All submissions should refer to File Number SR–MIAX–2018–08. 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 website *(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 website 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 the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–MIAX–2018–08 and should be submitted on or before April 9, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[19]

Eduardo A. Aleman,

Assistant Secretary.

[FR Doc. 2018–05453 Filed 3–16–18; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–82865; File No. SR–Phlx–2018–21]

Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Transaction Fees at Section VIII

March 13, 2018.

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 March 1, 2018, Nasdaq PHLX LLC (''Phlx'' or ''Exchange'') 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 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 the Exchange's transaction fees at Section VIII (NASDAQ PSX fees) of Phlx's Pricing Schedule to remove the current transaction fees for any PSCN order (other than a PSKP order) that receives an execution on NASDAQ PSX (''PSX'') or that is routed away from PSX and receives an execution at an away market.

The text of the proposed rule change is available on the Exchange's website at *http://nasdaqphlx.cchwallstreet.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 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 purpose of the proposed rule change is to amend the Exchange's transaction fees at Section VIII of Phlx's Pricing Schedule to remove the current transaction fee for any PSCN order (other than a PSKP order) that receives an execution on PSX or that is routed away from PSX and receives an execution at an away market.

Currently, the Exchange assesses a charge of $0.0026 per share executed for PSCN orders,[3] other than PSKP orders,[4] that execute on PSX or that are routed to other venues and receive an execution on another venue. By way of comparison, for an order that executes on PSX, the execution fees for non-PSCN orders (including PSKP orders) for all securities that PSX trades that are priced at $1 or more per share range from $0.0028 per share executed to $0.0030 per share executed, depending on where that security is listed and whether the member meets certain established volume thresholds. For orders in securities that are priced at $1 or more per share that are routed to, and execute on other venues, the Exchange charges fees ranging from $0.0000 per share executed to $0.0035 per share executed (including PKSP orders).

The Exchange introduced the fee for PSCN orders in 2017.[5] Prior to the 2017 Proposal, a PSCN order that executed on PSX would be assessed a charge ranging from $0.0028–$0.0030 per share executed depending on the applicability of other factors set forth in the Pricing Schedule, *e.g.,* if the order was for a security that was listed on The Nasdaq Stock Market LLC (''Nasdaq''), or if the order was for a security that is listed on the New York Stock Exchange LLC (''NYSE''), and whether the member met the applicable volume thresholds.

Prior to the 2017 Proposal, a PSCN order that routed to another venue would be charged $0.0030 per share executed at NYSE, $0.0000 per share executed at Nasdaq BX, Inc. (''Nasdaq BX'') and $0.0030 per share executed in other venues. Pursuant to the 2017 Proposal, PSCN orders that execute on a venue other than PSX are charged $0.0026 per share executed. PSKP orders continue to be charged $0.0030 per share executed at NYSE, $0.0000 per share executed at Nasdaq BX, and $0.0030 per share executed in other venues.[6]

[19] 17 CFR 200.30–3(a)(12).

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

[2] 17 CFR 240.19b–4.

[3] PSCN is a routing option that is designed to attract users to PSX. An order using the PSCN routing option will check the System for available shares and simultaneously route the remaining shares to destinations on the System routing table. If shares remain unexecuted after routing, they are posted on the book. Once on the book, should the order subsequently be locked or crossed by another market center, the System will not route the order to the locking or crossing market center. *See* Rule 3315(a)(1)(A)(iv).

[4] PSKP is a form of PSCN, pursuant to which the entering firm instructs the System to bypass any market centers included in the PSCN System routing table that are not posting Protected Quotations within the meaning of Regulation NMS. *Id.*

[5] *See* Securities Exchange Act Release No. 80938 (June 15, 2017), 82 FR 28171 (June 20, 2017) (SR–Phlx–2017–44) (''2017 Proposal'').

[6] In the 2017 Proposal, the Exchange noted that member organizations sending PSCN orders that executed at Nasdaq BX would pay an increased fee

In the 2017 Proposal, the Exchange noted that PSCN is designed to attract users to PSX, and that generally providing a discount to member organizations for PSCN executions will provide a greater incentive to member organizations to use PSX as a venue. The Exchange stated that assessing a lowered rate will encourage member organizations to interact with PSX liquidity, while also encouraging such participants to take advantage of the sophisticated routing functionality offered by PSX. Additionally, since PSCN does not re-route when it is locked or crossed by an away market, the Exchange also believed that increased use of PSCN would also increase displayed liquidity on PSX.[7]

Since the adoption of the reduced transaction fee for PSCN orders, the Exchange has not observed a change in the activity of member organizations that would indicate that the reduced PSCN fees are incentivizing member organizations to send additional order flow to the Exchange, or to increase additional displayed liquidity on the Exchange. Accordingly, the Exchange is discontinuing the $0.0026 fee for PSCN orders that execute on PSX or on other venues.

With this change, PSCN orders that execute on PSX will revert to the pricing that existed prior to the 2017 Proposal, and will be charged $0.0028–$0.0030 per share executed, depending on other applicable factors, *e.g.,* if the order is for a security that is listed on Nasdaq or NYSE, and whether the member meets the applicable volume thresholds.

Similarly, PSCN orders that execute on a venue other than PSX will revert to the pricing that existed prior to the 2017 Proposal, and will be charged $0.0030 per share executed at NYSE, $0.0000 per share executed at Nasdaq BX, and $0.0030 per share executed in other venues. Since the 2017 Proposal excluded PSKP orders from the $0.0026 fee, the transaction fees assessed for PSKP orders will remain the same.[8]

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[9] in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,[10] in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Commission and the courts have repeatedly expressed their preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, while adopting a series of steps to improve the current market model, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also recognized that current regulation of the market system ''has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.'' [11]

Likewise, in *NetCoalition* v. *Securities and Exchange Commission* [12] (''NetCoalition'') the D.C. Circuit upheld the Commission's use of a market-based approach in evaluating the fairness of market data fees against a challenge claiming that Congress mandated a cost-based approach.[13] As the court emphasized, the Commission ''intended in Regulation NMS that 'market forces, rather than regulatory requirements' play a role in determining the market data . . . to be made available to investors and at what cost.'' [14]

Further, ''[n]o one disputes that competition for order flow is 'fierce.' . . . As the SEC explained, '[i]n the U.S. national market system, buyers and sellers of securities, and the broker-dealers that act as their order-routing agents, have a wide range of choices of where to route orders for execution'; [and] 'no exchange can afford to take its market share percentages for granted' because 'no exchange possesses a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers'. . . .'' [15]

The Exchange believes that eliminating the current fee of $0.0026 per share executed for PSCN orders that execute on PSX or that execute on other venues is reasonable. The PSCN routing option is designed to attract users to PSX, and the current PSCN transaction fees, by extension, were designed to provide a greater incentive to member organizations to use PSX as a venue. Since the adoption of the current transaction fees for PSCN orders, however, the Exchange has not observed a change in the activity of member organizations that would indicate that the current PSCN fees are incentivizing member organizations to send additional order flow to the Exchange, or to increase additional displayed liquidity on the Exchange. Accordingly, the Exchange believes that it is reasonable to eliminate the current PSCN fees since those fees are not achieving their intended purpose.

With respect to orders that execute on PSX, the Exchange further believes the proposal is reasonable because the Pricing Schedule will no longer distinguish between PSCN orders and orders with other routing options.

In eliminating the current PSCN fees, the fees for PSCN orders will revert to the fees for PSCN orders prior to the 2017 Proposal. The Exchange has previously stated why it believes those fees are reasonable,[16] and continues to

of $0.0026 per share executed, instead of the then-current $0.0000 per share executed for those orders. The Exchange stated that this fee increase for PSCN orders that executed on Nasdaq BX would help offset the cost to the Exchange in offering the reduced fees for all other PSCN executions. *Id.*

[7] As noted above, the current transaction fee for PSCN orders does not include PSKP orders. When adopting the current transaction fee for PSCN orders (and the corresponding exclusion for PSKP orders), the Exchange noted that it had only limited funds to apply to the PSCN fees, which it was generally reducing. The Exchange noted that PSCN orders route to both venues with protected quotations and venues without protected quotations, which are often low-cost venues, based on the System routing table following the principal of best execution. By contrast, PSKP orders are routed only to venues with protected quotations, which typically assess the Exchange higher fees for execution thereon. Consequently, extending the proposed pricing to PSKP would result in significant cost to the Exchange in comparison to the proposed fee assessed for such executions. *See* 2017 Proposal, *supra* note 5.

[8] Specifically, the charge for a PSKP order that executes on PSX will range from $0.0028–$0.0030 per share, depending on the applicability of the other relevant factors set forth in the Pricing Schedule. A PSKP order that executes on a venue besides PSX will be charged $0.0030 per share executed at NYSE, $0.0000 per share executed at Nasdaq BX, and $0.0030 per share executed in other venues. Since a PSKP order is a subset of a PSCN order, the proposed change in the Pricing Schedule from ''PSKP'' to ''PSCN'' in the part of the Pricing Schedule relating to routing fees will cover both PSCN and PSKP orders.

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

[10] 15 U.S.C. 78f(b)(4) and (5).

[11] Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) (''Regulation NMS Adopting Release'').

[12] *NetCoalition* v. *SEC,* 615 F.3d 525 (D.C. Cir. 2010).

[13] *See NetCoalition,* at 534–535.

[14] *Id.* at 537.

[15] *Id.* at 539 (quoting Securities Exchange Act Release No. 59039 (December 2, 2008), 73 FR 74770, 74782–83 (December 9, 2008) (SR–NYSEArca–2006–21)).

[16] *See* Securities Exchange Act Release No. 76631 (December 11, 2015), 80 FR 78797 (December 17, 2015) (SR–Phlx–2015–98) (adopting the current fees for transactions on PSX of $0.0029 per share executed in Nasdaq-listed securities, $0.0028 per share executed for NYSE-listed securities, and $0.0028 per share executed for executions in securities listed on exchanges other than Nasdaq and NYSE); Release No. 78027 (June 9, 2016), 81 FR 39078 (June 15, 2016) (SR–Phlx–2016–64) (adopting the current volume thresholds and the ''default'' fee for transactions on PSX of $0.0030 per share executed for orders for all other member organizations that execute on PSX); Release No. 71520 (February 11, 2014), 79 FR 9302 (February 18, 2014) (SR–Phlx–2014–09) and Release No. 74292 (February 18, 2015), 80 FR 9807 (February

Continued

believe such fees are reasonable. For example, the Exchange continues to believe that the current fees for orders that execute on PSX in securities listed on Nasdaq, NYSE or an exchange other than Nasdaq or NYSE are reasonable because they reflect the costs and benefits provided by the Exchange, including credits to market participants that provide beneficial liquidity to PSX, to the benefit of all of its participants.[17] Similarly, the Exchange believes that the fees for routing orders to other venues are reasonable because those fees are designed to incentivize member organizations to send orders and quotes to PSX, even if such orders ultimately execute on other venues.[18]

Finally, as discussed above, the transaction fees for a PSKP order, which is a subset of a PSCN order, remain unchanged.

The Exchange also believes that eliminating the $0.0026 fee for PSCN orders that execute on PSX and on other venues is an equitable allocation and is not unfairly discriminatory. With this change, member organizations that use PSCN orders may pay greater fees (*e.g.,* $0.0029 per share executed for an order in a Nasdaq-listed security that executes on PSX) or lower fees (*e.g.,* $0.0000 per share executed for an order that executes on Nasdaq BX) than pursuant to the current PSCN fees. However, the Exchange will apply the same fee to all similarly situated member organizations, *e.g.,* to all member organizations that execute an order in a Nasdaq-listed security on PSX. With respect to orders that execute on PSX, the Exchange further believes that the proposal is equitable and not unfairly discriminatory because the Pricing Schedule will eliminate the distinction between PSCN orders and orders with other routing options.

Further, this change will revert the fees for PSCN orders that execute on PSX and on other venues to their levels prior to the 2017 Proposal. The Exchange has previously stated that it believes those fees are equitable and not unfairly discriminatory,[19] and continues to believe such fees are equitable and not unfairly discriminatory.

Specifically, the Exchange continues to believe that these fees reflect the costs and benefits provided by the Exchange, while also attempting to incentivize order flow to the Exchange.

Finally, as discussed above, the transaction fees for a PSKP order, which is a subset of a PSCN order, remain unchanged.

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 not necessary or appropriate in furtherance of the purposes of the Act. In terms of inter-market competition, the Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive, or rebate opportunities available at other venues to be more favorable. In such an environment, the Exchange must continually adjust its fees to remain competitive with other exchanges and with alternative trading systems that have been exempted from compliance with the statutory standards applicable to exchanges. Because competitors are free to modify their own fees in response, and because market participants may readily adjust their order routing practices, the Exchange believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited.

In this instance, the proposed changes to the charges assessed to member organizations for the execution of securities do not impose a burden on competition because the Exchange's execution services are completely voluntary and subject to extensive competition both from other exchanges and from off-exchange venues. The Exchange is eliminating the current PSCN fees because the Exchange has not observed that the current PSCN fees achieved their intended effect, *i.e.,* to incentivize member organizations to send additional order flow to the Exchange, or to increase additional displayed liquidity on the Exchange.

With the elimination of the current PSCN fees, this change will revert the fees for PSCN orders that execute on PSX and on other venues to their levels prior to the 2017 Proposal. The Exchange has previously stated that it does not believe that the fees in effect prior to the 2017 Proposal impose a burden on competition that is not necessary or appropriate,[20] and continues to believe that to be the case. Additionally, the Exchange will apply the same fee for PSCN orders to all similarly situated member organizations.

With respect to orders that execute on PSX, the Exchange also does not believe that the proposal will impose a burden on competition that is not necessary or appropriate because the Pricing Schedule will eliminate the distinction between PSCN orders and orders with other routing options.

Finally, the Exchange does not believe that the proposal will impose a burden on competition that is not necessary or appropriate because, as discussed above, the transaction fees for a PSKP order, which is a subset of a PSCN order, remain unchanged.

In sum, if the changes proposed herein are unattractive to market participants, it is likely that the Exchange will lose market share as a result. Accordingly, the Exchange does not believe that the proposed changes will impair the ability of member organizations or competing order execution venues to maintain their competitive standing in the financial markets.

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

No written comments were either solicited or received.

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)(ii) of the Act.[21]

At any time within 60 days 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: (i) Necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule 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:

24, 2015) (SR–Phlx–2015–14) (adopting the current fee of $0.0000 for PSCN orders that are routed to Nasdaq BX); Release No. 70874 (November 14, 2013), 78 FR 69725 (November 20, 2013) (SR–Phlx–2013–111) (adopting the current fee of $0.0030 per share executed for PSCN orders that are routed to NYSE or to other venues).

[17] *See* Securities Exchange Act Release No. 76631 (December 11, 2015), 80 FR 78797 (December 17, 2015) (SR–Phlx–2015–98).

[18] *See* Securities Exchange Act Release No. 70874, November 14, 2013, 78 FR 69725 (November 20, 2013) (SR–Phlx–2013–111).

[19] *See supra* note 16.

[20] *See supra* note 16.

[21] 15 U.S.C. 78s(b)(3)(A)(ii).

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–Phlx–2018–21 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–Phlx–2018–21. 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 website (*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 website 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 the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–Phlx–2018–21 and should be submitted on or before April 9, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[22]

Eduardo A. Aleman,

Assistant Secretary.

[FR Doc. 2018–05450 Filed 3–16–18; 8:45 am]

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[22] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

Submission for OMB Review; Comment Request

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549–2736.

Extension:

Rule 9b–1, SEC File No. 270–429, OMB Control No. 3235–0480.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (''PRA'') (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (''Commission'') has submitted to the Office of Management and Budget (''OMB'') a request for approval of extension of the previously approved collection of information provided for in Rule 9b–1 (17 CFR 240.9b–1), under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*).

Rule 9b–1 (17 CFR 240.9b–1) sets forth the categories of information required to be disclosed in an options disclosure document (''ODD'') and requires the options markets to file an ODD with the Commission 60 days prior to the date it is distributed to investors. In addition, Rule 9b–1 provides that the ODD must be amended if the information in the document becomes materially inaccurate or incomplete and that amendments must be filed with the Commission 30 days prior to the distribution to customers. Finally, Rule 9b–1 requires a broker-dealer to furnish to each customer an ODD and any amendments, prior to accepting an order to purchase or sell an option on behalf of that customer.

There are 15 options markets[1] that must comply with Rule 9b–1. These respondents work together to prepare a single ODD covering options traded on each market, as well as amendments to the ODD. These respondents file approximately 3 amendments per year. The staff calculates that the preparation and filing of amendments should take no more than eight hours per options market. Thus, the total time burden for options markets per year is 360 hours (15 options markets × 8 hours per amendment × 3 amendments). The estimated cost for an in-house attorney is $412 per hour,[2] resulting in a total internal cost of compliance for these respondents of $148,320 per year (360 hours at $412 per hour).

In addition, approximately 1,144 broker-dealers[3] must comply with Rule 9b–1. Each of these respondents will process an average of 3 new customers for options each week and, therefore, will have to furnish approximately 156 ODDs per year. The postal mailing or electronic delivery of the ODD takes respondents no more than 30 seconds to complete for an annual compliance burden for each of these respondents of 78 minutes or 1.3 hours. Thus, the total time burden per year for broker-dealers is 1,487 hours (1,144 broker-dealers × 1.3 hours). The estimated cost for a general clerk of a broker-dealer is $62 per hour,[4] resulting in a total internal cost of compliance for these respondents of $92,194 per year (1,487 hours at $62 per hour).

The total time burden for all respondents under this rule (both options markets and broker-dealers) is 1,847 hours per year (360 + 1,487), and the total internal cost of compliance is $240,514 ($148,320 + $92,124).

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

The public may view background documentation for this information collection at the following website: *www.reginfo.gov.* Comments should be directed to (i) Desk Officer for the Securities and Exchange Commission,

[1] The fifteen options markets are as follows: The fifteen options markets are as follows: BOX Options Exchange LLC, Cboe BZX Exchange, Inc., Cboe C2 Exchange, Inc., Cboe EDGX Exchange, Inc., Cboe Exchange, Inc., Miami International Securities Exchange LLC, MIAX PEARL, LLC, Nasdaq BX, Inc., Nasdaq GEMX, LLC, Nasdaq ISE, LLC, Nasdaq MRX, LLC, Nasdaq PHLX LLC, the Nasdaq Options Market (NOM), NYSE Arca, Inc., and NYSE American LLC.

[2] SIFMA did its last annual survey in 2013 and will not resume the survey process. Accordingly, the $412 figure is based on the 2013 figure ($380) adjusted by the inflation rate calculated using the Bureau of Labor Statistics' CPI Inflation Calculator. The $380 per hour figure for an Attorney is from SIFMA's *Management & Professional Earnings in the Securities Industry 2013,* modified by Commission staff to account for an 1800-hour work-year and multiplied by 5.35 to account for bonuses, firm size, employee benefits and overhead.

[3] The estimate of 1,144 broker-dealers required to comply with Rule 9b–1 is derived from Item 12 of the Form BD (OMB Control No. 3235–0012). This estimate may be high as it includes broker-dealers that engage in only a proprietary business, and as a result are not required to deliver an ODD, as well as those broker-dealers subject to Rule 9b–1.

[4] The $62 figure is based on the 2013 figure ($57) adjusted for inflation. *See supra* note 1. As noted above, SIFMA did its last annual survey in 2013 and will not resume the survey process. Accordingly, the $62 figure is based on the 2013 figure ($57) adjusted for inflation. The $57 per hour figure for a General Clerk is from SIFMA's *Office Salaries in the Securities Industry 2013,* modified by Commission staff to account for an 1800-hour work-year and multiplied by 2.93 to account for bonuses, firm size, employee benefits and overhead. The staff believes that the ODD would be mailed or electronically delivered to customers by a general clerk of the broker-dealer or some other equivalent position.