

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

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 after the date of the filing, or such shorter time as the Commission may designate, it has become effective pursuant to 19(b)(3)(A) of the Act<sup>12</sup> and Rule 19b-4(f)(6)<sup>13</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 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-MIAX-2019-25 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-MIAX-2019-25. 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 website (<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 website 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. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-MIAX-2019-25 and should be submitted on or before June 21, 2019.

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

**Eduardo A. Aleman,**  
Deputy Secretary.

[FR Doc. 2019-11323 Filed 5-30-19; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-85935; File No. SR-MRX-2019-08]

### Self-Regulatory Organizations; Nasdaq MRX, LLC; Order Approving a Proposed Rule Change To Adopt Complex Order Functionality

May 24, 2019.

#### I. Introduction

On April 12, 2019, Nasdaq MRX, LLC ("MRX" or "Exchange") 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 proposal to adopt rules to provide for the trading of Complex Orders. The proposed rule change was published for comment in the **Federal Register** on April 23, 2019.<sup>3</sup> The

Commission received no comment letters regarding the proposed rule change. This order approves the proposed rule change.

### II. Description of the Proposed Rule Change

MRX proposes to adopt rules governing the trading of Complex Orders.<sup>4</sup> The proposed rules address, among other things, the order types, auction and crossing mechanisms, trading increments, priority, execution, opening process, risk protections, obvious error provisions, and data feeds for Complex Orders. MRX states that the proposed Complex Order functionality is identical to the Complex Order functionality currently available on Nasdaq ISE, LLC ("ISE"), and that the proposed rules are identical to corresponding ISE rules.<sup>5</sup> As described more fully in the Notice,<sup>6</sup> MRX proposes to, among other things: (1)

<sup>4</sup> The term "Complex Order" includes Complex Options Orders, Stock-Option Orders, and Stock-Complex Orders. Complex Options Orders, Stock-Option Orders, and Stock-Complex Orders are orders for Complex Options Strategies, Stock-Option Strategies, and Stock-Complex Strategies, respectively. See proposed MRX Rule 722(a)(5). A Complex Options Strategy is the simultaneous purchase and/or sale of two or more different options series in the same underlying security, for the same account, in a ratio that is equal to or greater than one-to-three (.333) and less than or equal to three-to-one (3.00) and for the purpose of executing a particular investment strategy. Only those Complex Options Strategies with no more than the applicable number of legs, as determined by the Exchange on a class-by-class basis, are eligible for processing. A Stock-Option Strategy is the purchase or sale of a stated number of units of an underlying stock or a security convertible into the underlying stock ("convertible security") coupled with the purchase or sale of options contract(s) on the opposite side of the market representing either (A) the same number of units of the underlying stock or convertible security, or (B) the number of units of the underlying stock necessary to create a delta neutral position, but in no case in a ratio greater than eight-to-one (8.00), where the ratio represents the total number of units of the underlying stock or convertible security in the option leg to the total number of units of the underlying stock or convertible security in the stock leg. A Stock-Complex Strategy is the purchase or sale of a stated number of units of an underlying stock or a security convertible into the underlying stock ("convertible security") coupled with the purchase or sale of a Complex Options Strategy on the opposite side of the market representing either (A) the same number of units of the underlying stock or convertible security, or (B) the number of units of the underlying stock necessary to create a delta neutral position, but in no case in a ratio greater than eight-to-one (8.00), where the ratio represents the total number of units of the underlying stock or convertible security in the option legs to the total number of units of the underlying stock or convertible security in the stock leg. Only those Stock-Complex Strategies with no more than the applicable number of legs, as determined by the Exchange on a class-by-class basis, are eligible for processing. See proposed MRX Rules 722(a)(1), (2), and (3).

<sup>5</sup> See Notice, 84 FR at 16907.

<sup>6</sup> See note 3, *supra*.

<sup>12</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>13</sup> 17 CFR 240.19b-4(f)(6). 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>14</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.

<sup>3</sup> See Securities Exchange Act Release No. 85671 (April 17, 2019), 84 FR 16907 ("Notice").

Adopt new MRX Rule 722 to describe the availability of certain order types for Complex Orders and the priority and execution of Complex Orders;<sup>7</sup> (2) add a defined term, “Professional Customer,” in MRX Rule 100(a)(54A);<sup>8</sup> (3) amend MRX Rule 714 to exclude Complex Order transactions from the anti-internalization protection;<sup>9</sup> (4) amend MRX Rule 715 to define “legging orders” and “QCC with Stock Orders” and to revise the Ouch to Trade Options and Specialized Quote Feed protocols to include complex instruments;<sup>10</sup> (5) add a Complex Facilitation Mechanism and Complex Solicited Order Mechanism to MRX Rule 716;<sup>11</sup> (6) amend MRX Rule 718(a)(5) to adopt a new Nasdaq MRX Spread Feed that will provide information regarding Complex Orders;<sup>12</sup> (7) amend MRX Rule 720, relating to the nullification of trades and obvious errors, to address transactions in Complex Orders;<sup>13</sup> (8) revise MRX Rule 721 to provide for Complex Customer Cross Orders, Complex Qualified Contingent Cross Orders, and Qualified Contingent Cross Orders with Stock;<sup>14</sup> (9) add a new Complex Price Improvement Mechanism to MRX Rule

723;<sup>15</sup> and (10) adopt new MRX Rule 724 to establish various risk protections for Complex Orders.<sup>16</sup> The proposal also includes non-substantive and technical changes related to the adoption of the Complex Order functionality.

### III. Discussion and Commission Findings

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of the Act,<sup>17</sup> and the rules and regulations thereunder applicable to a national securities exchange.<sup>18</sup> In particular, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,<sup>19</sup> which requires, among other things, that the rules of a national securities exchange 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, and that the rules are not designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Commission believes that the proposed rules are consistent with the Act because they are substantially identical to ISE’s rules governing the trading of Complex Orders, which the Commission has reviewed previously. Because they are substantially identical to ISE’s Complex Order rules, MRX’s proposed rules do not raise new or novel regulatory issues. The Commission believes that the proposed rules could assist market participants in making informed decisions regarding the trading of Complex Orders on MRX, including the order types, priority, auction and crossing mechanisms, and risk protections available for Complex Orders traded on MRX.

### IV. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>20</sup> that the

proposed rule change (SR-MRX-2019-08) is approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>21</sup>

**Eduardo A. Aleman,**  
Deputy Secretary.

[FR Doc. 2019–11330 Filed 5–30–19; 8:45 am]

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## SURFACE TRANSPORTATION BOARD

[Docket No. FD 36305]

### Indiana Eastern Railroad, LLC—Lease and Operation Exemption—CSX Transportation, Inc.

Indiana Eastern Railroad, LLC (IERR), a Class III carrier, has filed a verified notice of exemption under 49 CFR 1150.41 for an extension of its lease from CSX Transportation, Inc. (CSXT), for operation of a 43-mile rail line between milepost CI 61.9 at or near Richmond, Ind., and milepost CI 18.9 at or near Fernald, Ohio, in Wayne, Union, and Franklin Counties, Ind., and Butler and Hamilton Counties, Ohio (the Line).<sup>1</sup> The verified notice states that IERR and CSXT have agreed to extend the expiration date of their lease from August 25, 2025, to May 6, 2029. IERR will continue to operate the Line and CSXT will remain as owner of the Line.

IERR certifies that the projected annual rail revenues of IERR as a result of the proposed transaction will not exceed \$5 million and that the transaction will not result in the creation of a Class II or a Class I rail carrier. IERR states that the proposed transaction does not involve an interchange commitment.

The earliest this transaction may be consummated is June 14, 2019, the effective date of the exemption (30 days after the verified notice was filed).

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Petitions to stay must be filed no later than June 7, 2019 (at least seven days before the exemption becomes effective).

All pleadings, referring to Docket No. FD 36305, must be filed with the Surface Transportation Board either via e-filing or in writing addressed to 395 E

<sup>7</sup> The Exchange represents that proposed MRX Rule 722 is identical to ISE Rule 722. See Notice at 16907. MRX also proposes to amend MRX Rules 702 (Trading Halts) and 710 (Minimum Trading Increments) to account for Complex Orders. The Exchange represents that MRX Rules 702 and 710, as proposed to be amended, are identical to ISE Rules 702 and 710, respectively. See *id.* at 16908 and 16910.

<sup>8</sup> The Exchange represents that proposed MRX Rule 100(a)(54A) is identical to ISE Rule 100(a)(54A). See *id.* at 16910.

<sup>9</sup> The Exchange represents that proposed MRX Rule 714(b)(3)(A) is identical to ISE Rule 714(b)(3)(A). See *id.*

<sup>10</sup> The Exchange represents that the proposed definitions of “legging orders” and “QCC with Stock Orders” in proposed MRX Rules 715(k) and (t) are identical to ISE Rules 715(k) and (t), respectively. In addition, the Exchange represents that the proposed amendment to the Ouch to Trade Options and Specialized Quote Feed protocols in proposed MRX Rule 715, Supplementary Material .03(b) and (c) are identical to ISE Rule 715, Supplementary Material .03(b) and (c). See *id.*

<sup>11</sup> The Exchange represents that the proposed Complex Facilitation Mechanism and Complex Solicited Order Mechanism in MRX Rules 716(c) and (e) are identical to ISE Rules 716(c) and (e), respectively. In addition, proposed MRX Rules 716(f) and (g), addressing concurrent auctions, are identical to ISE Rules 716(f) and (g). See *id.* at 16908–9.

<sup>12</sup> The Exchange represents that proposed MRX Rule 718(a)(5) is identical to ISE Rule 718(a)(5). See *id.* at 16910. The Exchange also proposes to amend the MRX Pricing Schedule to indicate that the Nasdaq MRX Spread Feed will be available at no cost. See *id.* and MRX Options Pricing Schedule, Sections 6 and 7.

<sup>13</sup> The Exchange represents that MRX Rule 720, as proposed to be amended, is identical to ISE Rule 720. See *id.*

<sup>14</sup> The Exchange represents that these orders are identical to orders available on ISE. See *id.* at 16909.

<sup>15</sup> The Exchange represents that the Complex Price Improvement Mechanism in proposed MRX Rule 723(e) is identical to ISE Rule 723(e). See *id.*

<sup>16</sup> MRX proposes to adopt the following Complex Order risk protections: Price Limits, Vertical Spread Protections, Calendar Spread Protections, Butterfly and Box Spread Protections, Limit Order Price Protections, Size Limitations, and Price Level Protections. The Exchange represents that proposed MRX Rule 724 is identical to ISE Rule 724. See *id.*

<sup>17</sup> 15 U.S.C. 78f.

<sup>18</sup> 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).

<sup>19</sup> 15 U.S.C. 78f(b)(5).

<sup>20</sup> 15 U.S.C. 78s(b)(2).

<sup>21</sup> 17 CFR 200.30–3(a)(12).

<sup>1</sup> In 2005, IERR obtained authority to lease and operate the Line. *Ind. E. R.R.—Lease & Operation Exemption—CSX Transp., Inc.*, FD 34727 (STB served Aug. 19, 2005).