

• Other responsibilities as required upon implementation of PredicTox

A full list of Steering Committee responsibilities, as well as responsibilities of the Chair, may be found on the Reagan-Udall Foundation Web site.

### III. PredicTox Steering Committee Positions and Selection Criteria

RUF is seeking nominations for 7 voting members of the PredicTox Steering Committee, comprised of the following 5 categories:

- Patient Advocate: 1 member
- Pharmaceutical sector: 2 members
- Technology sector: 1 member
- Academia/Research Institute: 2 members

- At Large: 1 member

The Steering Committee will also have 2 members from the FDA (appointed by the FDA) and 1 member from the National Institutes of Health (appointed by the National Institutes of Health). These 3 individuals will be non-voting members.

Nominees for the voting positions will be evaluated by the RUF Board based on the following required criteria for each of the 7 positions:

- Ability to complete Steering Committee responsibilities, listed above
- Currently employed by/volunteering for stakeholder field (*e.g.*, pharmaceutical, academia, patient advocate, etc.) with several years of relevant experience
- Leading expert in their relevant field (based on position, publications, or other experience)
- Working knowledge of at least one of the following areas: Risk assessment; drug safety profiling; pharmacology or systems pharmacology; toxicology or systems toxicology; biostatistics; cardiology; oncology; bioinformatics; ontology; multi-scale modeling; knowledge management platforms; software development; or data sharing
- Prior experience serving on a related or similar governance body
- Understanding of the landscape and the impact on the stakeholder group they are representing with their seat

### IV. Terms of Service

- The PredicTox Steering Committee meets in-person at least twice per year, with teleconferences in between meetings as deemed necessary by the Chair

- Members will serve two or three year, staggered terms, as determined by the RUF Board
- Members do not receive compensation from RUF
- Members can be reimbursed by RUF for actual and reasonable expenses

incurred in support of PredicTox in accordance with applicable law and their specific institutional policies

- Members are subject to the PredicTox Conflict of Interest policies (additional information can be accessed on the Reagan-Udall Foundation Web site)

### V. Nomination Instructions

- The nomination form can be accessed on the Reagan-Udall Foundation Web site
- Individuals may be nominated for 1 or more of the 5 stakeholder categories
- Individuals may nominate themselves or others
- The nomination deadline is August 28, 2015.

Dated: July 20, 2015.

**Jane Reese-Coulbourne,**  
*Executive Director, Reagan-Udall Foundation for the FDA.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-75491; File No. SR-CBOE-2015-064]

### Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to the Options Regulatory Fee

July 20, 2015.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934,<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on July 10, 2015, Chicago Board Options Exchange, Incorporated filed with the Securities and Exchange Commission (the “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

Chicago Board Options Exchange, Incorporated (the “Exchange” or “CBOE”) proposes to amend the Options Regulatory Fee. The text of the proposed rule change is available on the Exchange’s Web site (<http://www.cboe.com/AboutCBOE/>

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

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

[CBOELegalRegulatoryHome.aspx](http://CBOELegalRegulatoryHome.aspx)), at the Exchange’s Office of the Secretary, 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 Exchange proposes to decrease the Options Regulatory Fee (“ORF”) from \$.0086 to \$.0064 per contract in order to help ensure that revenue collected from the ORF, in combination with other regulatory fees and fines, does not exceed the Exchange’s total regulatory costs. The proposed fee change would be operative on August 1, 2015.

The ORF is assessed by the Exchange to each Trading Permit Holder for all options transactions executed or cleared by the Trading Permit Holder that are cleared by The Options Clearing Corporation (“OCC”) in the customer range (*i.e.*, transactions that clear in a customer account at OCC) regardless of the exchange on which the transaction occurs.<sup>3</sup> In other words, the Exchange imposes the ORF on all customer-range transactions executed by a Trading Permit Holder, even if the transactions do not take place on the Exchange. The ORF also is charged for transactions that are not executed by a Trading Permit Holder but are ultimately cleared by a Trading Permit Holder. In the case where a Trading Permit Holder executes a transaction and a different Trading Permit Holder clears the transaction, the ORF is assessed to the Trading Permit Holder who executed the transaction. In the case where a non-Trading Permit Holder executes a transaction and a Trading Permit Holder clears the transaction, the ORF is assessed to the Trading Permit Holder who clears the

<sup>3</sup> The ORF also applies to customer-range transactions executed during Extended Trading Hours.

transaction. The ORF is collected indirectly from Trading Permit Holders through their clearing firms by OCC on behalf of the Exchange.

The ORF is designed to recover a material portion of the costs to the Exchange of the supervision and regulation of Trading Permit Holder customer options business, including performing routine surveillances, investigations, examinations, financial monitoring, as well as policy, rulemaking, interpretive and enforcement activities. The Exchange believes that revenue generated from the ORF, when combined with all of the Exchange's other regulatory fees and fines, will cover a material portion, but not all, of the Exchange's regulatory costs. The Exchange notes that its regulatory responsibilities with respect to Trading Permit Holder compliance with options sales practice rules have largely been allocated to FINRA under a 17d-2 agreement. The ORF is not designed to cover the cost of that options sales practice regulation.

The Exchange will continue to monitor the amount of revenue collected from the ORF to ensure that it, in combination with its other regulatory fees and fines, does not exceed the Exchange's total regulatory costs. The Exchange monitors its regulatory costs and revenues at a minimum on a semi-annual basis. If the Exchange determines regulatory revenues exceed or are insufficient to cover a material portion of its regulatory costs, the Exchange will adjust the ORF by submitting a fee change filing to the Commission. The Exchange notifies Trading Permit Holders of adjustments to the ORF via regulatory circular. The Exchange endeavors to provide Trading Permit Holders with such notice at least 30 calendar days prior to the effective date of the change.

## 2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the "Act") and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.<sup>4</sup> Specifically, the Exchange believes the proposed rule change is consistent with Section 6(b)(4) of the Act,<sup>5</sup> which provides that Exchange rules may provide for the equitable allocation of reasonable dues, fees, and other charges among its Trading Permit Holders and other persons using its facilities. Additionally, the Exchange believes the proposed rule

change is consistent with the Section 6(b)(5)<sup>6</sup> requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes the proposed fee change is reasonable because it would help ensure that revenue collected from the ORF, in combination with other regulatory fees and fines, does not exceed the Exchange's total regulatory costs. Moreover, the Exchange believes the ORF ensures fairness by assessing higher fees to those Trading Permit Holders that require more Exchange regulatory services based on the amount of customer options business they conduct. Regulating customer trading activity is much more labor intensive and requires greater expenditure of human and technical resources than regulating non-customer trading activity, which tends to be more automated and less labor-intensive. As a result, the costs associated with administering the customer component of the Exchange's overall regulatory program are materially higher than the costs associated with administering the non-customer component (e.g., Trading Permit Holder proprietary transactions) of its regulatory program.<sup>7</sup> The Exchange believes the proposed fee change is equitable and not unfairly discriminatory in that it is charged to all Trading Permit Holders on all their transactions that clear in the customer range at the OCC.

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

CBOE does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, because it applies to all Trading Permit Holders. The proposed ORF is comparable to fees charged by other options exchanges for the same or similar service. The Exchange believes any burden on competition imposed by the proposed rule change is outweighed by the need to help the Exchange adequately fund its regulatory activities to ensure compliance with the Exchange Act.

<sup>6</sup> *Id.*

<sup>7</sup> If the Exchange changes its method of funding regulation or if circumstances otherwise change in the future, the Exchange may decide to modify the ORF or assess a separate regulatory fee on Trading Permit Holder proprietary transactions if the Exchange deems it advisable.

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

The Exchange neither solicited nor received comments on the proposed rule change.

## 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 Act<sup>8</sup> and paragraph (f) of Rule 19b-4<sup>9</sup> thereunder. 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. 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-CBOE-2015-064 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-CBOE-2015-064. 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

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

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

<sup>8</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>9</sup> 17 CFR 240.19b-4(f).

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-CBOE-2015-064 and should be submitted on or before August 14, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>10</sup>

**Robert W. Errett,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-75488; File No. SR-Phlx-2015-65]

### Self-Regulatory Organizations; NASDAQ OMX PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Rules 1092 and 124, and Modify the Phlx Pricing Schedule

July 20, 2015.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on July 15, 2015, NASDAQ OMX 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 the Substance of the Proposed Rule Change

The Exchange proposes to (1) amend Rule 1092 to assess a \$500 Appeal Fee against a member or member organization which initiates and loses an appeal of an Options Exchange Official ("Official") determination regarding an Obvious Error or Catastrophic Error, and to pass through other market center charges associated with obvious error determinations; (2) amend Rule 124, to clarify that that the \$250 appeal fee provided for in Rule 124(d) will not apply to appeals of Obvious Error or Catastrophic Error determinations, and (3) to modify the Phlx Pricing Schedule ("Pricing Schedule") to reflect the new \$500 Appeal Fee and pass-through charges from the other market centers.

The text of the proposed rule change is available on the Exchange's Web site at <http://nasdaqomxphlx.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

On May 8, 2015 the Exchange filed a proposed rule change (the "1092 Replacement Filing") to delete Rule 1092, Obvious Errors and Catastrophic Errors, and replace it with new Rule 1092 entitled "Nullification and Adjustment of Options Transactions including Obvious Errors" ("New Rule 1092"). New Rule 1092 also became operative on May 8, 2015.<sup>3</sup>

<sup>3</sup> See SR-Phlx-2015-43. New Rule 1092 harmonizes rules related to the adjustment and nullification of erroneous options transactions with those of other exchanges. The Exchange believes that New Rule 1092, together with comparable rules filed by the other options exchanges, will provide

The purpose of this proposed rule change is to adopt a \$500 Appeal Fee that will apply in the event of unsuccessful appeals of Official determinations rendered pursuant to Section (I) of New Rule 1092 and to permit the Exchange to pass along charges assessed by another market center in connection with Obvious Error and Catastrophic Error determination requests presented to that market center by the Exchange on a member or member organization's behalf. To accommodate this proposed fee change, the Exchange proposes to amend Rule 124, Disputes-Options, to add new language to section (I) of New Rule 1092, and to make conforming changes to the Exchange's Pricing Schedule, as described below.

(I) *\$500 Appeal Fee/Pass Through Charges.* The Exchange proposes to amend section (I) of the New Rule 1092, pursuant to which the Exchange will assess a \$500 fee against members or member organizations who initiate a request for an appeal of an Official's Obvious Error or Catastrophic Error Market Operations Review Committee ("MORC"), where the appeal is unsuccessful and the MORC votes to uphold the Official's determination. Further, the new rule permits the Exchange to pass any resulting charges through to the relevant member or member organization in instances where the Exchange, on behalf of the member or member organization, requests a determination by another market center that a transaction is an Obvious Error or Catastrophic Error.

(II) *Amendment to Rule 124.* Currently, Rule 124(d) provides for assessment of a \$250 fee to a member or member organization seeking review by the MORC of an Official ruling regarding Obvious Errors or Catastrophic Errors if the Official's ruling is sustained and not overturned or modified by the MORC.<sup>4</sup> The Exchange proposes to amend Rule 124(a) to clarify that *no* provision of

transparency and finality with respect to the adjustment and nullification of erroneous options transactions, achieving consistent results for participants across U.S. options exchanges while maintaining a fair and orderly market, protecting investors and protecting the public interest.

<sup>4</sup> Exchange Rule 124(a) currently provides that "[t]his Rule 124(a) shall not apply to options transactions that are the result of an Obvious Error (as defined in Rule 1092)." However, the Exchange currently applies Rule 124(d) to unsuccessful appeals of Official determinations of Obvious Errors to the MORC. The Exchange believes that fees associated with MORC appeals of Obvious Errors or Catastrophic Errors will be more logically set forth in the rulebook in Rule 1092(I) which describes the MORC appeals process for Obvious Errors and Catastrophic Errors.

<sup>10</sup> 17 CFR 200.30-3(a)(12).

<sup>11</sup> 15 U.S.C. 78s(b)(1).

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