

Permit Holders of co-branding is completely voluntary and available as a convenience to all Trading Permit Holders that elect to use the PULSe workstation. The Exchange also believes it is reasonable to offer the co-branding service only to Trading Permit Holder PULSe users, because those users make PULSe available to their customers. Such customers do not make the PULSe workstation available to others, and are not responsible for the use of PULSe by other parties, and thus providing the co-branding service to customers of Trading Permit Holders would not be appropriate.

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. The Exchange will make the co-branding service described in this rule filing available to all Trading Permit Holders that use PULSe on the same terms and conditions, and use of the co-branding service is completely voluntary. As discussed above, the Exchange believes it is reasonable to not offer the co-branding service to non-Trading Permit Holder customers of PULSe.

Trading Permit Holders (and their customers) will continue to have the flexibility to use any order-entry technology they choose to access the Exchange and may elect not to use the co-branding service if they elect to use PULSe. The PULSe functionality remains unchanged and continues to be made available as described in this and previous rule filings. The Exchange is merely offering Trading Permit Holder that use PULSe the opportunity to add branding to the workstation screens used by their customers (including sponsored users) for which workstations and orders entered through those workstations the Trading Permit Holders are responsible. This service would only add information to the workstation screen and change nothing else with respect to PULSe. The Exchange's offering of the co-branding service is another effort to have PULSe compete with the numerous other order-entry systems available in the marketplace. If Trading Permit Holders believe that other order-entry systems available in the marketplace are more beneficial than PULSe, then Trading Permit Holders may simply use those products instead. Orders sent to the Exchange for execution by Trading Permit Holders that use PULSe, whether they co-brand or not, will receive no preferential treatment.

CBOE believes that the proposed rule change will relieve any burden on, or otherwise promote, competition. CBOE will be offering a service with respect to PULSe that is available or could be made available on similar products throughout the industry. Market participants can also develop their own proprietary products with the same functionality, which they can offer to their customers. Market participants are also able to become Trading Permit Holders and license PULSe, and elect to co-brand PULSe workstations for their customers, if they believe the new co-branding service makes CBOE and PULSe more attractive.

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 Act¹⁷ and paragraph (f) of Rule 19b-4¹⁸ 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. Please include File Number SR-CBOE-2013-130 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-CBOE-2013-130. 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 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-2013-130 and should be submitted on or before February 6, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁹

Kevin M. O'Neill,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-71276; File No. 4-669]

Self-Regulatory Organizations; Topaz Exchange, LLC (d/b/a ISE Gemini); Order Declaring Effective a Minor Rule Violation Plan for Topaz Exchange, LLC

January 9, 2014.

On November 14, 2013, Topaz Exchange, LLC (d/b/a ISE Gemini) (the "Exchange") filed with the Securities and Exchange Commission

¹⁷ 15 U.S.C. 78s(b)(3)(A).

¹⁸ 17 CFR 240.19b-4(f).

¹⁹ 17 CFR 200.30-3(a)(12).

(“Commission”) a proposed minor rule violation plan (“MRVP”) pursuant to Section 19(d)(1) of the Securities Exchange Act of 1934 (the “Act”)¹ and Rule 19d-1(c)(2) thereunder.² The proposed MRVP was published for public comment on November 29, 2013.³ The Commission received no comments on the proposal. This order declares the Exchange’s proposed MRVP effective.

The Exchange’s MRVP specifies those uncontested minor rule violations with sanctions not exceeding \$2,500 that would not be subject to the provisions of Rule 19d-1(c)(1) of the Act,⁴ which requires a self-regulatory organization (“SRO”) to promptly file notice with the Commission of any final disciplinary action taken with respect to any person or organization.⁵ In accordance with Rule 19d-1(c)(2) under the Act,⁶ the Exchange proposed to designate certain specified rule violations as minor rule violations, and requested that it be relieved of the prompt reporting requirements regarding such violations, provided it gives notice of such violations to the Commission on a quarterly basis. The Exchange proposed to include in its MRVP the procedures and violations currently included in Exchange Rule 1614 (“Imposition of Fines for Minor Rule Violations”), which had been incorporated by reference from the International Securities Exchange’s rule book.⁷

According to the Exchange’s proposed MRVP, under Exchange Rule 1614, the Exchange may impose a fine (not to exceed \$2,500) on any Member, or person associated with or employed by any Member, with respect to any rule listed in Exchange Rule 1614(d).⁸ The Exchange shall serve the person against

whom a fine is imposed with a written statement setting forth the rule or rules violated, the act or omission constituting each such violation, the fine imposed, and the date by which such determination becomes final or by which such determination must be contested. If the person against whom the fine is imposed pays the fine, such payment shall be deemed to be a waiver of such person’s right to a disciplinary proceeding and any review of the matter under the Exchange rules. Any person against whom a fine is imposed may contest the Exchange’s determination by filing with the Exchange a written answer, at which point the matter shall become a disciplinary proceeding.

Upon the Commission’s declaration of effectiveness of the Exchange’s MRVP, the Exchange will provide the Commission a quarterly report for any actions taken on minor rule violations under the MRVP. The quarterly report will include: The Exchange’s internal file number for the case, the name of the individual and/or organization, the nature of the violation, the specific rule provision violated, the sanction imposed, the number of times the rule violation occurred, and the date of disposition.⁹

The Commission finds that the proposed MRVP is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange. In particular, the Commission believes that the proposal is consistent with Section 6(b)(5) of the Act,¹⁰ which requires 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 a national market system, and, in general, to protect investors and the public interest. The Commission also believes that the proposal is consistent with Sections 6(b)(1) and 6(b)(6) of the Act,¹¹ which require that the exchange enforce compliance with, and provide appropriate discipline for violations of, Commission and Exchange rules. In addition, because the MRVP offers procedural rights to a person sanctioned under Exchange Rule 1614, the Commission believes that Exchange Rule 1614 provides a fair procedure for the disciplining of members and persons associated with members,

consistent with Sections 6(b)(7) and 6(d)(1) of the Act.¹²

Finally, the Commission finds that the proposal is consistent with the public interest, the protection of investors, or otherwise in furtherance of the purposes of the Act, as required by Rule 19d-1(c)(2) under the Act,¹³ because the MRVP strengthens the Exchange’s ability to carry out its oversight and enforcement responsibilities as an SRO in cases where full disciplinary proceedings are unsuitable in view of the minor nature of the particular violation.

In declaring the Exchange’s MRVP effective, the Commission in no way minimizes the importance of compliance with Exchange rules and all other rules subject to the imposition of sanctions under Exchange Rule 1614. The Commission believes that the violation of an SRO’s rules, as well as Commission rules, is a serious matter. However, Exchange Rule 1614 provides a reasonable means of addressing violations that do not rise to the level of requiring formal disciplinary proceedings, while providing greater flexibility in handling certain violations. The Commission expects that the Exchange will continue to conduct surveillance with due diligence and make determinations based on its findings, on a case-by-case basis, regarding whether a sanction under the MRVP is appropriate, or whether a violation requires formal disciplinary action.

It is therefore ordered, pursuant to Rule 19d-1(c)(2) under the Act,¹⁴ that the proposed MRVP for Topaz Exchange, LLC (d/b/a ISE Gemini), File No. 4-669, be, and hereby is, declared effective.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁵

Kevin M. O’Neill,
Deputy Secretary.

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¹ 15 U.S.C. 78s(d)(1).

² 17 CFR 240.19d-1(c)(2).

³ See Securities Exchange Act Release No. 70927 (November 22, 2013), 78 FR 71689 (“Notice”).

⁴ 17 CFR 240.19d-1(c)(1).

⁵ The Commission adopted amendments to paragraph (c) of Rule 19d-1 to allow SROs to submit for Commission approval plans for the abbreviated reporting of minor disciplinary infractions. See Securities Exchange Act Release No. 21013 (June 1, 1984), 49 FR 23828 (June 8, 1984). Any disciplinary action taken by an SRO against any person for violation of a rule of the SRO which has been designated as a minor rule violation pursuant to such a plan filed with and declared effective by the Commission shall not be considered “final” for purposes of Section 19(d)(1) of the Act if the sanction imposed consists of a fine not exceeding \$2,500 and the sanctioned person has not sought an adjudication, including a hearing, or otherwise exhausted his administrative remedies.

⁶ 17 CFR 240.19d-1(c)(2).

⁷ On July 26, 2013, the Exchange received its grant of registration, which included approval of the rules that govern the Exchange. See Securities Exchange Act Release No. 70050, 78 FR 46622 (August 1, 2013) (File No. 10-209).

⁸ See Notice, *supra* note 3.

⁹ The Exchange attached a sample form of the quarterly report with its submission to the Commission.

¹⁰ 15 U.S.C. 78f(b)(5).

¹¹ 15 U.S.C. 78f(b)(1) and 78f(b)(6).

¹² 15 U.S.C. 78f(b)(7) and 78f(d)(1).

¹³ 17 CFR 240.19d-1(c)(2).

¹⁴ *Id.*

¹⁵ 17 CFR 200.30-3(a)(44).