which the Exchange assesses fees or calculates rebates. It is simply proposed in response to CBSX ceasing market operations trading on May 1, 2014.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any unsolicited written comments from Members or other interested parties.

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 Act [11] and Rule 19b–4(f)(2) [12] thereunder. At any time within 60 days of the filing of such 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.

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–EDGA–2014–13 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–EDGA–2014–13. 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–EDGA–2014–13, and should be submitted on or before June 2, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[13]

Kevin M. O'Neill,

Deputy Secretary.

[FR Doc. 2014–10773 Filed 5–9–14; 8:45 am]

BILLING CODE 8011–01–P

[11] 15 U.S.C. 78s(b)(3)(A).

[12] 17 CFR 240.19b–4 (f)(2).

[13] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–72099; File No. SR–BATS–2014–007]

Self-Regulatory Organizations; BATS Exchange, Inc.; Order Granting Approval of a Proposed Rule Change To List and Trade Shares of Certain Funds of the ProShares Trust

May 6, 2014.

I. Introduction

On March 13, 2014, BATS Exchange, Inc. (''Exchange'' or ''BATS'') filed with the Securities and Exchange Commission (''Commission''), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'' or ''Exchange Act'') [1] and Rule 19b–4 thereunder,[2] a proposed rule change to list and trade shares (''Shares'') of certain funds of the ProShares Trust (''Trust'') under BATS Rule 14.11(i). The proposed rule change was published for comment in the **Federal Register** on March 24, 2014.[3] The Commission received no comments on the proposal. This order grants approval of the proposed rule change.

II. Description of the Proposal

The Exchange proposes to list and trade the Shares of the ProShares CDS North American HY Credit ETF, ProShares CDS Short North American HY Credit ETF, ProShares CDS North American IG Credit ETF, ProShares CDS Short North American IG Credit ETF, ProShares CDS European HY Credit ETF, ProShares CDS Short European HY Credit ETF, ProShares CDS European IG Credit ETF, and the ProShares CDS Short European IG Credit ETF (individually, ''Fund,'' and collectively, ''Funds'') under BATS Rule 14.11(i), which governs the listing and trading of Managed Fund Shares on the Exchange. The Shares will be offered by the Trust, which was established as a Delaware statutory trust on May 29, 2002. The Trust is registered with the Commission as an open-end investment company and has filed a registration statement on behalf of the Funds on Form N–1A (''Registration Statement'') with the Commission.[4] ProShare Advisors LLC is the investment adviser (''Adviser'') to the Funds. JPMorgan Chase Bank, National Association is the administrator, custodian, fund account agent, index receipt agent, and transfer agent for the Trust. SEI Investments Distribution Co. serves as the distributor for the Trust. The Exchange represents that the Adviser is not a registered broker-dealer, but is currently affiliated with a broker-dealer, and that Adviser personnel who make decisions regarding the Funds' portfolios are subject to procedures designed to prevent the use and dissemination of material, non-public information regarding the Funds' portfolios.[5]

The Exchange has made the following representations and statements in describing the Funds and their

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] *See* Securities Exchange Act Release No. 71736 (March 18, 2014), 79 FR 16073 (''Notice'').

[4] *See* Registration Statement on Form N–1A for the Trust, dated May 31, 2013 (File Nos. 333–89822 and 811–21114). *See also* Investment Company Act Release No. 30562 (June 18, 2013) (File No. 812–14041).

[5] *See* BATS Rule 14.11(i)(7). The Exchange further represents that in the event that (a) the Adviser becomes a broker-dealer or newly affiliated with a broker-dealer, or (b) any new adviser or sub-adviser is a broker-dealer or becomes affiliated with a broker-dealer, it will implement a fire wall with respect to its relevant personnel or such broker-dealer affiliate, as applicable, regarding access to information concerning the composition and changes to the portfolio, and will be subject to procedures designed to prevent the use and dissemination of material, non-public information regarding such portfolio.

respective investment strategies, including other portfolio holdings and investment restrictions.[6]

Description of the Funds

The Funds will be actively managed funds that seek to provide exposure (or inverse exposure) to the credit of a segment of the fixed income markets by selecting a broadly diversified, liquid credit derivative portfolio.

A. Principal Investments

To meet its respective investment objective, under normal market circumstances,[7] each Fund intends to invest at least 80% of its net assets in centrally cleared, index-based credit default swaps (''CDS'').[8] The Exchange represents that the Funds will be structured to address concerns regarding counterparty risk and the use of leverage in CDS. To limit counterparty risk, the Funds will utilize centrally cleared CDS contracts. In addition, the Funds will seek to obtain only non-leveraged long or short credit exposure, as applicable (*i.e.,* exposure equivalent to Fund assets).

ProShares CDS North American HY Credit ETF

The investment objective of the Fund is to provide long exposure to credit by investing primarily in a broadly diversified, liquid portfolio of index-based CDS for which the reference entities are North American high yield (*i.e.,* below investment grade or ''junk bond'') debt issuers. The Fund seeks to increase in value when the North American high yield credit market improves (*i.e.,* the likelihood of payment by North American high yield debt issuers increases), while also seeking to limit the impact of a change in the credit quality of any single high yield debt issuer. To achieve its objective, the Fund will invest, under normal circumstances, at least 80% of its net assets in centrally cleared index-based CDS. The Adviser intends to utilize CDS to sell credit protection, thus obtaining long exposure to North American high yield credit. The Fund's investments in CDS will be consistent with the Fund's investment objective and will not be used to create leverage. The Fund will seek to obtain long credit exposure equivalent to its assets and will not provide leveraged exposure to credit.

The Adviser will actively manage the Fund, selecting credit derivatives based on the following primary considerations: Diversification; liquidity; and sensitivity to changes in credit quality. The Adviser may, at times, also consider other factors such as the relative value of one credit derivative versus another. The Fund will typically have exposure to individual sectors to the same extent as the index-based instruments in which it invests.

ProShares CDS Short North American HY Credit ETF

The investment objective of the Fund is to provide inverse exposure to credit by investing primarily in a broadly diversified, liquid portfolio of index-based CDS for which the reference entities are North American high yield (*i.e.,* below investment grade or ''junk bond'') debt issuers. The Fund seeks to increase in value when the North American high yield credit market declines (*i.e.,* the likelihood of payment by North American high yield debt issuers decreases), while also seeking to limit the impact of a change in the credit quality of any single high yield debt issuer. To achieve its objective, the Fund will invest, under normal circumstances, at least 80% of its net assets in centrally cleared index-based CDS. The Adviser intends to utilize CDS to buy credit protection, thus obtaining inverse exposure to North American high yield credit. The Fund's investments in CDS will be consistent with the Fund's investment objective and will not be used to create leverage. The Fund will seek to obtain short credit exposure equivalent to its assets and will not provide leveraged exposure to credit.

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ProShares CDS North American IG Credit ETF

The investment objective of the Fund is to provide long exposure to credit by investing primarily in a broadly diversified, liquid portfolio of index-based CDS for which the reference entities are North American investment grade debt issuers. The Fund seeks to increase in value when the North American investment grade credit market improves (*i.e.,* the likelihood of payment by North American investment grade debt issuers increases), while also seeking to limit the impact of a change in the credit quality of any single investment grade debt issuer. To achieve its objective, the Fund will invest, under normal circumstances, at least 80% of its net assets in centrally cleared index-based CDS. The Adviser intends to utilize CDS to sell credit protection, thus obtaining exposure to North American investment grade credit. The Fund's investments in CDS will be consistent with the Fund's investment objective and will not be used to create leverage. The Fund will seek to obtain long credit exposure equivalent to its assets and will not provide leveraged exposure to credit.

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[6] The Commission notes that additional information regarding the Trust, the Funds, and the Shares, including information on credit default swaps, in particular, investment strategies, risks, net asset value (''NAV'') calculation, creation and redemption procedures, portfolio holdings, disclosure policies, distributions and taxes, among other information, is included in the Notice and the Registration Statement, as applicable. *See* Notice and Registration Statement, *supra* notes 3 and 4, respectively.

[7] The term ''under normal circumstances'' includes, but is not limited to, the absence of adverse market, economic, political, or other conditions, including extreme volatility or trading halts in the CDS markets, the related futures markets, or the financial markets generally; operational issues causing dissemination of inaccurate market information; or force majeure type events such as systems failure, natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labor disruption, or any similar intervening circumstance.

[8] CDS provide exposure to the credit of one or more debt issuers referred to as ''reference entities.'' These instruments are designed to reflect changes in credit quality, including events of default. CDS are most commonly discussed in terms of buying or selling credit protection with respect to a reference entity. Selling credit protection is equivalent to being ''long'' credit. Buying credit protection is equivalent to being ''short'' credit. Index-based CDS provide credit exposure, through a single trade, to a basket of reference entities. A variety of index-based CDS with different characteristics are currently available in the marketplace with new issuances occurring periodically. Issuances typically vary in terms of underlying reference entities and maturity and, thus, can have significant differences in performance over time. As with exchange-traded futures contracts, holders of centrally cleared swaps do have counterparty risk relative to their Futures Commission Merchant (''FCM''). The Funds will select one or more large, well-capitalized institutions to act as their FCM.

ProShares CDS Short North American IG Credit ETF

The investment objective of the Fund is to provide inverse exposure to credit by investing primarily in a broadly diversified, liquid portfolio of index-based CDS for which the reference entities are North American investment grade debt issuers. The Fund seeks to increase in value when the North American investment grade credit market declines (*i.e.,* the likelihood of payment by North American investment grade debt issuers decreases), while also seeking to limit the impact of a change in the credit quality of any single investment grade debt issuer. To achieve its objective, the Fund will invest, under normal circumstances, at least 80% of its net assets in centrally cleared index-based CDS. The Adviser intends to utilize CDS to buy credit protection, thus obtaining inverse exposure to North American investment grade credit. The Fund's investments in CDS will be consistent with the Fund's investment objective and will not be used to create leverage. The Fund will seek to obtain short credit exposure equivalent to its assets and will not provide leveraged exposure to credit.

The Adviser will actively manage the Fund, selecting credit derivatives based on the following primary considerations: Diversification; liquidity; and sensitivity to changes in credit quality. The Adviser may, at times, also consider other factors such as the relative value of one credit derivative versus another. The Fund will typically have exposure to individual sectors to the same extent as the index-based instruments in which it invests.

ProShares CDS European HY Credit ETF

The investment objective of the Fund is to provide long exposure to credit by investing primarily in a broadly diversified, liquid portfolio of index-based CDS for which the reference entities are European high-yield (*i.e.,* below investment grade or ''junk bond'') debt issuers. The Fund seeks to increase in value when the European high yield credit market improves (*i.e.,* the likelihood of payment by European high yield debt issuers increases), while also seeking to limit the impact of a change in the credit quality of any single high yield debt issuer. To achieve its objective, the Fund will invest, under normal circumstances, at least 80% of its net assets in centrally cleared index-based CDS. The Adviser intends to utilize CDS to sell credit protection, thus obtaining exposure to European high yield credit. The Fund's investments in CDS will be consistent with the Fund's investment objective and will not be used to create leverage. The Fund will seek to obtain long credit exposure equivalent to its assets and will not provide leveraged exposure to credit.

The Adviser will actively manage the Fund, selecting credit derivatives based on the following primary considerations: Diversification; liquidity; and sensitivity to changes in credit quality. The Adviser may, at times, also consider other factors such as the relative value of one credit derivative versus another. The Fund will typically have exposure to individual sectors to the same extent as the index-based instruments in which it invests.

ProShares CDS Short European HY Credit ETF

The investment objective of the Fund is to provide inverse exposure to credit by investing primarily in a broadly diversified, liquid portfolio of index-based CDS for which the reference entities are European high yield (*i.e.,* below investment grade or ''junk bond'') debt issuers. The Fund seeks to increase in value when the European high yield credit market declines (*i.e.,* the likelihood of payment by European high yield debt issuers decreases), while also seeking to limit the impact of a change in the credit quality of any single high yield debt issuer. To achieve its objective, the Fund will invest, under normal circumstances, at least 80% of its net assets in centrally cleared index-based CDS. The Adviser intends to utilize CDS to buy credit protection, thus obtaining inverse exposure to European high yield credit. The Fund's investments in CDS will be consistent with the Fund's investment objective and will not be used to create leverage. The Fund will seek to obtain short credit exposure equivalent to its assets and will not provide leveraged exposure to credit.

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ProShares CDS European IG Credit ETF

The investment objective of the Fund is to provide long exposure to credit by investing primarily in a broadly diversified, liquid portfolio of index-based CDS for which the reference entities are European investment grade debt issuers. The Fund seeks to increase in value when the European investment grade credit market improves (*i.e.,* the likelihood of payment by European investment grade debt issuers increases), while also seeking to limit the impact of a change in the credit quality of any single investment grade debt issuer. To achieve its objective, the Fund will invest, under normal circumstances, at least 80% of its net assets in centrally cleared index-based CDS. The Adviser intends to utilize CDS to sell credit protection, thus obtaining long exposure to European investment grade credit. The Fund's investments in CDS will be consistent with the Fund's investment objective and will not be used to create leverage. The Fund will seek to obtain long credit exposure equivalent to its assets and will not provide leveraged exposure to credit.

The Adviser will actively manage the Fund, selecting credit derivatives based on the following primary considerations: Diversification; liquidity; and sensitivity to changes in credit quality. The Adviser may, at times, also consider other factors such as the relative value of one credit derivative versus another. The Fund will typically have exposure to individual sectors to the same extent as the index-based instruments in which it invests.

ProShares CDS Short European IG Credit ETF

The investment objective of the Fund is to provide inverse exposure to credit by investing primarily in a broadly diversified, liquid portfolio of index-based CDS and for which the reference entities are European investment grade debt issuers. The Fund seeks to increase in value when the European investment grade credit market declines (*i.e.,* the likelihood of payment by European investment grade debt issuers decreases), while also seeking to limit the impact of a change in the credit quality of any single investment grade debt issuer. To achieve its objective, the Fund will invest, under normal circumstances, at least 80% of its net assets in centrally cleared index-based CDS. The Adviser intends to utilize CDS to buy credit protection, thus obtaining inverse exposure to European investment grade credit. The Fund's investments in CDS will be consistent with the Fund's investment objective and will not be used to create leverage. The Fund will seek to obtain short credit exposure equivalent to its assets and will not provide leveraged exposure to credit.

The Adviser will actively manage the Fund, selecting credit derivatives based on the following primary considerations: Diversification; liquidity; and sensitivity to changes in credit quality. The Adviser may, at times, also consider other factors such as the relative value of one credit derivative versus another. The Fund will typically have exposure to individual sectors to the same extent as the index-based instruments in which it invests.

B. Other Portfolio Holdings

In addition to the instruments described above, the Funds may also invest, to a more limited extent and in a manner consistent with its investment objective, in exchange-traded futures contracts linked to index-based CDS (also known as ''credit index futures''), which are also centrally cleared.[9] Each Fund will also invest in money market instruments [10] in a manner consistent with its investment objective in order to generate additional return, to help manage cash flows in and out of the Fund, such as in connection with payment of dividends or expenses, to satisfy margin requirements, and to provide collateral or to otherwise back investments in CDS and futures contracts.

C. The Funds' Investment Restrictions

Each Fund may hold up to an aggregate amount of 15% of its net assets in illiquid assets (calculated at the time of investment) deemed illiquid by the Adviser [11] under the Investment Company Act of 1940 (''1940 Act''). Each Fund will monitor its portfolio liquidity on an ongoing basis to determine whether, in light of current circumstances, an adequate level of liquidity is being maintained, and will consider taking appropriate steps in order to maintain adequate liquidity if, through a change in values, net assets, or other circumstances, more than 15% of the Fund's net assets are held in illiquid assets. Illiquid assets include assets subject to contractual or other restrictions on resale and other instruments that lack readily available markets as determined in accordance with Commission staff guidance.

Each Fund intends to qualify each year as a regulated investment company (''RIC'') under Subchapter M of the Internal Revenue Code of 1986, as amended. Each Fund will invest its assets, and otherwise conduct its operations, in a manner that is intended to satisfy the qualifying income, diversification, and distribution requirements necessary to establish and maintain RIC qualification under Subchapter M. Each Fund will not invest in options or non-U.S. equity securities.

III. Discussion and Commission Findings

After careful review, the Commission finds that the Exchange's proposal to list and trade the Shares is consistent with the Exchange Act and the rules and regulations thereunder applicable to a national securities exchange.[12] In particular, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Exchange Act,[13] which requires, among other things, that the Exchange's rules 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 notes that the Funds and the Shares must comply with the requirements of BATS Rule 14.11(i) for the Shares to be listed and traded on the Exchange.

The Commission finds that the proposal to list and trade the Shares on the Exchange is consistent with Section 11A(a)(1)(C)(iii) of the Exchange Act,[14] which sets forth Congress' finding that it is in the public interest and appropriate for the protection of investors and the maintenance of fair and orderly markets to assure the availability to brokers, dealers, and investors of information with respect to quotations for and transactions in securities. Quotation and last-sale information for the Shares will be available on the facilities of the Consolidated Tape Association (''CTA''). On each business day, before commencement of trading in Shares during the Regular Trading Hours[15] on the Exchange, the Funds will disclose on their Web sites the Disclosed Portfolio that will form the basis for the Funds' calculation of NAV at the end of the business day.[16] The NAV of the Shares of the CDS North American HY Credit ETF, the CDS Short North American HY Credit ETF, the CDS North American IG Credit ETF, and the CDS Short North American IG Credit ETF will generally be determined at 3:00 p.m. Eastern Time each business day when the BATS Exchange is open for trading. The NAV of the CDS European HY Credit ETF, the CDS Short European HY Credit ETF, the CDS European IG Credit ETF, and the CDS Short European IG Credit ETF will generally be determined at 11:00 a.m. Eastern Time (or such time as equals 4:00 p.m. London Time) on each business day that the BATS Exchange is open.[17] In addition, for the Funds, an estimated value, defined in BATS Rule 14.11(i)(3)(C) as the ''Intraday Indicative Value,'' that reflects an estimated intraday value of the individual Fund's

[9] As a general matter, futures contracts are standardized contracts traded on, or subject to the rules of, an exchange that call for the future delivery of a specified quantity and type of asset at a specified time and place or, alternatively, may call for cash settlement. Credit index futures provide exposure to the credit of a number of reference entities. Unlike CDS, certain credit index futures do not provide protection against events of default.

[10] For each of the Funds, the specific money market instruments are Treasury securities and repurchase agreements and, in the future, may include money market fund shares.

[11] In reaching liquidity decisions, the Adviser may consider the following factors: The frequency of trades and quotes for the security; the number of dealers wishing to purchase or sell the security and the number of other potential purchasers; dealer undertakings to make a market in the security; and the nature of the security and the nature of the marketplace trades (*e.g.,* the time needed to dispose of the security, the method of soliciting offers, and the mechanics of transfer).

[12] 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).

[13] 15 U.S.C. 78f(b)(5).

[14] 15 U.S.C. 78k–1(a)(1)(C)(iii).

[15] Regular Trading Hours are 9:30 a.m. to 4:00 p.m. Eastern Time.

[16] The Disclosed Portfolio will include, as applicable, the names (including the credit derivative series or contract), quantity, exposure value (notional value + gains/losses), and market value of CDS, futures, and other assets held by the Funds and the characteristics of such assets. The Web sites and information will be publicly available at no charge. Under accounting procedures followed by the Funds, trades made on the prior business day (''T'') will be booked and reflected in NAV on the current business day (''T+1''). Accordingly, the Funds will be able to disclose at the beginning of the business day the portfolio that will form the basis for the NAV calculation at the end of the business day.

[17] Securities and other assets will generally be valued at their market price using information provided by a pricing service or market quotations. Certain short-term securities will be valued on the basis of amortized cost. CDS will generally be valued on the basis of market prices, generally the mid-point between the bid/ask quotes, obtained from a third-party pricing service as of the time a Fund calculates its NAV. Futures contracts, such as the credit index futures, will generally be valued at their last sale price prior to the time at which the NAV per Share of a class of Shares of a Fund is determined. Of the money market instruments held by the Funds, repurchase agreements will generally be valued at cost. U.S. government securities will generally be priced at a quoted market price from an active market, generally the mid-point between the bid/ask quotes. For U.S. government securities that mature within sixty days, amortized cost may be used to approximate fair value. Money market funds will generally be valued at their current NAV per share, typically $1.00 per share. Alternatively, fair valuation procedures may be applied if deemed more appropriate. Routine valuation of certain other derivatives is performed using procedures approved by the Board of Trustees.

portfolio, will be disseminated. The Intraday Indicative Value will be based upon the current value for the components of the Disclosed Portfolio and will be updated and widely disseminated by one or more major market data vendors at least every 15 seconds during the Exchange's Regular Trading Hours.[18] According to the Exchange, intraday price quotations on CDS of the type held by the Funds, as well as repurchase agreements and Treasury instruments, are available from major broker-dealer firms and from third-parties, which may provide prices free with a time delay, or ''live'' with a paid fee. For futures contracts, such intraday information is available directly from the applicable listing exchange. Intraday price information is also available through subscription services, such as Bloomberg and Thomson Reuters, which can be accessed by authorized participants and other investors. Money market fund shares are not generally priced or quoted on an intraday basis. Information regarding market price and trading volume of the Shares will be continually available on a real-time basis throughout the day on brokers' computer screens and other electronic services. Information regarding the previous day's closing price and trading volume information for the Shares will be available daily in the print and online financial press. In addition, the Funds' Web sites will include a form of the prospectus for the Funds, as well as information relating to NAV and other quantitative information.

The Commission also believes that the proposal to list and trade the Shares is reasonably designed to promote fair disclosure of information that may be necessary to price the Shares appropriately and to prevent trading when a reasonable degree of transparency cannot be assured. The Exchange will obtain a representation from the issuer of the Shares that the NAV per share will be calculated daily and that the NAV and the Disclosed Portfolio will be made available to all market participants at the same time. The Exchange will halt trading in the Shares under the conditions specified in BATS Rule 11.18. In addition, trading may be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in the Shares inadvisable. These may include: (1) The extent to which trading is not occurring in the CDS, futures, and/or the financial instruments composing the Disclosed Portfolio of the Funds; or (2) whether other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present.[19] Trading in the Shares also will be subject to Rule 14.11(i)(4)(B)(iv), which sets forth specific circumstances under which Shares of the Funds may be halted. The Exchange prohibits the distribution of material non-public information by its employees. The Commission notes that, as represented by the Exchange, the Adviser is not a registered broker-dealer, but is currently affiliated with a broker-dealer, and that Adviser personnel who make decisions regarding the Funds' portfolios are subject to procedures designed to prevent the use and dissemination of material, non-public information regarding the Funds' portfolios.[20] In addition, the Commission notes that, consistent with BATS Rule 14.11(i)(4)(B)(ii)(b), the Reporting Authority, as defined in BATS Rule 14.11(i)(3)(D), must implement and maintain, or be subject to, procedures designed to prevent the use and dissemination of material, non-public information regarding the actual components of each Fund's portfolio. The Exchange may obtain information regarding trading in the Shares and the underlying futures via the Intermarket Surveillance Group (''ISG'') from other exchanges who are members or affiliates of the ISG or with which the Exchange has entered into a comprehensive surveillance sharing agreement.[21] In addition, the Exchange is able to access, as needed, trade information for certain fixed income instruments reported to FINRA's Trade Reporting and Compliance Engine.

The Exchange deems the Shares to be equity securities, thus rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities. In support of this proposal, the Exchange has made representations, including:

(1) The Exchange has appropriate rules to facilitate transactions in the Shares during all trading sessions.[22]

(2) The Shares will be subject to BATS Rule 14.11(i), which sets forth the initial and continued listing criteria applicable to Managed Fund Shares.

(3) Trading of the Shares through the Exchange will be subject to the Exchange's surveillance procedures for derivative products, including Managed Fund Shares, and that these procedures are adequate to properly monitor Exchange trading of the Shares during all trading sessions and to deter and detect violations of Exchange rules and the applicable federal securities laws. In addition, all of the futures contracts in the Disclosed Portfolio for the Funds will trade on markets that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.

(4) Prior to the commencement of trading, the Exchange will inform its members in an Information Circular of the special characteristics and risks associated with trading the Shares. Specifically, the Information Circular will discuss the following: (1) The procedures for purchases and redemptions of Shares in Creation Units (and that Shares are not individually redeemable); (2) BATS Rule 3.7, which imposes suitability obligations on Exchange members with respect to recommending transactions in the Shares to customers; (3) how information regarding the Intraday Indicative Value is disseminated; (4) the risks involved in trading the Shares during the Pre-Opening and After Hours Trading Sessions when an updated Intraday Indicative Value will not be calculated or publicly disseminated; (5) the requirement that members deliver a

[18] The Exchange represents that several major market data vendors display or make widely available Intraday Indicative Values published via the CTA or other data feeds.

[19] *See* BATS Rule 14.11(i)(4)(B)(iii) (setting forth certain circumstances under which the Exchange will consider the suspension of trading in or removal from listing of a series of Managed Fund Shares).

[20] *See supra* note 5 and accompanying text. The Commission notes that an investment adviser to an open-end fund is required to be registered under the Investment Advisers Act of 1940 (''Advisers Act''). As a result, the Adviser and its related personnel are subject to the provisions of Rule 204A–1 under the Advisers Act relating to codes of ethics. This Rule requires investment advisers to adopt a code of ethics that reflects the fiduciary nature of the relationship to clients as well as compliance with other applicable securities laws. Accordingly, procedures designed to prevent the communication and misuse of non-public information by an investment adviser must be consistent with Rule 204A–1 under the Advisers Act. In addition, Rule 206(4)–7 under the Advisers Act makes it unlawful for an investment adviser to provide investment advice to clients unless such investment adviser has (i) adopted and implemented written policies and procedures reasonably designed to prevent violation, by the investment adviser and its supervised persons, of the Advisers Act and the Commission rules adopted thereunder; (ii) implemented, at a minimum, an annual review regarding the adequacy of the policies and procedures established pursuant to subparagraph (i) above and the effectiveness of their implementation; and (iii) designated an individual (who is a supervised person) responsible for administering the policies and procedures adopted under subparagraph (i) above.

[21] For a list of the current members and affiliate members of ISG, *see www.isgportal.com*. The Exchange has noted that not all components of the Disclosed Portfolio for the Funds may trade on markets that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.

[22] *See supra* note 15. The Pre-Opening Session is from 8:00 a.m. to 9:30 a.m. Eastern Time. The After Hours Trading Session is from 4:00 p.m. to 5:00 p.m. Eastern Time.

prospectus to investors purchasing newly issued Shares prior to or concurrently with the confirmation of a transaction; and (6) trading information.

(5) For initial and/or continued listing, the Funds must be in compliance with Rule 10A–3 under the Act.[23]

(6) Each Fund's investments in CDS will be consistent with its respective investment objective and will not be used to create leverage. The Funds will seek to obtain only non-leveraged long or short credit exposure, as applicable (*i.e.,* exposure equivalent to Fund assets). To limit counterparty risk, the Funds will utilize centrally cleared CDS contracts.

(7) Each Fund may hold up to an aggregate amount of 15% of its net assets in illiquid assets.

(8) A minimum of 100,000 Shares for each Fund will be outstanding at the commencement of trading on the Exchange.

This approval order is based on all of the Exchange's representations, including those set forth above and in the Notice, and the Exchange's description of the Funds.

For the foregoing reasons, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act[24] and the rules and regulations thereunder applicable to a national securities exchange.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,[25] that the proposed rule change (SR–BATS–2014–007), be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[26]

Kevin M. O'Neill,

Deputy Secretary.

[FR Doc. 2014–10772 Filed 5–9–14; 8:45 am]

BILLING CODE 8011–01–P

[23] *See* 17 CFR 240.10A–3.

[24] 15 U.S.C. 78f(b)(5).

[25] 15 U.S.C. 78s(b)(2).

[26] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[File No. 500–1]

In the Matter of Imaging Diagnostic Systems, Inc.; Order of Suspension of Trading

May 8, 2014.

It appears to the Securities and Exchange Commission that there is a lack of current and accurate information concerning the securities of Imaging Diagnostic Systems, Inc. ("Imaging") because it has not filed certain periodic reports with the Commission.

The Commission is of the opinion that the public interest and the protection of investors require a suspension of trading in the securities of the above-listed company.

Therefore, it is ordered, pursuant to Section 12(k) of the Securities Exchange Act of 1934, that trading in the securities of the above-listed company is suspended for the period from 9:30 a.m. EDT, on May 8, 2014 through 11:59 p.m. EDT, on May 21, 2014.

By the Commission.

Jill M. Peterson,

Assistant Secretary.

[FR Doc. 2014–10922 Filed 5–8–14; 4:15 pm]

BILLING CODE 8011–01–P

SMALL BUSINESS ADMINISTRATION

[Disaster Declaration #13967 and #13968]

Alabama Disaster #AL–00054

AGENCY: U.S. Small Business Administration.

ACTION: Notice.

SUMMARY: This is a Notice of the Presidential declaration of a major disaster for the State of Alabama (FEMA–4176–DR), dated 05/02/2014.

Incident: Severe Storms, Tornadoes, Straight-line Winds, and Flooding.

Incident Period: 04/28/2014 and continuing.

Effective Date: 05/02/2014

Physical Loan Application Deadline Date: 07/01/2014.

Economic Injury (EIDL) Loan Application Deadline Date: 02/02/2015.

ADDRESSES: Submit completed loan applications to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

FOR FURTHER INFORMATION CONTACT: A. Escobar, Office of Disaster Assistance, U.S. Small Business Administration, 409 3rd Street SW., Suite 6050, Washington, DC 20416.

SUPPLEMENTARY INFORMATION: Notice is hereby given that as a result of the President's major disaster declaration on 05/02/2014, applications for disaster loans may be filed at the address listed above or other locally announced locations.

The following areas have been determined to be adversely affected by the disaster:

Primary Counties (Physical Damage and Economic Injury Loans): Baldwin, Jefferson, Lee, Limestone.

Contiguous Counties (Economic Injury Loans Only):

Alabama: Bibb, Blount, Chambers, Clarke, Escambia, Lauderdale, Lawrence, Macon, Madison, Mobile, Monroe, Morgan, Russell, Saint Clair, Shelby, Tallapoosa, Tuscaloosa, Walker, Washington.

Florida: Escambia.

Georgia: Harris, Muscogee.

Tennessee: Giles, Lincoln.

The Interest Rates are:

	Percent
For Physical Damage:	
Homeowners With Credit Available Elsewhere	4.375
Homeowners Without Credit Available Elsewhere	2.188
Businesses With Credit Available Elsewhere	6.000
Businesses Without Credit Available Elsewhere	4.000
Non-Profit Organizations With Credit Available Elsewhere	2.625
Non-Profit Organizations Without Credit Available Elsewhere	2.625
For Economic Injury:	
Businesses & Small Agricultural Cooperatives Without Credit Available Elsewhere	4.000
Non-Profit Organizations Without Credit Available Elsewhere	2.625

The number assigned to this disaster for physical damage is 13967B and for economic injury is 139680.

(Catalog of Federal Domestic Assistance Numbers 59002 and 59008)

Joseph P. Loddo,

Acting Associate Administrator, for Disaster Assistance.

[FR Doc. 2014–10744 Filed 5–9–14; 8:45 am]

BILLING CODE 8025–01–P

SMALL BUSINESS ADMINISTRATION

Announcement of Growth Accelerator Fund Competition

AGENCY: U.S. Small Business Administration (SBA).

ACTION: Notice.

SUMMARY: The U.S. Small Business Administration (SBA) announces a Growth Accelerator Fund Competition to accelerators and similar organizations to fund their operations costs and allow them to scale up or bring new ideas to life.

DATES: The submission period for entries begins 12:00 p.m. e.d.t., May 12, 2014 and ends August 2, 2014 @ 11:59 p.m. e.d.t. Winners will be announced no later than September 12, 2014.