

requirements and the same continuing education fees. Thus, the proposal treats similarly situated persons in the same way.

*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 Exchange believes that the foregoing proposed rule change may take effect upon filing with the Commission pursuant to Section 19(b)(3)(A) <sup>16</sup> of the Act and Rule 19b-4(f)(6)(iii) thereunder <sup>17</sup> 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.

The Exchange has requested that the Commission waive the 30-day operative delay. The proposed rule change: specifies the continuing education requirements that currently apply to registered persons; adopts a continuing education requirement, the S501, and a related fee for persons registered as Proprietary Traders; and corrects the Exchange's fee schedule to reflect the proper fee, \$100 rather than \$75, for the S101 and S201. Waiver of the operative delay would allow the Exchange to clarify and correct its rules and implement the proposed rule change at once, enabling its Members to comply with their continuing education requirements in a timely manner, and thus is consistent with the protection of investors and the public interest. Therefore, the Commission designates the proposal operative upon filing. <sup>18</sup>

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:

*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-BX-2013-049 on the subject line.

*Paper Comments*

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-BX-2013-049. 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 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-BX-2013-049 and should

be submitted on or before October 1, 2013.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority. <sup>19</sup>

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

[FR Doc. 2013-21929 Filed 9-9-13; 8:45 am]

BILLING CODE 8011-01-P

**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-70320; File No. SR-NASDAQ-2013-111]

**Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Adopt a Time-Limited Waiver of the Monthly Subscription Fee for New and Existing Subscribers to the Equity Trade Journal for Clearing Firms Service under Rule 7060**

September 4, 2013.

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 August 28, 2013 The NASDAQ Stock Market LLC ("NASDAQ" or the "Exchange") filed with the Securities and Exchange Commission ("Commission") a 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**

NASDAQ is proposing to amend the fees assessed under Rule 7060. NASDAQ will offer the fee waiver to new subscriptions for the month of September 2013.

The text of the proposed rule change is below. Proposed new language is underlined; proposed deletions are in brackets.

\* \* \* \* \*

7060. Equity Trade Journal for Clearing Firms

The Equity Trade Journal for Clearing Firms service is accessed via [NasdaqTrader.com](http://NasdaqTrader.com) and provides member clearing firms with daily and ad hoc reports of correspondent trading activity associated with the subscribing member firm's clearing number. Equity

<sup>16</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>17</sup> 17 CFR 240.19b-4(f)(6)(iii). 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>18</sup> For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>19</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.

Trade Journal for Clearing Firms is offered [at no cost beginning November 15, 2012, and ] according to the

following fee schedule[ beginning January 2, 2013]:

Tier	Number of correspondent MPIDs	Monthly fee
Tier 1 .....	daily reports for 1–10 correspondent MPIDs .....	\$750
Tier 2 .....	daily reports for 11–20 correspondent MPIDs .....	1,000
Tier 3 .....	daily reports for 21–30 correspondent MPIDs .....	1,250
Tier 4 .....	daily reports for 31–40 correspondent MPIDs .....	1,500
Tier 5 .....	daily reports for 41 or more correspondent MPIDs .....	1,750

*The above fees are waived for the month of September 2013 for new and existing subscribers. Normal fees will apply to all subscribers beginning October 2013.*

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

In its filing with the Commission, NASDAQ 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 Statutory Basis for, the Proposed Rule Change

#### 1. Purpose

The Exchange is proposing to waive subscription fees for the Equity Trade Journal for Clearing Firms ("ETJ Clearing") service for all subscribers to the service during the month of September 2013. ETJ Clearing provides clearing member firms with daily and ad hoc reports of correspondent trading activity associated with the subscribing member firm's clearing number<sup>3</sup> and which is accessed via *NasdaqTrader.com*. NASDAQ offered the service at no cost between November 15, 2012 to January 2, 2013, and for a fee according to the tiered fee schedule thereafter. In an effort to promote the service among member firms that are not subscribers to the service, NASDAQ is proposing an additional free period available to both new and existing subscribers for the month of September 2013. NASDAQ is offering the service at no cost for the

month of September 2013 to encourage member firms that have not yet subscribed to subscribe; however, both new and existing subscribers will benefit from the free period. Normal fees will apply to all subscribers, new and existing, thereafter. In amending the rule text, NASDAQ is deleting references to the expired free period and timing of the service's launch.

#### 2. Statutory Basis

NASDAQ believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,<sup>4</sup> in general, and Section 6(b)(4) of the Act,<sup>5</sup> in particular, because it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system that NASDAQ operates or controls, and it does not unfairly discriminate between customers, issuers, brokers or dealers. The proposed fee waiver is reasonable because it will result in a reduction of fees during the month of September 2013 for all subscribers, thereby reducing the fees that they will ultimately pay for the service this year. The proposed fee waiver is equitable and not unfairly discriminatory because the Exchange is applying the waiver to all subscribers to the service and, as a consequence, the fee waiver does not discriminate in any way among member firms. NASDAQ notes that it is attempting to increase the subscriber base of the service, which, as discussed below, may benefit all subscribers. With a larger base of subscribers, the Exchange is able to allocate the fixed costs of the service among more subscribers, which in turn allows the Exchange to either delay or limit the frequency of any increases to the fees assessed for the service in response to increases in fixed costs. As such, any promotional free period offered to encourage new subscription to the service also may benefit existing subscribers. Accordingly, the proposed

time-limited fee waiver is equitable [sic] not unfairly discriminatory.

### B. Self-Regulatory Organization's Statement on Burden on Competition

NASDAQ does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended. Waiver of the subscription fee for all subscribers will result in lower fees, which are generally seen as indicative of the presence of competition. Moreover, the proposed fee waiver may promote broader subscription to the service, thus allowing NASDAQ to allocate the fixed costs of the subscription among a larger pool of subscribers and thereby delay or reduce the frequency of future fee increases resulting from increases in fixed costs experienced by NASDAQ. Finally, by providing a service that allows members to run and store reports on its [sic] correspondents' trading activity, NASDAQ hopes to promote competition among other trading centers by providing useful analytical tools to its member firms.

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

Written comments were neither solicited nor received.

## III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing change has become effective pursuant to Section 19(b)(3)(A) of the Act,<sup>6</sup> and paragraph (f)(2)<sup>7</sup> of Rule 19b-4, thereunder as it establishes or changes a due, fee, or other charge. 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 necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of

<sup>3</sup> Clearing member firms have unique clearing numbers that their correspondents use to identify the clearing firm associated with each trade.

<sup>4</sup> 15 U.S.C. 78f.

<sup>5</sup> 15 U.S.C. 78f(b)(4).

<sup>6</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>7</sup> 17 CFR 240.19b-4(f)(2).

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-NASDAQ-2013-111 on the subject line.

##### *Paper Comments*

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-NASDAQ-2013-111. 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 NASDAQ. 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-

NASDAQ-2013-111, and should be submitted on or before October 1, 2013.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>8</sup>

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

[FR Doc. 2013-21936 Filed 9-9-13; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-70312; File No. SR-FINRA-2013-037]

### Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing of a Proposed Rule Change To Amend FINRA Rule 5131 (New Issue Allocations and Distributions)

September 4, 2013.

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 August 23, 2013, 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 FINRA Rule 5131 (New Issue Allocations and Distributions) to provide a limited exception to allow members to rely on written representations from certain accounts to comply with Rule 5131(b).

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

FINRA Rule 5131 (New Issue Allocations and Distributions) (the "Rule") addresses abuses in the allocation and distribution of "new issues."<sup>3</sup> Rule 5131(b) prohibits the practice of spinning, which refers to an underwriter's allocation of new issue shares to executive officers and directors of a company as an inducement to award the underwriter with investment banking business, or as consideration for investment banking business previously awarded (the "spinning" provision).

Specifically, the spinning provision provides that no member or person associated with a member may allocate shares of a new issue to any account in which an executive officer or director of a public company<sup>4</sup> or a covered non-public company,<sup>5</sup> or a person materially supported<sup>6</sup> by such executive officer or director, has a beneficial interest:<sup>7</sup>

- If the company is currently an investment banking services<sup>8</sup> client of the member or the member has received compensation from the company for

<sup>3</sup> Rule 5131 provides that "new issue" shall have the same meaning as in Rule 5130(i)(9).

<sup>4</sup> A "public company" is any company that is registered under Section 12 of the Exchange Act or files periodic reports pursuant to Section 15(d) thereof. See Rule 5131(e)(1).

<sup>5</sup> The Rule defines a "covered non-public company" as any non-public company satisfying the following criteria: (i) Income of at least \$1 million in the last fiscal year or in two of the last three fiscal years and shareholders' equity of at least \$15 million; (ii) shareholders' equity of at least \$30 million and a two-year operating history; or (iii) total assets and total revenue of at least \$75 million in the latest fiscal year or in two of the last three fiscal years. See Rule 5131(e)(3).

<sup>6</sup> "Material support" means directly or indirectly providing more than 25% of a person's income in the prior calendar year. Persons living in the same household are deemed to be providing each other with material support. See Rule 5131(e)(6).

<sup>7</sup> The Rule provides that the term "beneficial interest" shall have the same meaning as in Rule 5130(i)(1).

<sup>8</sup> "Investment banking services" include, without limitation, acting as an underwriter, participating in a selling group in an offering for the issuer or otherwise acting in furtherance of a public offering of the issuer; acting as a financial adviser in a merger, acquisition or other corporate reorganization; providing venture capital, equity lines of credit, private investment, public equity transactions (PIPEs) or similar investments or otherwise acting in furtherance of a private offering of the issuer; or serving as placement agent for the issuer. See Rule 5131(e)(5).

<sup>8</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.