

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-75173; File No. SR-CBOE-2015-027]

### Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Update Regulatory Related References

June 15, 2015.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on June 2, 2015, Chicago Board Options Exchange, Incorporated (the “Exchange” or “CBOE”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III below, of which Items I and III have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to amend its rules to update regulatory related references. The text of the proposed rule change is available on the Exchange’s Web site (<http://www.cboe.com/AboutCBOE/CBOELegalRegulatoryHome.aspx>), at the Exchange’s Office of the Secretary, 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 Exchange recently entered into a Regulatory Services Agreement (“RSA”) with the Financial Industry Regulatory Authority, Inc. (“FINRA”), pursuant to which FINRA, among other things, will provide certain regulatory services to the Exchange.<sup>3</sup> As such, the Exchange proposes to make conforming changes to its rules to account for the new regulatory structure.

First, the Exchange seeks to rename the “Regulatory Services Division” to “Regulatory Division” and make conforming changes in Exchange Rules. As such, the Exchange seeks to replace all references to “Regulatory Services Division” with “Regulatory Division” in Exchange Rules 4.4 (Gratuities), 10.12 (Mandatory Closing of Fails), 10.14 (Procedure for Closing Defaulted Contract), and 17.2 (Complaint and Investigation).

Next, the Exchange seeks to eliminate references to “Office of Enforcement” in the Exchange Rules. By way of background, the Office of Enforcement was responsible for resolving disciplinary matters on behalf of the Exchange, which included negotiating settlements in disciplinary cases for the Business Conduct Committee’s (“BCC”) consideration and in situations where a respondent in a disciplinary matter did not seek settlement, preparing and presenting the case for hearing before the BCC, as well as handling any subsequent appeals. The Exchange notes that while it continues to have responsibility for enforcing compliance with its rules, the Office of Enforcement services mentioned above transitioned to FINRA pursuant to the FINRA RSA.

<sup>3</sup> The Commission notes that while the Exchange has entered into an RSA with FINRA to provide regulatory services, the Exchange retains ultimate legal responsibility for, and control of, its self-regulatory responsibilities. *See, e.g.*, CBOE Rule 15.9(b) (“The Exchange may enter into one or more agreements with another self-regulatory organization to provide regulatory services to the Exchange to assist the Exchange in discharging its obligations under Section 6 and Section 19(g) of the Securities Exchange Act of 1934. Any action taken by another self-regulatory organization, or its employees or authorized agents, acting on behalf of the Exchange pursuant to a regulatory services agreement shall be deemed to be an action taken by the Exchange; provided, however, that nothing in this provision shall affect the oversight of such other self-regulatory organization by the Securities and Exchange Commission. Notwithstanding the fact that the Exchange may enter into one or more regulatory services agreements, the Exchange shall retain ultimate legal responsibility for, and control of, its self-regulatory responsibilities, and any such regulatory services agreement shall so provide.”).

The Exchange therefore seeks to (i) remove the term “Office of Enforcement” from Rule 4.4 (Gratuities) and (ii) replace the term with “Regulatory Division” in Rules 17.9 (Decision) and 17.10 (Review), as “Office of Enforcement” is obsolete in light of the transition of certain regulatory functions to FINRA. Next, the Exchange seeks to replace current references to “Exchange’s Regulatory staff” and “Regulatory staff of the Exchange” to “Regulatory staff” in Exchange Rules 17.2 (Complaint and Investigation), 17.3 (Expedited Proceeding), 17.4 (Charges), and 17.8 (Offers of Settlement), as reference to Regulatory staff may now also refer to employees of FINRA who are performing regulatory services to the Exchange in accordance with the abovementioned RSA, not just employees of the Exchange. Finally, the Exchange proposes to provide in Interpretation .05 of Rule 17.2 that references to “Regulatory staff” in Chapter XVII means the Exchange’s employees in the Regulatory Division and “as applicable, may also mean employees of the Financial Industry Regulatory Authority, Inc. (“FINRA”) who are performing regulatory services to the Exchange in accordance with the regulatory services agreement entered into between the Exchange and FINRA.” The Exchange believes the proposed clarifications maintain clarity in the rules and alleviate confusion. The Exchange notes that these are clarifying, non-substantive changes.

##### 2. Statutory Basis

The Exchange believes the proposed rule changes are consistent with the Securities Exchange Act of 1934 (the “Act”) and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.<sup>4</sup> Specifically, the Exchange believes the proposed rule changes are consistent with the Section 6(b)(5)<sup>5</sup> requirements that the rules of an exchange be 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 regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, 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.

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

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

<sup>4</sup> 15 U.S.C. 78ff(b).

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

In particular, the Exchange believes that removing the obsolete term “Office of Enforcement” from the rules, conforming references relating to Regulatory staff and expressly stating that references to “Regulatory staff” may refer to staff at FINRA who are performing regulatory services to the Exchange in accordance with the RSA, maintains clarity in the rules and eliminates potential confusion. The alleviation of potential confusion will remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, protect investors and the public interest.

#### *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 that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed changes to conform Exchange rules and alleviate confusion are not intended for competitive reasons and only apply to CBOE. The Exchange also does not believe the proposed rule change effects intramarket or intermarket competition, and notes that no rights or obligations of Trading Permit Holders are affected by the change.

#### *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 Act<sup>6</sup> and paragraph (f) of Rule 19b-4<sup>7</sup> thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission 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](mailto:rule-comments@sec.gov). Please include File Number SR-CBOE-2015-027 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-CBOE-2015-027. 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-2015-027, and should be submitted on or before July 10, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>8</sup>

**Robert W. Errett,**  
*Deputy Secretary.*

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### **SECURITIES AND EXCHANGE COMMISSION**

[Investment Company Act Release No. 31669; 812-14440]

#### **FFI Advisors, LLC, et al.; Notice of Application**

June 15, 2015.

**AGENCY:** Securities and Exchange Commission (“Commission”).

**ACTION:** Notice of an application for an order under section 6(c) of the Investment Company Act of 1940 (the “Act”) for an exemption from sections 2(a)(32), 5(a)(1), 22(d), and 22(e) of the Act and rule 22c-1 under the Act, under sections 6(c) and 17(b) of the Act for an exemption from sections 17(a)(1) and 17(a)(2) of the Act, and under section 12(d)(1)(j) for an exemption from sections 12(d)(1)(A) and 12(d)(1)(B) of the Act.

**SUMMARY OF APPLICATION:** Applicants request an order that would permit (a) series of certain open-end management investment companies to issue shares (“Shares”) redeemable in large aggregations only (“Creation Units”); (b) secondary market transactions in Shares to occur at negotiated market prices rather than at net asset value (“NAV”); (c) certain series to pay redemption proceeds, under certain circumstances, more than seven days after the tender of Shares for redemption; (d) certain affiliated persons of the series to deposit securities into, and receive securities from, the series in connection with the purchase and redemption of Creation Units; and (e) certain registered management investment companies and unit investment trusts outside of the same group of investment companies as the series to acquire Shares.

**APPLICANTS:** FFI Advisors, LLC (“FFIA”), ETF Series Solutions (“Trust”) and Quasar Distributors, LLC (“Quasar”).

**FILING DATES:** The application was filed on April 2, 2015, and amended on May 20, 2015.

**HEARING OR NOTIFICATION OF HEARING:** An order granting the requested relief will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission’s Secretary and serving

<sup>6</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>7</sup> 17 CFR 240.19b-4(f).

<sup>8</sup> 17 CFR 200.30-3(a)(12).