

certified that, in her opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(3), (5), (7), 9(B) and (10) and 17 CFR 200.402(a)(3), (5), (7), 9(ii) and (10), permit consideration of the scheduled matters at the Closed Meeting.

Commissioner Gallagher, as duty officer, voted to consider the items listed for the Closed Meeting in a closed session.

The subject matter of the Closed Meeting will be: institution and settlement of injunctive actions; institution and settlement of administrative proceedings; consideration of amicus participation; and other matters relating to enforcement proceedings.

At times, changes in Commission priorities require alterations in the scheduling of meeting items.

For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact the Office of the Secretary at (202) 551-5400.

Dated: May 30, 2013.

**Elizabeth M. Murphy,**  
Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-69658; File No. SR-MIAX-2013-23]

### Self-Regulatory Organizations; Miami International Securities Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Expand the Short Term Option Series Program

May 29, 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 May 20, 2013, Miami International Securities Exchange LLC (the “Exchange” or “MIAX”) filed with the Securities and Exchange Commission (“Commission”) the 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.

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

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

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

The Exchange is filing a proposal to amend Exchange Rule 404, Series of Option Contracts Open for Trading, by modifying Interpretations and Policies .02 to the Rule to expand the number of expirations available under the Short Term Option Series Program (“STOS Program”), to allow the Exchange to delist certain series in STOS that do not have open interest, and to expand the number of series in STOS under limited circumstances.

The text of the proposed rule change is available on the Exchange’s Web site at [http://www.miaxoptions.com/filter/wotitle/rule\\_filing](http://www.miaxoptions.com/filter/wotitle/rule_filing), at MIAX’s principal office, 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 purpose of the proposal is to amend Exchange Rule 404, Interpretations and Policies .02, to provide for the ability to open up to five consecutive expirations under the STOS Program for trading on the Exchange, to allow the Exchange to delist certain series in STOS that do not have open interest, and to expand the number of series in STOS under limited circumstances when there are no series at least 10% but not more than 30% away from the current price of the underlying security.

Currently, the Exchange may select up to 25 currently listed option classes in which STOS options may be opened in the STOS Program, and the Exchange may also match any option classes that are selected by other securities exchanges that employ a similar program under their respective rules. For each option class eligible for participation in the STOS Program, the

Exchange may open up to 30 Short Term Option Series for each expiration date in that class.<sup>3</sup>

This proposal seeks to allow the Exchange to open STOS option series for up to five consecutive week expirations. The Exchange intends to add a maximum of five consecutive week expirations under the STOS Program. However, it will not add an STOS expiration in the same week that a monthly options series expires or, in the case of Quarterly Option Series,<sup>4</sup> on an expiration that coincides with an expiration of Quarterly Option Series on the same class. In other words, the total number of consecutive expirations will be five, including any existing monthly or quarterly expirations.<sup>5</sup>

The Exchange notes that the STOS Program has been well-received by market participants, in particular by retail investors.<sup>6</sup> The Exchange believes that the current proposed revision to the STOS Program will permit the Exchange to meet increased customer demand and provide market participants with the ability to hedge in a greater number of option classes and series.

With regard to the impact of this proposal on system capacity, the Exchange has analyzed its capacity and represents that it and the Options Price Reporting Authority have the necessary systems capacity to handle the potential additional traffic associated with trading of an expanded number of expirations that participate in the STOS Program.

In addition, to provide for circumstances where the underlying security has moved such that there are no series that are at least 10% above or below the current price of the underlying security, the Exchange is proposing to add new language to Interpretations and Policies .02 to provide that the Exchange would delist series with no open interest in both the call and the put series having: (i) A

<sup>3</sup> See Exchange Rule 404, Interpretations and Policies .02(a).

<sup>4</sup> See Exchange Rule 404, Interpretations and Policies .03.

<sup>5</sup> For example, if Quarterly Options expire week 1 and monthly options expire week 3 from now, the proposal would allow the following expirations: week 1 Quarterly, week 2 STOS, week 3 monthly, week 4 STOS, and week 5 STOS.

<sup>6</sup> Since the STOS Program has been adopted, it has seen rapid acceptance among industry participants as evidenced by the expansion of the number of classes eligible for the STOS Program by various Exchanges. See Securities Exchange Act Release Nos. 65775 (November 17, 2011), 76 FR 72473 (November 23, 2011) (SR-NASDAQ-2011-138); 65776 (November 17, 2011), 76 FR 72482 (November 23, 2011) (SR-PHLX-2011-131); 66563 (March 9, 2012), 77 FR 15426 (March 15, 2012); 67194 (June 13, 2012), 77 FR 36597 (June 19, 2012) (SR-NYSEMKT-2012-08); and 67178 (June 11, 2012), 77 FR 36305 (June 18, 2012) (SR-NYSEArca-2012-60).

strike higher than the highest price with open interest in the put and/or call series for a given expiration month; and (ii) a strike lower than the lowest strike price with open interest in the put and/or the call series for a given expiration month, so as to list series that are at least 10% but not more than 30% above or below the current price of the underlying security. Further, in the event that all existing series have open interest and there are no series at least 10% above or below the current price of the underlying security, the Exchange may list additional series, in excess of the 30 allowed currently under Interpretations and Policies .02, that are at least 10% and not more than 30% above or below the current price of the underlying security.

The Exchange believes that it is important to allow investors to roll existing option positions, and ensuring that there are always series at least 10% but not more than 30% above or below the current price of the underlying security will allow investors the flexibility they need to roll existing positions. This change is being proposed notwithstanding the current cap of 30 series per class under the STOS Program.

## 2. Statutory Basis

The Exchange believes that its proposed rule change is consistent with Section 6(b)<sup>7</sup> of the Act in general, and furthers the objectives of Section 6(b)(5)<sup>8</sup> of the Act in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest.

The Exchange believes that expanding the STOS Program will result in a continuing benefit to investors by giving them more flexibility to closely tailor their investment decisions and hedging decisions in a greater number of securities. The Exchange also believes that expanding the STOS Program will provide the investing public and other market participants with additional opportunities to hedge their investment, thus allowing these investors to better manage their risk exposure. While the expansion of the STOS Program will generate additional quote traffic, the Exchange does not believe that this

increased traffic will become unmanageable since the proposal remains limited to a fixed number of expirations.

The Exchange believes that the ability to delist series with no open interest in both the call and the put series will benefit investors by devoting the current cap in the number of series to those series that are more closely tailored to the investment decisions and hedging decisions of investors.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

The Exchange believes that the proposal enhances competition among exchanges by enabling market participants to use STOS in a greater number of series in making investment decisions. MIAX will have more series through which investors will be able to tailor their investment and hedge positions, therefore enabling MIAX to compete with other exchanges that have similar rules in place, as cited below.

### 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

Because the foregoing proposed rule change does not significantly affect the protection of investors or the public interest, does not impose any significant burden on competition, and, by its terms, does not become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>9</sup> and Rule 19b-4(f)(6) thereunder.<sup>10</sup>

The Exchange has requested that the Commission waive the 30-day operative delay. The Commission believes that waiver of the operative delay is consistent with the protection of investors and the public interest

<sup>9</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>10</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires the Exchange to give the Commission written notice of the Exchange's intent to file the proposed rule change, along with a brief description and text of 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.

because the proposal is substantially similar to those of other exchanges that have been approved by the Commission and would provide the investing public and other market participants with greater flexibility to closely tailor their investment and hedging decisions in a greater number of series, thus allowing investors to better manage their risk exposure.<sup>11</sup> Therefore, the Commission designates the proposal operative upon filing.<sup>12</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 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-2013-23 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-MIAX-2013-23. 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

<sup>11</sup> See Exchange Act Release Nos. 68190 (November 8, 2012), 77 FR 68193 (November 15, 2012) [SR-NYSEArca-2012-95]; 68191 (November 8, 2012), 77 FR 68194 (November 15, 2012) [SR-NYSEMKT-2012-42].

<sup>12</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>7</sup> 15 U.S.C. 78f(b).

<sup>8</sup> 15 U.S.C. 78f(b)(5).

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-MIAX-2013-23 and should be submitted on or before June 25, 2013.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>13</sup>

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

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-69653; File No. SR-FICC-2013-05]

### Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Filing Proposed Rule Change to Include trueEX LLC as a Designated Locked-In Trade Source Pursuant to the Rulebook of the Government Securities Division

May 29, 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 May 15, 2013, the Fixed Income Clearing Corporation ("FICC") 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 primarily by FICC. 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

The proposed rule change would amend the Rulebook of the Government Securities Division ("GSD") to include trueEX LLC ("trueEX") as one of the GSD's designated locked-in trade sources.

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

In its filing with the Commission, FICC 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. FICC has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of these statements.<sup>3</sup>

##### (A) Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(i) The GSD Rulebook ("Rules") provides for the submission of "locked-in trades" (i.e., trades that are deemed compared when the data on the trade is received from a single source)<sup>4</sup> by a locked-in trade source<sup>5</sup> on behalf of a GSD Member. Currently, the GSD's designated locked-in trade sources are the following entities: (i) Federal Reserve Banks (as fiscal agents of the United States); (ii) the Federal Home Loan Mortgage Corporation ("Freddie Mac"); (iii) GCF-Authorized Inter-Dealer Brokers;<sup>6</sup> (iv) the U.S. Department of the Treasury; and (v) New York Portfolio Clearing, LLC. FICC is

<sup>3</sup> The Commission has modified the text of the summaries prepared by FICC.

<sup>4</sup> The GSD Rulebook defines the term "Locked-In Trade" as "a trade involving Eligible Securities that is deemed a compared trade once the data on such trade is received from a single, designated source and meets the requirements for submission of data on a locked-in trade pursuant to GSD's rules, without the necessity of matching the data regarding the trade with data provided by each member that is or is acting on behalf of an original counterparty to the trade." GSD Rulebook, Rule 1.

<sup>5</sup> The GSD Rulebook defines the term "Locked-In Trade Source" as "a source of data on Locked-In Trades that the Corporation has so designated, subject to such terms and conditions as to which the Locked-In Trade Source and the Corporation may agree." GSD Rulebook, Rule 1.

<sup>6</sup> The GSD Rulebook defines the term "GCF-Authorized Inter-Dealer Broker" as "an Inter-Dealer Broker Netting Member that the Corporation has designated as eligible to submit to the Corporation data on GCF Repo Transactions on a Locked-In Basis." GSD Rulebook, Rule 1.

proposing to add trueEX as a designated locked-in trade source.

trueEX is an exchange for interest rate swaps, and has been designated a contract market by the Commodity Futures Trading Commission. trueEX will offer electronic execution of interest-rate swaps, which will be cleared by a clearing house other than FICC. For the delivery vs. payment ("DVP")<sup>7</sup> leg of these transactions, trueEX will offer its members, who are also members of GSD, the ability to have such transactions submitted to the GSD as netting-eligible transactions (e.g., as Treasury DVP transactions). In its capacity as a designated locked-in trade source, trueEX will transmit transactions to the GSD throughout the day by submitting single tickets in a batch format. Once trueEX transmits a locked-in trade to the GSD, the GSD will process the trade normally from the point of guarantee through settlement with the respective GSD member's current DVP trades. Because the single ticket submitted by trueEX lists trueEX as the submitter on behalf of two FICC counterparties, the single-ticket format guarantees that the parties to the trade will not know each other's identity, and ensures that trueEX will not have a resulting settlement obligation.<sup>8</sup> Subject to the Commission's approval of this rule filing, trueEX will be the first designated contract market ("DCM")<sup>9</sup> to act as a locked-in trade source for the GSD.<sup>10</sup>

As is the case with other locked-in trade submissions accepted by FICC, GSD members will be required to execute appropriate documentation evidencing to FICC their authorization of trueEX to submit trades on their behalf. FICC will notify members of the availability of this documentation via Important Notice.

(ii) FICC believes that the proposed rule change is consistent with Section 17A of the Act<sup>11</sup> and the rules and regulations promulgated thereunder

<sup>7</sup> Delivery vs. payment is a settlement procedure in which the buyer's cash payment for the securities it has purchased is due at the time the securities are delivered.

<sup>8</sup> In its capacity as a locked-in trade source, trueEX will initially not be subject to any fees pursuant to the existing GSD Rules. FICC may, however, consider imposing a fee on certain locked-in trade sources in the future based on volumes and processing costs.

<sup>9</sup> Designated contract markets (DCMs) are exchanges that may list for trading futures or option contracts based on all types of commodities and that may allow access to their facilities by all types of traders, including retail customers.

<sup>10</sup> During the onboarding phase, trueEX will be subject to FICC's existing due diligence process, including testing trueEX's trade input and receipt of output capabilities prior to the go-live date.

<sup>11</sup> 15 U.S.C. 78q-1.

<sup>13</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.