gateway (“BOG”) is a component of the Exchange that is designed to enable Floor Brokers to enter transactions on the Trading Floor.<sup>6</sup> The BOG is designed to establish an electronic audit trail for options orders represented and executed on the Trading Floor. The audit trail will provide an accurate, time-sequenced record of electronic and other orders, quotations and transactions on the Trading Floor, beginning with the receipt of an order by the Exchange, and further documenting the life of the order. The various features of the BOG will be described in greater detail below. Additionally, the Exchange is proposing to clarify that all transactions executed on the Exchange shall be done either (1) automatically by the Exchange’s trading system pursuant to Rule 7130, or (2) by and among Floor Participants in the Exchange’s options trading crowd; provided that the order is processed through the BOG.<sup>7</sup> The Exchange is also proposing to clarify that bids and offers on the Trading Floor, to be effective, must be made by public outcry on the Trading Floor and that all bids and offers shall be general ones and shall not be specified for acceptance by particular Floor Participants.<sup>8</sup>

The Exchange is also proposing to provide details on how the public outcry on the Trading Floor will work. Specifically, the Exchange is proposing that bids and offers must be made in an

<sup>6</sup> See proposed Rule 100(b)(2). Proposed Rule 100(b)(2) is based on PHLX Rule 1080.06.

<sup>7</sup> See proposed Rule 100(b)(3). Proposed Rule 100(b)(3) is based on PHLX Rule 1000(f). The Exchange notes that PHLX includes additional methods for executions on PHLX’s Trading Floor that BOX is not including in proposed Rule 100(b)(3). The Exchange does not believe that these methods are necessary as the Exchange believes that all executions on the Trading Floor shall be processed through the BOG to ensure an accurate and complete audit trail.

<sup>8</sup> See proposed Rule 100(b)(4). Proposed Rule 100(b)(4) is based on PHLX Rule 1000(g). The Exchange notes that PHLX includes information about bidding and offering electronically as well as in public outcry; however, the Exchange is only proposing to include information about public outcry. BOX already has rules in place that govern electronic bidding and offering and therefore there is no need to mention it in proposed Rule 100(b)(4).

<sup>3</sup> 17 CFR 200.30-5(e)(2).

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

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

<sup>3</sup> NYSE Arca, Inc. (“NYSE Arca”), NASDAQ PHLX LLC (“PHLX”), Chicago Board Options Exchange, Incorporated (“CBOE”), and NYSE MKT LLC (“NYSE MKT”).

<sup>4</sup> See proposed Rule 100(a)(26).

<sup>5</sup> See proposed Rule 100(b)(1). Proposed Rule 100(b)(1) is based on PHLX Rule 1000(e).