

Taker Surcharge increase is substantially similar to the surcharge increase on CBOE.<sup>22</sup> The Exchange believes for these reasons that the Taker Surcharge for complex orders is equitable, reasonable and not unfairly discriminatory, and thus consistent with the Act.

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

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that the proposed increase in the Taker Surcharge for complex transactions is intended to promote narrower spreads and greater liquidity at the best prices. The fee-based incentives for market participants to provide liquidity by submitting complex orders to the Exchange, and thereby improve the MBBO to ensure participation, should enable the Exchange to attract order flow and compete with other exchanges which also provide such incentives to their market participants for similar transactions.

The Exchange believes that increased complex order flow will bring greater volume and liquidity which in turn benefits all market participants by providing more trading opportunities and tighter spreads. Therefore, any potential effects that the increased Taker Surcharge for complex transactions may have on intra-market competition are justifiable due to the reasons stated above.

The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive. In such an environment, the Exchange must continually adjust its fees to remain competitive with other exchanges and to attract order flow. The Exchange believes that the proposed rule change reflects this competitive environment because they modify the Exchange's fees in a manner that encourages market participants to provide liquidity and to send order flow to the Exchange.

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

Written comments were neither solicited nor received.

### **III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action**

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act,<sup>23</sup> and Rule 19b-4(f)(2)<sup>24</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 shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

### **IV. Solicitation of Comments**

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

#### *Electronic Comments*

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-MIAX-2017-02 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-MIAX-2017-02. 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-MIAX-2017-02, and should be submitted on or before March 6, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>25</sup>

**Eduardo A. Aleman,**  
*Assistant Secretary.*

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## **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-79984; SR-CHX-2016-16]

### **Self-Regulatory Organizations; Chicago Stock Exchange, Inc.; Notice of Withdrawal of a Proposed Rule Change To Adopt the CHX Liquidity Taking Access Delay**

February 7, 2017.

On September 6, 2016, the Chicago Stock Exchange, Inc. ("CHX" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Exchange Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to adopt the CHX Liquidity Taking Access Delay ("LTAD"). The proposed rule change was published for comment in the **Federal Register** on September 22, 2016.<sup>3</sup> On November 1, 2016, pursuant to Section 19(b)(2) of the Exchange Act,<sup>4</sup> the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change.<sup>5</sup> On December 20, 2016,

<sup>25</sup> 17 CFR 200.30-3(a)(12).

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

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

<sup>3</sup> See Securities Exchange Act Release No. 78860 (September 16, 2016), 81 FR 65442 ("Notice").

<sup>4</sup> 15 U.S.C. 78s(b)(2).

<sup>5</sup> See Securities Exchange Act Release No. 79216, 81 FR 78228 (November 7, 2016). The Commission designated December 21, 2016, as the date by which the Commission shall either approve or disapprove,

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<sup>22</sup> See *supra* notes 10 and 11.

<sup>23</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>24</sup> 17 CFR 240.19b-4(f)(2).

the Commission instituted proceedings under Section 19(b)(2)(B) of the Act,<sup>6</sup> to determine whether to approve or disapprove the proposed rule change.<sup>7</sup> The Commission received 25 comments on the proposed rule change, including responses to certain comment letters by the Exchange.<sup>8</sup>

On February 3, 2017, the Exchange withdrew the proposed rule change (SR-CHX-2016-16).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>9</sup>

**Eduardo A. Aleman,**  
*Assistant Secretary.*

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or institute proceedings to determine whether to disapprove, the proposed rule change.

<sup>6</sup> 15 U.S.C. 78s(b)(2)(B).

<sup>7</sup> See Securities Exchange Act Release No. 79608, 81 FR 95238 (December 27, 2016).

<sup>8</sup> See letters from: (1) Douglas A. Cifu, Chief Executive Officer, Virtu Financial, dated September 21, 2016; (2) R.T. Leuchtkafer, dated September 29, 2016; (3) Adam Nunes, Head of Business Development, Hudson River Trading LLC, dated October 6, 2016; (4) Beste Bidd, Trader, dated October 9, 2016; (5) Joanna Mallers, Secretary, FIA Principal Traders Group, dated October 13, 2016; (6) John L. Thornton, Co-Chair, Hal S. Scott, Director, and R. Glenn Hubbard, Co-Chair, Committee on Capital Markets Regulation, dated October 13, 2016; (7) Adam C. Cooper, Senior Managing Director and Chief Legal Officer, Citadel Securities, dated October 13, 2016; (8) Tyler Gellashch, Executive Director, Healthy Markets Association, dated October 13, 2016; (9) Eric Budish, Professor of Economics, University of Chicago Booth School of Business, dated October 13, 2016; (10) Elizabeth K. King, General Counsel and Corporate Secretary, New York Stock Exchange, dated October 14, 2016; (11) James J. Angel, Associate Professor, McDonough School of Business, Georgetown University, dated October 16, 2016; (12) Eric Swanson, EVP, General Counsel and Secretary, Bats Global Markets, Inc., dated October 25, 2016; (13) Eric Pritchett, Chief Executive Officer, Potamus Trading LLC, dated October 26, 2016; (14) James Ongena, Executive Vice President and General Counsel, CHX, dated October 28, 2016; (15) Steve Crutchfield, Head of Market Structure, CTC Trading Group, L.L.C., dated November 1, 2016; (16) Boris Ilyevsky, Brokerage Director, Interactive Brokers LLC, dated November 7, 2016; (17) Alex Jacobson, dated November 9, 2016; (18) Brian Donnelly, Founder and Chief Executive Officer, Volant Trading, dated November 28, 2016; (19) R.T. Leuchtkafer, dated December 14, 2016; and (20) Theodore R. Lazo, Managing Director and Associate General Counsel, Securities Industry and Financial Markets Association, dated December 16, 2016; (21) John P. Comerford, Managing Director, Instinet, LLC, dated December 21, 2016; (22) Joanna Mallers, Secretary, FIA Principal Traders Group, dated January 17, 2017; (23) Adam C. Cooper, Senior Managing Director and Chief Legal Officer, Citadel Securities, dated January 17, 2017; (24) John A. McCarthy, General Counsel, KCG Holdings, Inc., dated January 23, 2017; and (25) James Ongena, Executive Vice President and General Counsel, CHX, dated February 3, 2017. All of the comment letters are available at: <https://www.sec.gov/comments/sr-chx-2016-16/chx201616.shtml>.

<sup>9</sup> 17 CFR 200.30-3(a)(12).

## SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 32471; 812-14701]

### StrongVest ETF Trust, et al.; Notice of Application

February 7, 2017.

**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. The requested order would permit (a) actively-managed series of certain open-end management investment companies (“Funds”) to issue shares redeemable in large aggregations only (“Creation Units”); (b) secondary market transactions in Fund shares to occur at negotiated market prices rather than at net asset value (“NAV”); (c) certain Funds to pay redemption proceeds, under certain circumstances, more than seven days after the tender of shares for redemption; (d) certain affiliated persons of a Fund to deposit securities into, and receive securities from, the Fund in connection with the purchase and redemption of Creation Units; (e) certain registered management investment companies and unit investment trusts outside of the same group of investment companies as the Funds (“Funds of Funds”) to acquire shares of the Funds; and (f) certain Funds (“Feeder Funds”) to create and redeem Creation Units in-kind in a master-feeder structure.

**APPLICANTS:** StrongVest ETF Trust (the “Trust”), a Delaware statutory trust registered under the Act as an open-end management investment company with multiple series, StrongVest Global Advisors, LLC (the “Initial Adviser”), a Delaware limited liability company registered as an investment adviser under the Investment Advisers Act of 1940, and Quasar Distributors, LLC (the “Distributor”), a Delaware limited liability company and broker-dealer registered under the Securities Exchange Act of 1934 (“Exchange Act”).

**DATES: Filing Dates:** The application was filed on September 20, 2016 and amended on January 12, 2017.

**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 applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on March 6, 2017, and should be accompanied by proof of service on applicants, in the form of an affidavit, or for lawyers, a certificate of service. Pursuant to rule 0-5 under the Act, hearing requests should state the nature of the writer’s interest, any facts bearing upon the desirability of a hearing on the matter, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the Commission’s Secretary.

**ADDRESSES:** Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090; Applicants: StrongVest ETF Trust and StrongVest Global Advisors, LLC, 106 Corporate Park Drive, Mooresville, NC 28117; and Quasar Distributions, LLC, 615 East Michigan Street, Milwaukee, WI 53202.

**FOR FURTHER INFORMATION CONTACT:** Deepak T. Pai, Senior Counsel, at (202) 551-6876, or Daniele Marchesani, Assistant Chief Counsel, at (202) 551-6821 (Division of Investment Management, Chief Counsel’s Office).

**SUPPLEMENTARY INFORMATION:** The following is a summary of the application. The complete application may be obtained via the Commission’s Web site by searching for the file number, or for an applicant using the Company name box, at <http://www.sec.gov/search/search.htm> or by calling (202) 551-8090.

### Summary of the Application

1. Applicants request an order that would allow Funds to operate as actively-managed exchange traded funds (“ETFs”).<sup>1</sup> Fund shares will be purchased and redeemed at their NAV in Creation Units only. All orders to purchase Creation Units and all redemption requests will be placed by or through an “Authorized Participant”,

<sup>1</sup> Applicants request that the order apply to future series of the Trust or of other open-end management investment companies that currently exist or that may be created in the future (each, included in the term “Fund”), each of which will operate as an actively-managed ETF. Any Fund will (a) be advised by the Initial Adviser or an entity controlling, controlled by, or under common control with the Initial Adviser (each such entity or any successor thereto is included in the term “Adviser”) and (b) comply with the terms and conditions of the application.