

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 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-BATS-2015-110, and should be submitted on or before January 12, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>14</sup>

**Robert W. Errett,**

*Deputy Secretary.*

[FR Doc. 2015-32045 Filed 12-21-15; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-31943; 812-14593]

### Third Avenue Trust and Third Avenue Management LLC; Notice of Application and Temporary Order

December 16, 2015.

**AGENCY:** Securities and Exchange Commission ("Commission").

**ACTION:** Notice of application and a temporary order under Section 22(e)(3) of the Investment Company Act of 1940 (the "Act").

**SUMMARY OF APPLICATION:** Applicants request a temporary order to permit Third Avenue Focused Credit Fund (the "Fund"), a series of Third Avenue Trust (the "Trust"), to suspend the right of redemption of its outstanding redeemable securities.

**APPLICANTS:** The Trust, on behalf of the Fund, and Third Avenue Management LLC (the "Adviser," together with the Trust, the "Applicants").

**FILING DATE:** The application was filed on December 16, 2015.

**HEARING OR NOTIFICATION OF HEARING:** Interested persons may request a hearing by writing to the Commission's Secretary and serving Applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on January 7, 2016, and should be accompanied by proof of service on Applicants, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, any facts bearing upon the desirability of a hearing on the matter, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the Commission's Secretary.

**ADDRESSES:** Secretary, U.S. Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090. Applicants, c/o Third Avenue Management LLC 622 Third Avenue, 32nd Floor, New York, NY 10017.

**FOR FURTHER INFORMATION CONTACT:** David Joire, Senior Special Counsel, at (202) 551-6866 (Division of Investment Management, Chief Counsel's Office).

**SUPPLEMENTARY INFORMATION:** The complete application may be obtained via the Commission's Web site by searching for the file number, or for an applicant using the Company name box, at <http://www.sec.gov/search/search.htm> or by calling (202) 551-8090.

### Background

1. The Adviser is the investment adviser to the Fund. The Adviser is a Delaware limited liability company that is registered as an investment adviser under the Investment Advisers Act of 1940. The Adviser managed assets of approximately \$8 billion as of September 30, 2015.

2. The Trust is a Delaware statutory trust and is registered with the Commission under the 1940 Act as an open-end management investment company with five series. Each series of the Trust has a different investment objective and different investment policies. The Fund is one such series.

3. The Fund is a non-diversified open-end investment company. Its investment objective is to seek long-term total return, which may include investment returns from a combination of sources including capital appreciation, fees and interest income.

4. The Fund has been subject to a significant level of redemption requests by the Fund's investors over the past six months. For example, the Fund has

experienced a total of \$1.1 billion in estimated net outflows for the year to date through December 9, 2015, which was more than 145% of its remaining net asset value at that date. In November 2015, the Fund experienced a total of \$317 million in estimated net redemptions, and the Fund's Institutional Class net asset value per share fell from \$7.81 to \$7.08 and its Retail Class net asset value per share fell from \$7.82 to \$7.09.

5. The ongoing reduction in liquidity in the Fund's portfolio securities is related to a number of factors, including an imbalance between selling interest and buying interest. The Fund increased its cash position to over \$200 million by early December 2015 in anticipation of tax selling and other redemptions.

6. During this period, Fund management also kept the Board of Trustees of the Trust (the "Board") informed and reevaluated contingency plans. On December 9, 2015, after considering the environment the Fund was in and the likelihood that incremental sales of portfolio securities to satisfy additional redemptions would have to be made at prices that would unfairly disadvantage all remaining shareholders, the Board determined that the fairest action on behalf of all shareholders would be to adopt a plan of liquidation. The Board determined to implement this plan by placing the remaining noncash assets in a liquidating trust for the benefit of all Fund shareholders and distributing available cash. Relief from the Commission in connection with the plan's implementation was not sought by the Fund and the Adviser.

7. On December 9, 2015, the Board adopted a plan of liquidation for the Fund (the "Plan of Liquidation"), pursuant to which the Board declared two distributions, one of the remaining net cash and one of the beneficial interests in a liquidating trust ("Liquidating Trust"). These distributions were scheduled to be paid on December 16, 2015. Interests in the Liquidating Trust would not trade and would, in general, be transferable only by operation of law. The Adviser would manage the Liquidating Trust's assets without charge and there would be periodic distributions from the Liquidating Trust as income is received and assets are sold at fair prices. All redemption requests as of December 9, 2015, were met by the Fund and the sales of the shares of the Fund were suspended as of December 10, 2015.

8. Upon announcement of the Plan of Liquidation, the Commission staff expressed concerns during discussions with the Fund and the Adviser. In

<sup>14</sup> 17 CFR 200.30-3(a)(12).

addition, the Fund received numerous inquiries from shareholders and intermediaries through which many shareholders hold their shares in the Fund. The Fund and the Adviser reviewed the pros and cons of alternatives with the Board at meetings held on December 12, 2015 and December 13, 2015, at which the Board authorized moving forward with an application for an order to suspend redemptions. On December 14, 2015, the Board met again and approved the cancellation and rescission of the distribution of beneficial interests in the Liquidating Trust and the reconveyance of the assets held in the Liquidating Trust to the Fund together with the assumption by the Fund of the liabilities previously assumed by the Liquidating Trust, conditioned upon receipt of the requested relief. The Board did not rescind the cash distribution, which will proceed on December 16, 2015, and also retained the Plan of Liquidation, pursuant to which the Fund will liquidate.

9. Applicants state that approximately 65% of the value of the Fund's shares is held by shareholders in the Fund's Institutional Class, and the rest is held by investors in its Retail Class. If the relief is not granted, and the Fund is unable to suspend redemptions, the institutional investors would likely be best positioned to take advantage of any redemption opportunity, to the detriment of those investors—most likely, retail investors—who remain in the Fund. These remaining investors would suffer a rapidly declining net asset value and an even further diminished liquidity of the Fund's securities portfolio. The relief would help avoid such an outcome.

10. Applicants also state that the Fund will not be engaged and does not propose to engage, in any business activities other than those necessary for the winding-up of its affairs. Applicants further state that relief permitting the Fund to suspend redemptions in connection with its liquidation would permit the Fund to liquidate its assets in an orderly manner and prevent the Fund from being forced to sell assets at unreasonably low prices to meet redemptions.

#### **Applicants' Legal Analysis**

1. Section 22(e)(1) of the Act provides that a registered investment company may not suspend the right of redemption or postpone the date of payment or satisfaction upon redemption of any redeemable security in accordance with its terms for more than seven days after the tender of such security to the company or its

designated agent except for any period during which the New York Stock Exchange ("NYSE") is closed other than customary week-end and holiday closings, or during which trading on the NYSE is restricted.

2. Section 22(e)(3) of the Act provides that redemptions may be suspended by a registered investment company for such other periods as the Commission may by order permit for the protection of security holders of the registered investment company.

3. Applicants submit that granting the requested relief would be for the protection of the shareholders of the Fund, as provided in Section 22(e)(3) of the Act. Applicants assert that, in requesting an order by the Commission, the Board's goal is to ensure that the Fund's shareholders will be treated appropriately in view of the otherwise detrimental effect on the Fund of the ongoing reduction in the liquidity of the Fund's portfolio securities, the very recent extreme difficulty the Fund has encountered in selling portfolio securities at prices the Adviser deemed to be fair and the ongoing redemptions that the Fund expected. Applicants further state that the requested relief is intended to permit an orderly liquidation of the portfolio securities at what Applicants consider to be fair values and ensure that all of the shareholders of the Fund are protected in the process by allowing the realization of fair value for these investments.

#### **Applicants' Conditions**

Applicants agree that any order granting the requested relief will be subject to the following conditions:

(1) Pending liquidating distributions, the Fund will invest proceeds of cash dispositions of portfolio securities solely in U.S. government securities, cash equivalents, securities eligible for purchase by a registered money market fund with legal maturities not in excess of 90 days and, if determined to be necessary to protect the value of a portfolio position in a rights offering or other dilutive transaction, additional securities of the affected issuer.

(2) The Fund will make liquidating cash distributions pro rata at least quarterly in an amount not less than all cash proceeds from dispositions of portfolio securities during such quarter not required to provide for liabilities, reserves, and for so long as the Board determines that maintaining regulated investment company status under subchapter M of the Internal Revenue Code of 1986, as amended, is important for the protection of shareholders, the

maintenance of diversification required for such tax status.

(3) The Fund and the Adviser will make and keep true, accurate and current all appropriate records, including but not limited to those surrounding the events leading to the requested relief, the plan for the orderly liquidation of Fund assets, the sale of Fund portfolio securities, the distribution of Fund assets, and communications with shareholders (including any complaints from shareholders and responses thereto).

(4) The Fund and the Adviser will promptly make available to staff of the Commission all files, books, records and personnel as requested, relating to the Fund and the Liquidating Trust.

(5) The Fund and the Adviser will provide periodic reporting to Commission staff regarding the status of the liquidation and distributions.

(6) Neither the Adviser nor any of its affiliates will receive any fee for managing the Fund.

(7) The Fund is in liquidation and will not be engaged and does not propose to engage in any business activities other than those necessary for the protection of its assets, the protection of shareholders and the winding-up of its affairs.

(8) The Adviser will appropriately convey accurate and timely information to shareholders of the Fund with regard to the status of the Fund and its liquidation on the Adviser's Web site, including without limitation information concerning the dates and amounts of distributions, press releases, and periodic reports, and will maintain a toll-free number to respond to shareholder inquiries.

(9) The Fund and the Adviser shall consult with Commission staff prior to making any material amendments to the Plan of Liquidation.

(10) The Fund will comply with the requirements of Section 30 of the Act and the rules thereunder and will file a report containing a liquidation audit, *i.e.*, audited financial statements dated as of or near the final distribution date, promptly following the Fund's final liquidating distribution.

(11) The Fund and the Adviser will comply with all provisions of the Federal securities laws.

(12) The relief granted pursuant to the application shall be without prejudice to, and shall not limit the Commission's rights in any manner with respect to, any Commission investigation of, or legal proceedings involving or against the Applicants.

## Commission Finding

Based on the representations and conditions in the application, the Commission permits the temporary suspension of the right of redemption for the protection of the Fund's security holders. Under the circumstances described in the application, which require immediate action to protect the Fund's security holders, the Commission concludes that it is not practicable to give notice or an opportunity to request a hearing before issuing the order.

IT IS ORDERED, pursuant to Section 22(e)(3) of the Act, that the requested relief from Section 22(e) of the Act is granted with respect to the Fund until it has liquidated, or until the Commission rescinds the order granted herein. This order shall be in effect as of December 16, 2015, with suspension of redemption requests as requested by the Applicants to be effective as of December 10, 2015.

By the Commission.

**Brent J. Fields,**

*Secretary.*

[FR Doc. 2015-32079 Filed 12-21-15; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-76669; File No. SR-NYSEMKT-2015-80]

### Self-Regulatory Organizations; NYSE MKT LLC; Notice of Designation of a Longer Period for Commission Action on Proposed Rule Change Deleting Rule 410B—Equities Governing Reporting Requirements for Off-Exchange Transactions

December 16, 2015.

On October 16, 2015, NYSE MKT LLC (the "Exchange" or "NYSE MKT") filed with the Securities and Exchange Commission ("Commission"), 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> a proposed rule change to delete Rule 410B—Equities governing reporting requirements for off-exchange transactions. The proposed rule change was published for comment in the **Federal Register** on November 2, 2015.<sup>3</sup>

Section 19(b)(2) of the Act<sup>3</sup> provides that within 45 days of the publication of notice of the filing of a proposed rule

change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The 45th day for this filing is December 17, 2015. The Commission is extending this 45-day time period.

The Commission finds it appropriate to designate a longer period within which to take action on the proposed rule change, so that it has sufficient time to consider this proposed rule change.

Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,<sup>4</sup> designates January 31, 2016, as the date by which the Commission should either approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change (File No. SR-NYSEMKT-2015-80).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>5</sup>

**Robert W. Errett,**

*Deputy Secretary.*

[FR Doc. 2015-32050 Filed 12-21-15; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-76663; File No. SR-BX-2015-078]

### Self-Regulatory Organizations; NASDAQ OMX BX, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Order Exposure

December 16, 2015.

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 December 2, 2015, NASDAQ OMX BX, Inc. ("BX" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

## I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend BX Rules at Chapter VII, Section 12, entitled "Order Exposure Requirements," to make clear that BX PRISM is an exception to this rule.

The text of the proposed rule change is available on the Exchange's Web site at <http://nasdaqomxbx.cchwallstreet.com>, at the principal office of the Exchange, and at the Commission's Public Reference Room.

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

#### 1. Purpose

The Exchange proposes to amend BX Rules at Chapter VII, Section 12, entitled "Order Exposure Requirements" to specifically state that orders entered into BX PRISM are not subject to the rule at Section 12. Recently, the Exchange's BX PRISM rule was approved by the Commission.<sup>3</sup> BX PRISM is a price-improvement mechanism on the Exchange's options platform, in which a BX Participant (an "Initiating Participant") may electronically submit for execution a two-sided paired order, where one side is an order it represents as agent on behalf of a Public Customer, Professional customer, broker-dealer, or any other entity ("PRISM Order") and the other side is principal interest or any other order it represents as agent (an "Initiating Order") provided that the member first exposes the PRISM Order in the PRISM Auction ("Auction") pursuant to the Rule. This mechanism is

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

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

<sup>3</sup> See Securities Exchange Act Release No. 76276 (October 27, 2015), 80 FR 67454.

<sup>4</sup> 15 U.S.C. 78s(b)(2).

<sup>4</sup> 15 U.S.C. 78s(b)(2).

<sup>5</sup> 17 CFR 200.30-3(a)(31).

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

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

<sup>3</sup> See Securities Exchange Act Release No. 76301 (October 29, 2015), 80 FR 68347 (November 4, 2015) (SR-BX-2015-032) (Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment Nos. 1 and 2, To Adopt a New Price Improvement Auction, BX PRISM).