first paragraph should be replaced with the following: ''The NRC has terminated License No. DPR–54, held by Sacramento Municipal Utility District (SMUD), for Rancho Seco in Herald, California, and has approved the site for unrestricted release. Accordingly, the existing indemnity agreement between SMUD and the NRC has been amended.''

Specifically, the last word (terminated) in the first paragraph, should be replaced with ''amended'' to accurately reflect the action.

Dated at Rockville, Maryland, this 4th day of December 2018.

For the Nuclear Regulatory Commission.

Amy Snyder,

Acting Chief, Reactor Decommissioning Branch, Division of Decommissioning, Uranium Recovery, and Waste Programs, Office of Nuclear Material Safety and Safeguards.

[FR Doc. 2018–26744 Filed 12–10–18; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–84719; File No. SR-CboeBZX–2018–076]

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Order Granting Approval of a Proposed Rule Change, as Modified by Amendment Nos. 1 and 2, To List and Trade Shares of the FormulaFolios Sector Rotation ETF, a Series of the Northern Lights Fund Trust IV, Under Rule 14.11(i), Managed Fund Shares

December 4, 2018.

I. Introduction

On October 2, 2018, Cboe BZX Exchange, Inc. (''Exchange'' or ''BZX'') filed with the Securities and Exchange Commission (''Commission''), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'') [1] and Rule 19b-4 thereunder,[2] a proposed rule change to list and trade shares (''Shares'') of the FormulaFolios Sector Rotation ETF (''Fund'') of the Northern Lights Fund Trust IV (''Trust'') under BZX Rule 14.11(i). The proposed rule change was published for comment in the **Federal Register** on October 22, 2018.[3] On November 8, 2018, the Exchange filed Amendment No. 1 to the proposed rule change.[4] On November 30, 2018, the Exchange filed Amendment No. 2 to the proposed rule change.[5] The Commission has received no comments on the proposal. This order grants approval of the proposed rule change, as modified by Amendment Nos. 1 and 2.

II. Exchange's Description of the Proposal, as Modified by Amendment Nos. 1 and 2

The Exchange proposes to list and trade the Shares of the Fund under BZX Rule 14.11(i), which governs the listing and trading of Managed Fund Shares on the Exchange. The Shares will be offered by the Trust, which was established as a Delaware statutory trust on June 2, 2015. The Exchange represents that Trust is registered with the Commission as an open-end investment company and has filed a registration statement on behalf of the Fund on Form N–1A (''Registration Statement'') with the Commission.[6] FormulaFolio Investments, LLC is the investment adviser to the Fund (''Adviser'').[7]

The Fund will be an actively managed exchange-traded fund that seeks to provide a long-term total return which exceeds the total return of its Primary Benchmark Index.[8] The Fund will seek to achieve its investment objective, under Normal Market Conditions,[9] by utilizing derivatives, or a combination of derivatives and direct investments, to gain 100% equity exposure. The Exchange submits this proposal in order to allow the Fund to hold over-the-counter (''OTC'') derivatives, in a manner that may not comply with BZX Rule 14.11(i)(4)(C)(v), which requires, among other things, that the aggregate gross notional value of OTC derivatives not exceed 20% of the weight of the portfolio (including gross notional exposures).[10] Specifically, the Exchange is proposing that the Fund may hold up to 75% of the weight of its portfolio in OTC derivatives, including gross notional exposures. Otherwise, the Exchange represents that the Fund will comply with all other listing requirements on an initial and continued listing basis under BZX Rule 14.11(i).[11]

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

[2] 17 CFR 240.19b–4.

[3] *See* Securities Exchange Act Release No. 84438 (October 16, 2018), 83 FR 53343.

[4] In Amendment No. 1, which amended and replaced the proposed rule change in its entirety, the Exchange: (a) clarified references to certain OTC derivatives that the Fund intends to invest; (b) clarified that, in the event that Sector Swaps (as defined herein) are unavailable or the pricing for such contracts are unfavorable, the Fund may attempt to replicate the desired equity exposure by purchasing some or all of the equity securities that are listed on a U.S. national securities exchange, including ETFs, comprising the top four sectors at the time; and (c) made other non-substantive, technical, and clarifying corrections to the proposal. Because Amendment No. 1 does not materially alter the substance of the proposed rule change or raise unique or novel regulatory issues under the Act, Amendment No. 1 is not subject to notice and comment. Amendment No. 1 to the proposed rule change is available at: *https://www.sec.gov/comments/sr-cboebzx-2018-076/srcboebzx2018076-4716147-176694.pdf.*

[5] In Amendment No. 2, the Exchange: (a) Clarified that the Fund will meet the requirements of Rule 14.11(i)(4)(C)(vi), which requires that, to the extent that listed or OTC derivatives are used to gain exposure to individual equities and/or fixed income securities, or to indexes of equities and/or indexes of fixed income securities, the aggregate gross notional value of such exposure shall meet the criteria set forth in BZX Rule 14.11(i)(4)(C)(i) and (ii) (including gross notional exposures), respectively; and (b) made other non-substantive, technical, and clarifying corrections to the proposal. Because Amendment No. 2 does not materially alter the substance of the proposed rule change or raise unique or novel regulatory issues under the Act, Amendment No. 2 is not subject to notice and comment. Amendment No. 2 to the proposed rule change is available at: *https://www.sec.gov/comments/sr-cboebzx-2018-076/srcboebzx2018076-4716146-176693.pdf.*

[6] *See* Registration Statement on Form N–1A for the Trust, dated July 27, 2018 (File Nos. 333–204808 and 811–23066). According to the Exchange, the Trust has obtained an order granting certain exemptive relief under the Investment Company Act of 1940 (''1940 Act''). *See* Investment Company Act Release No. 29571 (May 16, 2017) (File No. 812–32367).

[7] The Exchange represents that the Adviser is not a registered broker-dealer and is not currently affiliated with any broker-dealers. In addition, the Exchange represents that Adviser personnel who make decisions regarding the Fund's portfolio are subject to procedures designed to prevent the use and dissemination of material nonpublic information regarding the Fund's portfolio. In the event that (a) the Adviser becomes registered as a broker-dealer or newly affiliated with a broker-dealer, or (b) any new adviser or sub-adviser is a registered broker-dealer or becomes affiliated with a broker-dealer, it will implement and maintain a fire wall with respect to its relevant personnel or such broker-dealer affiliate, as applicable, regarding access to information concerning the composition of, and/or changes to, the portfolio, and will be subject to procedures designed to prevent the use and dissemination of material non-public information regarding such portfolio.

[8] The Fund's Primary Benchmark Index is the S&P 500 Index.

[9] As defined in BZX Rule 14.11(i)(3)(E), the term ''Normal Market Conditions'' includes, but is not limited to, the absence of trading halts in the applicable financial markets generally; operational issues causing dissemination of inaccurate market information or system failures; or force majeure type events such as natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labor disruption, or any similar intervening circumstance.

[10] BZX Rule 14.11(i)(4)(C)(v) provides that ''the portfolio may, on both an initial and continuing basis, hold OTC derivatives, including forwards, options, and swaps on commodities, currencies and financial instruments (*e.g.,* stocks, fixed income, interest rates, and volatility) or a basket or index of any of the foregoing, however the aggregate gross notional value of OTC derivatives [sic] shall not exceed 20% of the weight of the portfolio (including gross notional exposures).''

[11] In particular, the Exchange notes that the Fund will meet the requirements of BZX Rule 14.11(i)(4)(C)(vi), which requires that, to the extent that listed or OTC derivatives are used to gain exposure to individual equities and/or fixed income securities, or to indexes of equities and/or indexes of fixed income securities, the aggregate gross

Continued

The Adviser will allocate the Fund's assets based on two proprietary investment models. The Adviser's first investment model will identify trends for the individual sectors within its Primary Benchmark Index. Each month, the model will analyze the strength of the US economy and rank the sectors of its Primary Benchmark Index based on a blend of various technical momentum indicators, volatility gauges, and valuation multiples. When the economy appears healthy, sectors with the highest risk-adjusted returns (lower volatility and higher price momentum) and the lowest valuations (lower price ratios) are ranked higher. When the economy appears unhealthy, sectors with more stable price movements and lower volatility are ranked higher. The Fund will invest in the top four sectors in an equal weight. In order to achieve such exposure, the Fund will use OTC swap contracts that reference each applicable sector index (''Sector Swaps'').[12] In the event that such Sector Swaps are unavailable or the pricing for such contracts are unfavorable, the Fund may attempt to replicate the desired equity exposure by purchasing some or all of the equity securities that are listed on a U.S. national securities exchange, including ETFs,[13] comprising the top four sectors at the time.[14] If the model indicates the market is doing poorly, and if not enough sectors pass the screening criteria, the Fund can invest a portion or all of its assets in cash or Cash Equivalents.[15] The Exchange is proposing to allow the Fund to hold up to 75% of the weight of its portfolio (including gross notional exposure) in Sector Swaps, collectively, in a manner that may not comply with 14.11(i)(4)(C)(v).[16]

The Adviser's second investment model is used to manage an active bond allocation exclusively through holding fixed income ETFs. This model analyzes various major fixed income asset classes (U.S. treasuries, investment grade U.S. bonds, high-yield U.S. bonds, high-yield municipal bonds, and floating rate bonds) based on a blend of yield spreads, interest rates, and price momentum. Following the ranking process, the Fund will invest in ETFs based on the highest-ranked asset classes, with the lowest ranked asset classes left out of the Fund.[17] When not enough of the asset classes meet the model's criteria, the Fund may invest heavily in cash or Cash Equivalents until more asset classes become favorable for investing.

III. Discussion and Commission Findings

After careful review, the Commission finds that the Exchange's proposal to list and trade the Shares, as modified by Amendment Nos. 1 and 2, is consistent with the Act and the rules and regulations thereunder applicable to a national securities exchange.[18] In particular, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,[19] which requires, among other things, that the Exchange's rules be 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 a national market system, and, in general, to protect investors and the public interest. The Commission also finds that the proposal to list and trade the Shares on the Exchange is consistent with Section 11A(a)(1)(C)(iii) of the Act[20] which sets forth Congress' finding that it is in the public interest and appropriate for the protection of investors and the maintenance of fair and orderly markets to assure the availability to brokers, dealers and investors of information with respect to quotations for and transactions in securities.

According to the Exchange, apart from the exception to BZX Rule 14.11(i)(4)(C)(v) described above, the Fund's proposed investments will satisfy, on an initial and continued listing basis, all of the generic listing standards under BZX Rule 14.11(i)(4)(C) and all other applicable requirements for Managed Fund Shares under Rule 14.11(i). In addition, the Exchange represents that the Shares of the Fund will comply with all other requirements applicable to Managed Fund Shares including, but not limited to, requirements relating to the dissemination of key information such as the Disclosed Portfolio, Net Asset Value (''NAV''), and the Intraday Indicative Value, rules governing the trading of equity securities, trading hours, trading halts, surveillance, firewalls, and the information circular, as set forth in Exchange rules applicable to Managed Fund Shares and the orders approving such rules.

The Exchange also represents that the intra-day, closing, and settlement prices of exchange-traded portfolio assets, including equity securities, will be readily available from the securities exchanges trading such securities, automated quotation systems, published or other public sources, or online information services such as Bloomberg or Reuters. Intraday price quotations on OTC swaps and fixed income instruments are available from major broker-dealer firms and from third-parties, which may provide prices free with a time delay or in real-time for a paid fee. Price information for Cash Equivalents will be available from major market data vendors. In addition, the Disclosed Portfolio will be available on the issuer's website free of charge. The

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notional value of such exposure shall meet the criteria set forth in BZX Rule 14.11(i)(4)(C)(i) and (ii) (including gross notional exposures), respectively.

[12] The Fund will attempt to limit counterparty risk in non-cleared swap contracts by entering into such contracts only with counterparties the Adviser believes are creditworthy and by limiting the Fund's exposure to each counterparty. The Adviser will monitor the creditworthiness of each counterparty and the Fund's exposure to each counterparty on an ongoing basis. The Sector Swaps will reference the individual sector indices that underlie the Primary Benchmark Index, which include S&P 500 Consumer Discretionary, S&P 500 Consumer Staples, S&P 500 Health Care, S&P 500 Industrials, S&P 500 Information Technology, S&P 500 Materials, S&P 500 Real Estate, S&P 500 Telecommunication Services, S&P 500 Utilities, S&P 500 Financials, and S&P 500 Energy (individually, ''Primary Benchmark Sector Index,'' and, collectively, ''Primary Benchmark Sector Indexes''). The Exchange notes that the Primary Benchmark Index and each Primary Benchmark Sector Index separately meet the generic listing standards applicable to Index Fund Shares under BZX Rule 14.11(c)(3)(A)(i).

[13] For purposes of this proposal, the term ETF includes Portfolio Depositary Receipts, Index Fund Shares, and Managed Fund Shares as defined in BZX Rules 14.11(b), (c), and (i), respectively, and their equivalents on other national securities exchanges.

[14] Such equity securities may include either component securities of the Primary Benchmark Index, ETFs based on the Primary Benchmark Index, or ETFs based on the sectors underlying the Primary Benchmark Index. Any such holdings will meet the listing requirements for U.S. Component Stocks as provided in BZX Rule 14.11(i)(4)(C)(i)(a).

[15] As defined in BZX Rule 14.11(i)(4)(C)(iii)(b), Cash Equivalents are short-term instruments with maturities of less than three months, which includes only the following: (i) U.S. Government securities, including bills, notes, and bonds differing as to maturity and rates of interest, which are either issued or guaranteed by the U.S. Treasury or by U.S. Government agencies or instrumentalities; (ii) certificates of deposit issued against funds deposited in a bank or savings and loan association; (iii) bankers acceptances, which are short-term credit instruments used to finance commercial transactions; (iv) repurchase agreements and reverse repurchase agreements; (v) bank time deposits, which are monies kept on deposit with banks or savings and loan associations for a stated period of time at a fixed rate of interest; (vi) commercial paper, which are short-term unsecured promissory notes; and (vii) money market funds.

[16] *See supra* note 10.

[17] All of the Fund's investments made pursuant to this second investment model will meet the listing requirements for U.S. equity securities as provided in BZX Rule 14.11(i)(4)(C)(i)(a).

[18] In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. *See* 15 U.S.C. 78c(f).

[19] 15 U.S.C. 78f(b)(5).

[20] 15 U.S.C. 78k–1(a)(1)(C)(iii)

Fund's website includes a form of the prospectus for the Fund and additional information related to NAV and other applicable quantitative information. Information regarding market price and trading volume of the Shares will be continuously available throughout the day on brokers' computer screens and other electronic services. Quotation and last-sale information on the Shares will be available through the Consolidated Tape Association. Trading in the Shares may be halted for market conditions or for reasons that, in the view of the Exchange, make trading inadvisable. The Exchange deems the Shares to be equity securities, thus rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities. The Exchange represents that it has appropriate rules to facilitate trading in the Shares during all trading sessions.

The Commission notes that, in support of its proposal, the Exchange has made the following additional representations:

(1) As noted above, the Exchange represents that, apart from the exception to BZX Rule 14.11(i)(4)(C)(v) relating to holdings in OTC derivatives, the Fund will meet and be subject to all other requirements of the generic listing standards and other applicable continued listing requirements for Managed Fund Shares under BZX Rule 14.11(i), including those requirements regarding the Disclosed Portfolio and the requirement that the Disclosed Portfolio and the NAV will be made available to all market participants at the same time,[21] Intraday Indicative Value,[22] suspension of trading or removal,[23] trading halts,[24] disclosure,[25] and firewalls.[26]

(2) Trading of the Shares through the Exchange will be subject to the Exchange's surveillance procedures for derivative products, including Managed Fund Shares. All of the equity securities held by the Fund will trade on markets that are a member of Intermarket Surveillance Group (''ISG'') or affiliated with a member of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement. The Exchange, the Financial Industry Regulatory Authority, Inc. (''FINRA''), on behalf of the Exchange, or both will communicate regarding trading in the Shares and the underlying equity securities held by the Fund with the ISG, other markets or entities who are members or affiliates of the ISG, or with which the Exchange has entered into a comprehensive surveillance sharing agreement. The Exchange, FINRA, on behalf of the Exchange, or both may obtain information regarding trading in the Shares and the underlying equity securities held by the Fund via the ISG from other markets or entities who are members or affiliates of the ISG or with which the Exchange has entered into a comprehensive surveillance sharing agreement. Additionally, the Exchange or FINRA, on behalf of the Exchange, may access, as needed, trade information for certain fixed income instruments reported to FINRA's Trade Reporting and Compliance Engine. The Exchange has a policy prohibiting the distribution of material non-public information by its employees.

(3) Prior to the commencement of trading, the Exchange will inform its members in an Information Circular of the special characteristics and risks associated with trading the Shares. Specifically, the Information Circular will discuss the following: (a) The procedures for purchases and redemptions of Shares in Creation Units (and that Shares are not individually redeemable); (b) BZX Rule 3.7, which imposes suitability obligations on Exchange members with respect to recommending transactions in the Shares to customers; (c) how information regarding the Intraday Indicative Value and the Disclosed Portfolio is disseminated; (d) the risks involved in trading the Shares during the Pre-Opening[27] and After Hours Trading Sessions[28] when an updated Intraday Indicative Value and Underlying Index value will not be calculated or publicly disseminated; (e) the requirement that members deliver a prospectus to investors purchasing newly issued Shares prior to or concurrently with the confirmation of a transaction; and (f) trading information. In addition, the Information Circular will advise members, prior to the commencement of trading, of the prospectus delivery requirements applicable to the Fund. Members purchasing Shares from the Fund for resale to investors will deliver a prospectus to such investors. The Information Circular will also discuss any exemptive, no-action, and interpretive relief granted by the Commission from any rules under the Act.

(4) The Fund's investments, including derivatives, will be consistent with the 1940 Act, and the Fund's investment objective and policies and will not be used to enhance leverage (although certain derivatives and other investments may result in leverage).[29]

(5) The Fund's investments will not be used to seek performance that is the multiple or inverse multiple (*i.e.,* 2Xs and 3Xs) of the Fund's primary broad-based securities benchmark index (as defined in Form N–1A).

(6) The Fund will only use those derivatives included in the defined term ''Sector Swaps.'' The Fund's use of derivative instruments will be collateralized.

(7) The Trust is required to comply with Rule 10A–3 under the Act[30] for the initial and continued listing of the Shares of the Fund, and at least 100,000 Shares will be outstanding upon the commencement of trading.

(8) The Fund will attempt to limit counterparty risk in Sector Swaps by entering into such contracts only with counterparties the Adviser believes are creditworthy and by limiting the Fund's exposure to each counterparty. The Adviser will monitor the creditworthiness of each counterparty and the Fund's exposure to each counterparty on an ongoing basis.

(9) All statements and representations made in this filing regarding the description of the portfolio or reference assets, limitations on portfolio holdings or reference assets, dissemination and availability of index, reference asset, and intraday indicative values, and the applicability of Exchange rules specified in this filing shall constitute continued listing requirements for the Fund. The issuer has represented to the Exchange that it will advise the Exchange of any failure by the Fund or the Shares to comply with the continued listing requirements, and, pursuant to its

[21] *See* Rules 14.11(i)(4)(A)(ii) and 14.11(i)(4)(B)(ii).

[22] *See* Rule 14.11(i)(4)(B)(i).

[23] *See* Rule 14.11(i)(4)(B)(iii).

[24] *See* Rule 14.11(i)(4)(B)(iv).

[25] *See* Rule 14.11(i)(6).

[26] *See* Rule 14.11(i)(7).

[27] The Pre-Opening Session is from 8:00 a.m. to 9:30 a.m. Eastern Time.

[28] The After Hours Trading Session is from 4:00 p.m. to 5:00 p.m. Eastern Time.

[29] According to the Exchange, the Fund will include appropriate risk disclosure in its offering documents, including leveraging risk, which is the risk that certain transactions of a fund, including a fund's use of derivatives, may give rise to leverage, causing a fund to be more volatile than if it had not been leveraged. The Fund's investments in derivative instruments will be made in accordance with the 1940 Act and consistent with the Fund's investment objective and policies. To mitigate leveraging risk, the Fund will segregate or earmark liquid assets determined to be liquid by the Adviser in accordance with procedures established by the Trust's Board and in accordance with the 1940 Act (or, as permitted by applicable regulations, enter into certain offsetting positions) to cover its obligations under derivative instruments. These procedures have been adopted consistent with Section 18 of the 1940 Act and related Commission guidance.

[30] *See* 17 CFR 240.10A–3.

obligations under Section 19(g)(1) of the Act, the Exchange will surveil for compliance with the continued listing requirements. If the Fund or the Shares are not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures under Exchange Rule 14.12.

This approval order is based on all of the Exchange's representations and description of the Shares and the Fund, including those set forth above and in Amendment Nos. 1 and 2 to the proposed rule change. Except as described herein, the Commission notes that the Shares must comply with all applicable requirements of BZX Rule 14.11(i) to be listed and traded on the Exchange on an initial and continuing basis.

For the foregoing reasons, the Commission finds that the proposed rule change, as modified by Amendment Nos. 1 and 2, is consistent with Section 6(b)(5) of the Act [31] and the rules and regulations thereunder applicable to a national securities exchange.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,[32] that the proposed rule change (SR–CboeBZX–2017–076), as modified by Amendment Nos. 1 and 2, be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[33]

Eduardo A. Aleman,

Assistant Secretary.

[FR Doc. 2018–26735 Filed 12–10–18; 8:45 am]

BILLING CODE 8011–01–P

[31] 15 U.S.C. 78f(b)(5).

[32] 15 U.S.C. 78s(b)(2).

[33] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–84723; File No. SR–NASDAQ–2018–097]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Delay a New Protocol "Ouch to Trade Options" or "OTTO" on The Nasdaq Options Market LLC ("NOM")

December 4, 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 November 26, 2018, The Nasdaq Stock Market LLC (''Nasdaq'' or ''Exchange'') 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 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 a proposal to delay a new protocol ''Ouch to Trade Options'' or ''OTTO'' on The Nasdaq Options Market LLC (''NOM'').

The text of the proposed rule change is available on the Exchange's website at *http://nasdaq.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

Nasdaq recently filed a rule change [3] which adopted a new protocol ''Ouch to Trade Options'' or ''OTTO'' [4] and renamed and modified the current OTTO protocol as ''Quote Using Orders'' or ''QUO''.[5] The Prior Rule Change, which is effective but not yet operative, renamed and modified the current OTTO protocol to ''QUO.'' The Exchange subsequently filed a rule change to amend Chapter VI, Section 6(e), titled ''Detection of Loss of Communication'' which describes the impact to NOM protocols in the event of a loss of a communication. The Exchange accounted for both the new OTTO and renamed and modified QUO within this rule. Similarly, the Exchange amended Chapter VI, Section 8, ''Nasdaq Opening and Halt Cross'' to account for the new OTTO and renamed and modified QUO within this rule. Finally, the Exchange amended Chapter VI, Section 19, ''Data Feeds and Trade Information'' to amend ''OTTO DROP'' to ''QUO DROP'' and noted within Chapter VI, Section 18(a)(1) related to Order Price Protection rule or ''OPP'' that OPP shall not apply to orders entered through QUO.[6]

Both the Prior Rule Change and the Subsequent Rule Change indicated the aforementioned rule changes would be implemented for QUO and OTTO in Q4 of 2018 with the date announced via an Options Traders Alert. At this time, the Exchange proposes to immediately implement QUO and delay the introduction of new OTTO functionality until Q1 2019 by announcing the date of implementation via an Options Traders Alert. The Exchange proposes to provide for the delay of the OTTO functionality by inserting the following rule text at the beginning of NOM Rules at Chapter VI, Sections 6, 9 and 21 to make clear that OTTO functionality is not yet implemented: ''OTTO functionality implementation shall be delayed until Q1 2019. The Exchange will issue an Options Trader Alert notifying Participants when this functionality will be available.''

The Exchange proposes this delay to allow the Exchange additional time to implement this functionality and for

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

[2] 17 CFR 240.19b–4.

[3] *See* Securities Exchange Act Release No. 83888 (August 20, 2018), 83 FR 42954 (August 24, 2018) (SR–NASDAQ–2018–069) (''Prior Rule Change''). This rule change is immediately effective but will not be operative until such time as the Exchange issues an Options Trader Alert announcing the implementation date. This notification will be issued in Q4 2018. The Exchange notes that this filing renamed and modified the current OTTO protocol as ''QUO'' and also proposed the adoption of a new OTTO protocol.

[4] New OTTO is an interface that allows Participants and their Sponsored Customers to connect, send, and receive messages related to orders to and from the Exchange. Features include the following: (1) Options symbol directory messages (*e.g.,* underlying); (2) system event messages (*e.g.,* start of trading hours messages and start of opening); (3) trading action messages (*e.g.,* halts and resumes); (4) execution messages; (5) order messages; and (6) risk protection triggers and cancel notifications. *See* NOM Rules at Chapter VI, Section 21(a)(i)(C).

[5] QUO is an interface that allows NOM Market Makers to connect, send, and receive messages related to single-sided orders to and from the Exchange. Order Features include the following: (1) Options symbol directory messages (*e.g.,* underlying); (2) system event messages (*e.g.,* start of trading hours messages and start of opening); (3) trading action messages (*e.g.,* halts and resumes); (4) execution messages; (5) order messages; and (6) risk protection triggers and cancel notifications. Orders submitted by NOM Market Makers over this interface are treated as quotes. *See* NOM Rules at Chapter VI, Section 21(a)(i)(D).

[6] *See* Securities Exchange Act Release No. 84559 (November 9, 2019), 83 FR 57774 (November 16, 2018) (SR–NASDAQ–2018–085) (''Subsequent Rule Change'').