

forth in 10 CFR 73.4. The licensee shall establish procedures to ensure that the quality of the fingerprints taken results in minimizing the rejection rate of fingerprint cards because of illegible or incomplete cards.

2. The NRC will review submitted fingerprint cards for completeness. Any Form FD-258 fingerprint record containing omissions or evident errors will be returned to the licensee for corrections. The fee for processing fingerprint checks includes one re-submission if the initial submission is returned by the FBI because the fingerprint impressions cannot be classified. The one free re-submission must have the FBI Transaction Control Number reflected on the re-submission. If additional submissions are necessary, they will be treated as initial submittals and will require a second payment of the processing fee.

3. Fees for processing fingerprint checks are due upon application. The licensee shall submit payment of the processing fees electronically. To be able to submit secure electronic payments, licensees will need to establish an account with Pay.Gov (<https://www.pay.gov>). To request an account, the licensee shall send an email to [det@nrc.gov](mailto:det@nrc.gov). The email must include the licensee's company name, address, point of contact (POC), POC email address, and phone number. The NRC will forward the request to Pay.Gov; who will contact the licensee with a password and user ID. Once the licensee has established an account and submitted payment to Pay.Gov, they shall obtain a receipt. The licensee shall submit the receipt from Pay.Gov to the NRC along with fingerprint cards. For additional guidance on making electronic payments, contact the Facilities Security Branch, Division of Facilities and Security, at 301-415-7513. Combined payment for multiple applications is acceptable. The application fee (currently \$26) is the sum of the user fee charged by the FBI for each fingerprint card or other fingerprint record submitted by the NRC on behalf of a licensee, and an NRC processing fee, which covers administrative costs associated with NRC handling of licensee fingerprint submissions. The Commission will directly notify licensees who are subject to this regulation of any fee changes.

4. The Commission will forward to the submitting licensee all data received from the FBI as a result of the licensee's application(s) for CHRCs, including the FBI fingerprint record.

#### *F. Right To Correct and Complete Information*

1. Prior to any final adverse determination, the licensee shall make available to the individual the contents of any criminal history records obtained from the FBI for the purpose of assuring correct and complete information. Written confirmation by the individual of receipt of this notification must be maintained by the licensee for a period of one (1) year from the date of notification.

2. If, after reviewing the record, an individual believes that it is incorrect or incomplete in any respect and wishes to change, correct, or update the alleged deficiency, or to explain any matter in the record, the individual may initiate challenge procedures. These procedures include either direct application by the individual challenging the record to the agency (i.e., law enforcement agency) that contributed the questioned information, or direct challenge as to the accuracy or completeness of any entry on the criminal history record to the Assistant Director, Federal Bureau of Investigation Identification Division, Washington, DC 20537-9700 (as set forth in 28 CFR 16.30 through 16.34). In the latter case, the FBI forwards the challenge to the agency that submitted the data and requests that agency to verify or correct the challenged entry. Upon receipt of an official communication directly from the agency that contributed the original information, the FBI Identification Division makes any changes necessary in accordance with the information supplied by that agency. The licensee must provide at least 10 days for an individual to initiate an action challenging the results of a FBI CHRC after the record is made available for his/her review. The licensee may make a final access determination based on the criminal history record only upon receipt of the FBI's ultimate confirmation or correction of the record. Upon a final adverse determination on access to an ISFSI, the licensee shall provide the individual its documented basis for denial. Access to an ISFSI shall not be granted to an individual during the review process.

#### *G. Protection of Information*

1. The licensee shall develop, implement, and maintain a system for personnel information management with appropriate procedures for the protection of personal, confidential information. This system shall be designed to prohibit unauthorized access to sensitive information and to

prohibit modification of the information without authorization.

2. Each licensee who obtains a criminal history record on an individual pursuant to this Order shall establish and maintain a system of files and procedures, for protecting the record and the personal information from unauthorized disclosure.

3. The licensee may not disclose the record or personal information collected and maintained to persons other than the subject individual, his/her representative, or to those who have a need to access the information in performing assigned duties in the process of determining suitability for unescorted access to the protected area of an ISFSI. No individual authorized to have access to the information may re-disseminate the information to any other individual who does not have the appropriate need to know.

4. The personal information obtained on an individual from a CHRC may be transferred to another licensee if the gaining licensee receives the individual's written request to re-disseminate the information contained in his/her file, and the gaining licensee verifies information such as the individual's name, date of birth, social security number, sex, and other applicable physical characteristics for identification purposes.

5. The licensee shall make criminal history records, obtained under this section, available for examination by an authorized representative of the NRC to determine compliance with the regulations and laws.

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## **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-71222; File No. SR-NYSEMKT-2013-86]

### **Self-Regulatory Organizations; NYSE MKT LLC; Notice of Filing of Amendment No. 2 and Order Granting Accelerated Approval of Proposed Rule Change, as Modified by Amendment Nos. 1 and 2 Thereto, To Adopt Commentary .03 to Rule 980NY To Limit the Volume of Complex Orders by a Single ATP Holder During the Trading Day**

January 2, 2014.

#### **I. Introduction**

On October 28, 2013, NYSE MKT LLC (the "Exchange" or "NYSE MKT") filed with the Securities and Exchange Commission ("Commission"), pursuant

to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (“Act”),<sup>2</sup> and Rule 19b–4 thereunder,<sup>3</sup> a proposed rule change to adopt Commentary .03 to NYSE MKT Rule 980NY to limit the volume of complex orders that may be entered by a single ATP Holder during the trading day. On November 5, 2013, the Exchange submitted Amendment No. 1 to the proposed rule change. The proposed rule change, as modified by Amendment No. 1 thereto, was published for comment in the **Federal Register** on November 13, 2013.<sup>4</sup> The Commission received no comments on the proposed rule change. On December 23, 2013, the Exchange granted an extension of time for the Commission to act on the filing until January 3, 2014.<sup>5</sup> On December 24, 2013, the Exchange submitted Amendment No. 2 to the proposed rule change.<sup>6</sup> The Commission is publishing this notice to solicit comments on Amendment No. 2 from interested persons, and is approving the proposed rule change, as modified by Amendment Nos. 1 and 2, on an accelerated basis.

## II. Description of the Proposed Rule Change

The Exchange currently ranks and tracks Electronic Complex Orders in the Consolidated Book in a “complex order table.” Although the Exchange stated that the complex order table has sufficient capacity to accept all Complex Orders submitted by all ATP Holders under normal operating conditions, the Exchange also noted that that capacity is not unlimited.<sup>7</sup> Given that this capacity is not unlimited, the Exchange proposes to adopt Commentary .03 to

Rule 980NY<sup>8</sup> to provide that if an ATP Holder submits orders that comprise more than “n%” of the capacity of the complex order table (the “Cap”), the Exchange will reject that ATP Holder’s Electronic Complex Orders for the remainder of the trading day. Proposed Commentary .03 to Rule 980NY also provides a “warning threshold” of “n%–x” of the complex order table. If an ATP Holder breaches such warning threshold, it would result in the Exchange rejecting the ATP Holder’s Electronic Complex Orders until such time that the ATP Holder has notified the Exchange to re-enable the submission of Electronic Complex Orders. The Exchange will not reject any Electronic Complex Orders until after an ATP Holder has breached either the warning threshold (*i.e.*, “n%–x”) or the Cap.<sup>9</sup> The specified percentage (*i.e.*, “n%”) will be no less than 60%, and “n%–x” will be no less than 40%.

The Exchange will announce the implementation date of the proposed rule change by Trader Update to be published no later than 60 days following approval by the Commission. The implementation date will be no later than 60 days following the issuance of the Trader Update.

## III. Discussion and Commission Findings

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of the Act and rules and regulations thereunder applicable to a national securities exchange.<sup>10</sup> In particular, the Commission finds that the proposed rule is consistent with Section 6(b)(5) of the Act,<sup>11</sup> which requires, among other things, that the rules of an exchange be designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and, in general, to protect investors and the public interest. The Commission believes that providing the Cap could provide the Exchange with a system protection tool to address the potential risk that a single ATP Holder could—either intentionally or inadvertently—

utilize the entire complex order table, effectively shutting out all other ATP Holders’ Electronic Complex Orders from the Exchange for the remainder of the trading day. By disabling the submission of Electronic Complex Orders of a single ATP Holder that has exceeded the Cap, the Cap should allow the Exchange to accommodate Electronic Complex Orders from all other ATP Holders, thereby helping to ensure efficient functionality of the complex order table and the protection of investors and the public interest. In approving this proposed rule change, the Commission notes that the Exchange represented that under normal operating conditions, the combined Electronic Complex Orders of all ATP Holders do not exceed 40% of the complex order table.<sup>12</sup> Therefore, the Exchange believes that setting the Cap for a single ATP Holder at 60% would allow 40% of the complex order table—which is typically sufficient to accommodate all ATP Holder’s Electronic Complex Orders—to remain accessible to the balance of ATP Holders and would not unfairly deny these ATP Holders access to the market.<sup>13</sup>

## IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether Amendment No. 2 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–NYSEMKT–2013–86 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–NYSEMKT–2013–86. 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

<sup>12</sup> See Notice, *supra* note 4 at 68112. The Commission also notes that the Exchange represented that a single ATP Holder would only exceed the Cap (or receive a warning of a near breach) in the event of a bona fide problem (*e.g.*, a system error or malfeasance). See *id.*

<sup>13</sup> See *id.*

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

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b–4.

<sup>4</sup> See Securities Exchange Act Release No. 70816 (November 6, 2013), 78 FR 68111 (“Notice”).

<sup>5</sup> In addition, on December 24, 2013, the Commission extended the time period for Commission action to January 3, 2014. See Securities Exchange Act Release No. 71183 (December 24, 2013).

<sup>6</sup> In Amendment No. 2, the Exchange amended the proposed rule change by removing the language in the proposal that gives the Exchange discretion to adjust the specified percentage (*i.e.*, “n%”) to an amount less than 60% and “n%–x” to an amount less than 40%. Amendment No. 2 has been placed in the public comment file for NYSEMKT–2013–86 at <http://www.sec.gov/comments/sr-nysemkt-2013-86/nysemkt201386.shtml> (see letter from Janet McGinness, EVP & Corporate Secretary, General Counsel, NYSE MKT, to Elizabeth M. Murphy, Secretary, Commission, dated December 26, 2013).

<sup>7</sup> According to the Exchange, the complex order table currently has the capacity to hold Electronic Complex Orders containing up to 16 million legs throughout the trading day. See Notice, *supra* note 4 at 68111, n. 8.

<sup>8</sup> Rule 980NY governs trading of Complex Orders on the NYSE MKT System (“Electronic Complex Orders”).

<sup>9</sup> For example, if an ATP Holder submits an Electronic Complex Order that, once accepted, breaches the Cap, the Exchange will accept that order in its entirety and then will reject all subsequent Electronic Complex Orders from that ATP Holder for the remainder of the trading day.

<sup>10</sup> In approving the proposed rule changes, the Commission has considered their impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>11</sup> 15 U.S.C. 78f(b)(5).

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 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 publicly available. All submissions should refer to File Number SR-NYSEMKT-2013-86 and should be submitted on or before January 29, 2014.

#### V. Accelerated Approval of Proposed Rule Change, as Modified by Amendment Nos. 1 and 2

As proposed, the proposed rule change provided that, unless determined otherwise by the Exchange and announced to ATP Holders via Trader Update, the specified percentage (*i.e.*, "n%") will be no less than 60%, and "n%-x" will be no less than 40%. Amendment No. 2 amended the proposed rule change by removing the language in the proposal that gives the Exchange discretion to adjust the specified percentage (*i.e.*, "n%") to an amount less than 60% and "n%-x" to an amount less than 40%. By removing this discretion, Amendment No. 2 reduces potential uncertainty about the application of the proposed rule change. Accordingly, the Commission finds good cause, pursuant to Section 19(b)(2) of the Act,<sup>14</sup> for approving the proposed rule change, as modified by Amendment Nos. 1 and 2, prior to the 30th day after the date of publication of notice in the **Federal Register**.

#### VI. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act<sup>15</sup> that the proposed rule change (SR-NYSEMKT-2013-86), as modified by Amendment

Nos. 1 and 2, be, and hereby is, approved on an accelerated basis.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>16</sup>

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

[FR Doc. 2014-00066 Filed 1-7-14; 8:45 am]

**BILLING CODE 8011-01-P**

### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-71227; File No. SR-CBOE-2013-110]

#### Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Order Approving a Proposed Rule Change To Eliminate the e-DPM Program January 2, 2014.

##### I. Introduction

On November 1, 2013, Chicago Board Options Exchange, Incorporated (the "Exchange" or "CBOE") 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 eliminate the Electronic DPM ("e-DPM") Program (the "e-DPM Program" or "Program"). The proposed rule change was published for comment in the **Federal Register** on November 20, 2013.<sup>3</sup> The Commission received no comments on the proposal. This order approves the proposed rule change.

##### II. Description of the Proposal

The Exchange proposes to eliminate the e-DPM Program by deleting Exchange rules that exclusively govern the Program and by removing all references to either the Program or e-DPMs throughout the remainder of its rulebook. Originally adopted in 2004, the e-DPM Program allows Trading Permit Holders ("TPHs") to remotely function as a Designated Primary Market-Maker ("DPM").<sup>4</sup> An e-DPM acts as a specialist on CBOE by entering bids and offers electronically from locations other than the floor-based trading

crowds where applicable option classes are traded, and are not required to have traders physically present in the trading crowd.<sup>5</sup>

The Exchange proposes to eliminate the Program because it believes the Program is no longer competitively necessary given the growing prevalence of Preferred Market-Maker<sup>6</sup> ("PMM") routing, which the Exchange believes has rendered the initially unique tenets of the Program less relevant and attractive to broker-dealers that might otherwise consider becoming or remaining an e-DPM.<sup>7</sup> In particular, the Exchange noted in its filing that while e-DPMs have similar or greater quoting obligations than PMMs, CBOE's rules provide a smaller participation entitlement to e-DPMs as compared to the participation entitlement that CBOE provides to PMMs.<sup>8</sup> The Exchange further represented that all e-DPMs that receive preferred orders on CBOE are also registered as PMMs.<sup>9</sup> The Exchange explained that the only circumstance in which it is a benefit to act as an e-DPM from the perspective of increasing a TPH's participation entitlement is where an order is not preferred to any party or the recipient of the preferred order is not at the NBBO when the order is received.<sup>10</sup> To place this attribute in context, the Exchange noted that 85% of orders that come into the Exchange are preferred orders.<sup>11</sup>

The Exchange stated that it does not believe that the elimination of the e-DPM Program will affect CBOE's market quality because the Exchange does not expect any Market-Makers to cease doing business on the Exchange due to

<sup>5</sup> CBOE Rule 8.92, which the Exchange proposes to delete, defined an e-DPM as "a TPH organization that is approved by the Exchange to remotely function in allocated option classes as a DPM and to fulfill certain obligations required of DPMs except for Floor Broker and Order Book Official obligations."

<sup>6</sup> Pursuant to CBOE Rule 8.13, the PMM program permits the Exchange to "allow on a class-by-class basis, for the receipt of marketable orders, through the Exchange's Order Routing System when the Exchange's disseminated quote is the NBBO, that carry a designation from the Trading Permit Holder transmitting the order that specifies a Market-Maker in that class as the 'Preferred Market-Maker' for that order. A qualifying recipient of a Preferred Market-Maker order shall be afforded a participation entitlement" as set forth in CBOE Rule 8.13.

<sup>7</sup> See Notice, *supra* note 3, at 69723.

<sup>8</sup> See *id.* The Exchange stated that on most transactions to which the e-DPM entitlement applies, if no party is labeled "preferred" for that order, or the party labeled "preferred" is not at the NBBO, e-DPMs are only guaranteed a maximum of 15% participation entitlement per order, whereas PMMs have a maximum 40% participation entitlement on orders that are preferred to them. See Notice, *supra* note 3, at 69723-69724.

<sup>9</sup> See *id.* at 69723.

<sup>10</sup> See *id.* at 69724.

<sup>11</sup> See *id.*

<sup>16</sup> 17 CFR 200.30-3(a)(12).

<sup>15</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. 70875 (November 14, 2013), 78 FR 69723 ("Notice").

<sup>4</sup> See *id.* at 69723. CBOE Rule 8.80(a) defines as a DPM as a "TPH organization that is approved by the Exchange to function in allocated securities as a Market-Maker" and is subject to certain obligations as provided in CBOE's rules. A DPM generally will operate on CBOE's trading floor, but can function remotely away from CBOE's trading floor in certain classes, subject to approval by the Exchange. See CBOE Rule 8.80(a).

<sup>14</sup> 15 U.S.C. 78s(b)(2).

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