

The Commission finds it appropriate to designate a longer period within which to issue an order approving or disapproving the proposed rule change so that it has sufficient time to consider this proposed rule change. The proposed rule change would permit the listing and trading of shares of the Funds, which intend to invest primarily in exchange-traded funds ("ETFs"), swap agreements, options contracts and futures contracts. Four of the Funds would use the leverage inherent in swaps and other derivatives to give the funds 200% exposure to their investments.

Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,¹⁰ designates August 1, 2014 as the date by which the Commission should either approve or disapprove the proposed rule change (File Number SR-NYSEArca-2013-127), as modified by Amendments No. 1 and No. 2 thereto.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹¹

Kevin M. O'Neill,

Deputy Secretary.

[FR Doc. 2014-12768 Filed 6-2-14; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-72266; File No. SR-OCC-2014-10]

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Require That Intraday Margin Be Collected and Margin Assets Not Be Withdrawn When a Clearing Member's Reasonably Anticipated Settlement Obligations to OCC Would Exceed the Liquidity Resources Available to OCC To Satisfy Such Settlement Obligations

May 28, 2014.

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 May 19, 2014, The Options Clearing Corporation ("OCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II and III below, which Items have been prepared by OCC. OCC filed the proposal pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-

4(f)(1) thereunder⁴ so that the proposal was effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change

This proposed rule change by OCC would amend OCC's Rules to require (rather than continue to permit as a discretionary determination) that intraday margin be collected and margin assets not be withdrawn when a clearing member's reasonably anticipated settlement obligations to OCC would exceed the liquidity resources available to OCC to satisfy such settlement obligations.

II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, OCC 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. OCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.

(A) Clearing Agency'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 modify existing OCC Rules 608 and 609 (collectively, the "Rules"), which address the withdrawal of margin and deposit of intra-day margin, respectively. More specifically, OCC is proposing to modify these Rules to require that intraday margin be collected and to preclude margin assets from being withdrawn, to the extent that a clearing member's reasonably anticipated settlement obligations to OCC would exceed the liquidity resources available to OCC to satisfy such settlement obligations (a "Liquidity Situation").

OCC Rule 608 ("Rule 608") already permits OCC to prohibit margin withdrawals in a Liquidity Situation, and OCC Rule 609 ("Rule 609") already permits OCC to require the collection of intraday margin in a Liquidity Situation. In 2012,⁵ OCC adopted an interpretation

under each of the Rules to put clearing members on notice that OCC may refuse a margin withdrawal request or request additional intra-day margin where a clearing member's future settlement obligations could result in a need for liquidity in excess of liquidity resources available to OCC. In adopting the interpretations, OCC made it clear that such action might be taken even though OCC has made no adverse determination as to the financial condition of the clearing member,⁶ the market risk of the clearing member's positions, or the adequacy of the clearing member's total overall margin deposit in the accounts in question.

OCC further identified that a circumstance in which OCC might desire to reject a margin withdrawal request or make an intra-day margin call to ensure it had sufficient liquidity concerned the "unwinding" of a "box spread" position. A box spread position involves a combination of two long and two short options on the same underlying interest with the same expiration date that results in an amount to be paid or received upon settlement that is fixed regardless of fluctuations in the price of the underlying interest. Box spreads can be used as financing transactions, and they may require very large fixed payments upon expiration. In this situation, if much of the margin deposited by the relevant clearing member is in the form of common stock and if the clearing member failed to make the settlement payment, the available liquidity resources might be insufficient to cover the settlement obligation. In anticipation of this settlement, OCC might therefore require the clearing member to deposit intra-day margin in the form of cash, or reject a requested withdrawal of cash or U.S. Government securities, so that liquidity resources would be sufficient to cover the clearing member's obligations. Under the adopted interpretations, OCC would always include margin assets of the relevant clearing member in the form of cash in determining available liquidity resources and could, in its discretion, consider the amount of margin assets in the form of highly liquid U.S. Government securities and/or the amount that OCC would be able to borrow on short order.

Since the adoption of these interpretations, OCC has effected margin calls and precluded clearing members from withdrawing liquid forms of margin assets in three instances, each of which involved the "unwind" of a box

¹⁰ *Id.*

¹¹ 17 CFR 200.30-3(a)(57).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(1).

⁵ See Securities Exchange Act Release No. 68308 (November 28, 2012), 77 FR 71848 (December 4, 2012) (SR-OCC-2012-21).

⁶ *Id.* at 71849.

spread.⁷ In two instances, the affected clearing member had sufficient “liquid” forms of margin (i.e., cash and cash equivalents) already on deposit with OCC to meet the applicable intraday margin calls.⁸ However, in the third instance, the affected clearing member did not have a sufficient amount of liquid forms of margin on deposit with OCC and was required to make a margin deposit in the form of cash.⁹ In all of the instances, the amount of margin that OCC prohibited from being withdrawn was less than thirty percent of the affected clearing member’s total margin deposit at OCC.

While the current rule authority has achieved its intended purpose, going forward, and for the protection of its clearing members and the public, OCC believes it should make the margin withdrawal prohibition and the intraday collection of margin mandatory, not discretionary, in a Liquidity Situation. Moreover, making these actions mandatory in a Liquidity Situation would create greater certainty that OCC’s liquidity resources, under such circumstances, would be sufficient to cover the clearing member’s settlement obligations.

Accordingly, the proposed changes to Rules 608 and 609 would make OCC’s application of the withdrawal restriction and intraday margin collection requirement non-discretionary in a Liquidity Situation. Additional amendments to Interpretation & Policy .02 to Rule 608 and Interpretation & Policy .01 to Rule 609 are designed to remove any references suggesting that the margin withdrawal restriction or intraday margin collection requirement, respectively, is discretionary.

OCC has already provided its clearing members with notification concerning the proposed rule change. In addition, OCC individually contacted the clearing members that OCC identified to be most affected by the proposed rule change. No concerns were raised.

2. Statutory Basis

OCC believes the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act,¹⁰ and the rules and regulations thereunder, including Rule 17Ad-22(b)(3),¹¹ because the proposed rule change provides for the safeguarding of securities and funds in the custody and control of OCC for which it is responsible as well as ensuring that OCC maintains sufficient liquid financial resources to withstand the default of a clearing member to which it has the largest exposure in extreme, but plausible, market conditions. The proposed change will enhance OCC’s margin policies by making certain intra-day margin calls and certain prohibitions of margin withdrawals mandatory rather than discretionary, thereby strengthening OCC’s risk management process as it relates to OCC’s access to financial resources with minimal delay in the event of clearing member default (including the default of the clearing member to which OCC has the largest exposure) in extreme, but plausible, market conditions. Improving OCC’s available liquid financial resources enhances OCC’s financial stability and, consequently, reduces systemic risk within the financial system as a whole. Additionally, making the margin withdrawal restriction and intraday margin collection requirements mandatory, rather than applied only at OCC’s discretion, furthers the goal of Rule 17Ad-22(d)(1)¹² by ensuring that OCC will maintain written policies and procedures that provide for a well-founded, transparent, and enforceable legal framework for its activities. The proposed rule change is not inconsistent with the existing rules of OCC, including any other rules proposed to be amended.

(B) Clearing Agency’s Statement on Burden on Competition

OCC does not believe that the proposed rule change would impose a burden on competition.¹³ This proposed rule change affects OCC clearing members and OCC believes that the proposed rule change would not disadvantage or favor any particular clearing member in relationship to another clearing member because the non-discretionary margin collection requirements and margin withdrawal restrictions will be applied equally to every clearing member in a Liquidity Situation. Accordingly, the proposed

rule change will not impose any burden on competition.

(C) Clearing Agency’s Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

Written comments on the proposed rule change were not and are not intended to be solicited with respect to the proposed rule change and none have been 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) of the Act¹⁴ and paragraph (f)(1) of Rule 19b-4 thereunder.¹⁵ 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 the purposes of the Act.¹⁶

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. Please include File Number SR-OCC-2014-10 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-OCC-2014-10. 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

⁷ With respect to each of the three instances, there were several different dates on which OCC made an intraday margin call and prohibited the withdrawal of margin assets. Moreover, and with respect to the intraday margin calls, OCC required the clearing member to deposit additional cash, or cash equivalents, so that the clearing member’s anticipated settlement obligation less OCC’s liquid financial resources equaled the amount of the clearing member’s cash, or cash equivalent, margin on deposit at OCC on the day the intraday margin call was made. In this context, OCC only considers letters of credit to be cash equivalents.

⁸ It is not uncommon for clearing members to deposit with OCC amounts in excess of their margin requirement.

⁹ With respect to the one instance, there were several different dates when OCC required the deposit of additional intra-day margin.

¹⁰ 15 U.S.C. 78q-1(b)(3)(F).

¹¹ 17 CFR 240.17Ad-22(b)(3).

¹² 17 CFR 240.17Ad-22(d)(1).

¹³ 15 U.S.C. 78q-1(b)(3)(I).

¹⁴ 15 U.S.C. 78s(b)(3)(A).

¹⁵ 17 CFR 240.19b-4(f)(1).

¹⁶ Notwithstanding the foregoing, implementation of this rule change will be delayed until this rule change is deemed certified under CFTC Regulation § 40.6.

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 OCC and on OCC's Web site (<http://www.theocc.com/about/publications/bylaws.jsp>). 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-OCC-2014-10 and should be submitted on or before June 24, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁷

Kevin M. O'Neill,
Deputy Secretary.

[FR Doc. 2014-12769 Filed 6-2-14; 8:45 am]

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SMALL BUSINESS ADMINISTRATION

[Disaster Declaration #13950 and #13951]

Indiana Disaster Number IN-00054

AGENCY: U.S. Small Business Administration.

ACTION: Amendment 1.

SUMMARY: This is an amendment of the Presidential declaration of a major disaster for Public Assistance Only for the State of Indiana (FEMA-4173-DR), dated 04/22/2014.

Incident: Severe Winter Storm and Snowstorm.

Incident Period: 01/05/2014 through 01/09/2014.

Effective Date: 05/23/2014.

Physical Loan Application Deadline Date: 06/23/2014.

Economic Injury (EIDL) Loan Application Deadline Date: 01/22/2015.

ADDRESSES: Submit completed loan applications to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

FOR FURTHER INFORMATION CONTACT: A. Escobar, Office of Disaster Assistance, U.S. Small Business Administration, 409 3rd Street SW., Suite 6050, Washington, DC 20416.

SUPPLEMENTARY INFORMATION: The notice of the President's major disaster declaration for Private Non-Profit organizations in the State of INDIANA, dated 04/22/2014, is hereby amended to include the following areas as adversely affected by the disaster.

Primary Counties:

Blackford; Clinton; Fulton; Hamilton; Johnson; Lagrange; Marion; Montgomery; Vanderburgh.

All other information in the original declaration remains unchanged.

(Catalog of Federal Domestic Assistance Numbers 59002 and 59008)

James E. Rivera,

Associate Administrator, for Disaster Assistance.

[FR Doc. 2014-12752 Filed 6-2-14; 8:45 am]

BILLING CODE 8025-01-P

SMALL BUSINESS ADMINISTRATION

National Small Business Development Center Advisory Board

AGENCY: U.S. Small Business Administration (SBA).

ACTION: Notice of open Federal Advisory Committee meetings.

SUMMARY: The SBA is issuing this notice to announce the change in date and time and agenda for June 17, 2014 meeting of the National Small Business Development Center (SBDC) Advisory Board.

DATES: The meeting for June will be held on the following date: Wednesday, June 25, 2014 at 2:00 p.m. EST.

ADDRESSES: This meeting will be held via conference call.

SUPPLEMENTARY INFORMATION: Pursuant to section 10(a) of the Federal Advisory Committee Act (5 U.S.C. Appendix 2), SBA announces the meetings of the National SBDC Advisory Board. This Board provides advice and counsel to the SBA Administrator and Associate Administrator for Small Business Development Centers.

The purpose of this meeting is to discuss following issues pertaining to the SBDC Advisory Board:

- SBA Update
- Annual Meetings
- Board Assignments
- Member Roundtable

FOR FURTHER INFORMATION CONTACT: The meeting is open to the public however advance notice of attendance is

requested. Anyone wishing to be a listening participant must contact Monika Nixon by fax or email. Her contact information is Monika Nixon, Program Specialist, 409 Third Street SW., Washington, DC 20416, Phone, 202-205-7310, Fax 202-481-5624, email, monika.nixon@sba.gov.

Additionally, if you need accommodations because of a disability or require additional information, please contact Monika Nixon at the information above.

Diana Doukas,

Committee Management Officer.

[FR Doc. 2014-12751 Filed 6-2-14; 8:45 am]

BILLING CODE 8025-01-P

DEPARTMENT OF STATE

[Public Notice 8753]

Determination by the Secretary of State Relating to Iran Sanctions

AGENCY: Department of State.

This notice is to inform the public that the Secretary of State determined on May 27, 2014, pursuant to Section 1245(d)(4)(D) of the National Defense Authorization Act for Fiscal Year 2012 (NDAA) (Pub. L. 112-81), as amended by the Iran Threat Reduction and Syria Human Rights Act (Pub. L. 112-158), that as of May 27, 2014, each of the following purchasers of oil from Iran has qualified for the 180-day exception outlined in section 1245(d)(4)(D): Malaysia, Singapore, South Africa. The Secretary of State last made exception determinations under Section 1245(d)(4)(D) of the NDAA regarding these purchasers on November 29, 2013.

FOR FURTHER INFORMATION CONTACT: Amos J. Hochstein, Deputy Assistant Secretary of State, Bureau of Energy Resources, (202) 736-7873.

Amos J. Hochstein,

Deputy Assistant Secretary of State, Bureau of Energy Resources, Department of State.

[FR Doc. 2014-12811 Filed 6-2-14; 8:45 am]

BILLING CODE 4710-07-P

DEPARTMENT OF TRANSPORTATION

Office of the Secretary

Notice of Applications for Certificates of Public Convenience and Necessity and Foreign Air Carrier Permits Filed Under Subpart B (Formerly Subpart Q) During the Week Ending May 3, 2014

The following Applications for Certificates of Public Convenience and Necessity and Foreign Air Carrier

¹⁷ 17 CFR 200.30-3(a)(12).