hearing may request notification by writing to the Commission's Secretary.

ADDRESSES: Secretary, U.S. Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549–1090. Applicants: Northern Lights Fund Trust and Pacific Financial Group, LLC, c/o JoAnn Strasser, Esq., Thompson Hine LLP, 41 South High Street, Suite 1700, Columbus, OH 43215; and Richard Malinowski, Esq., Gemini Fund Services, 80 Arkay Drive, Hauppauge, NY 11788.

FOR FURTHER INFORMATION CONTACT: Jean E. Minarick, Senior Counsel, at (202) 551–6811, or Robert Shapiro, Branch Chief, 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 website 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 to permit (a) a Fund [1] (each a ''Fund of Funds'') to acquire shares of Underlying Funds [2] in excess of the limits in sections 12(d)(1)(A) and (C) of the Act and (b) the Underlying Funds that are registered open-end investment companies or series thereof, their principal underwriters and any broker or dealer registered under the Securities Exchange Act of 1934 to sell shares of the Underlying Fund to the Fund of Funds in excess of the limits in section 12(d)(1)(B) of the Act.[3] Applicants also request an order of exemption under sections 6(c) and 17(b) of the Act from the prohibition on certain affiliated transactions in section 17(a) of the Act to the extent necessary to permit the Underlying Funds to sell their shares to, and redeem their shares from, the Funds of Funds.[4] Applicants state that such transactions will be consistent with the policies of each Fund of Funds and each Underlying Fund and with the general purposes of the Act and will be based on the net asset values of the Underlying Funds.

2. Applicants agree that any order granting the requested relief will be subject to the terms and conditions stated in the application. Such terms and conditions are designed to, among other things, help prevent any potential (i) undue influence over an Underlying Fund that is not in the same ''group of investment companies'' as the Fund of Funds through control or voting power, or in connection with certain services, transactions, and underwritings, (ii) excessive layering of fees, and (iii) overly complex fund structures, which are the concerns underlying the limits in sections 12(d)(1)(A), (B), and (C) of the Act.

3. Section 12(d)(1)(J) of the Act provides that the Commission may exempt any person, security, or transaction, or any class or classes of persons, securities, or transactions, from any provision of section 12(d)(1) if the exemption is consistent with the public interest and the protection of investors. Section 17(b) of the Act authorizes the Commission to grant an order permitting a transaction otherwise prohibited by section 17(a) if it finds that (a) the terms of the proposed transaction are fair and reasonable and do not involve overreaching on the part of any person concerned; (b) the proposed transaction is consistent with the policies of each registered investment company involved; and (c) the proposed transaction is consistent with the general purposes of the Act. Section 6(c) of the Act permits the Commission to exempt any persons or transactions from any provision of the Act if such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Eduardo A. Aleman,

Assistant Secretary.

[FR Doc. 2018–01548 Filed 1–26–18; 8:45 am]

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[1] Applicants request that the order apply to each existing and future series of the Trust and to each existing and future registered open-end investment company or series thereof that is advised by the Applying Manager or its successor-in-interest or by any other investment adviser controlling, controlled by or under common control with the Applying Manager or its successor and is part of the same ''group of investment companies'' as the Trust (each, a ''Fund''). For purposes of the requested order, ''successor-in-interest'' is limited to an entity that results from a reorganization into another jurisdiction or a change in the type of business organization. For purposes of the request for relief, the term ''group of investment companies'' means any two or more registered investment companies, including closed-end investment companies or BDCs, that hold themselves out to investors as related companies for purposes of investment and investor services.

[2] Certain of the Underlying Funds have obtained exemptions from the Commission necessary to permit their shares to be listed and traded on a national securities exchange at negotiated prices and, accordingly, to operate as an exchange-traded fund (''ETF'').

[3] Applicants do not request relief for the Funds of Funds to invest in reliance on the order in BDCs and registered closed-end investment companies that are not listed and traded on a national securities exchange.

[4] A Fund of Funds generally would purchase and sell shares of an Underlying Fund that operates as an ETF through secondary market transactions rather than through principal transactions with the Underlying Fund. Applicants nevertheless request relief from section 17(a)(1) and (2) to permit each Fund of Funds that is an affiliated person, or an affiliated person of an affiliated person, as defined in section 2(a)(3) of the Act, of an ETF, to sell shares to or redeem shares from the ETF. Applicants are not seeking relief from Section 17(a) for, and the requested relief will not apply to, transactions where an ETF could be deemed an affiliated person, or an affiliated person of an affiliated person, of a Fund of Funds because an investment adviser to the ETF or an entity controlling, controlled by or under common control with the investment adviser to the ETF, is also an investment adviser to the Fund of Funds. A Fund of Funds will purchase and sell shares of an Underlying Fund that is a closed-end fund or BDC through secondary market transactions at market prices rather than through principal transactions with the closed-end fund or BDC. Accordingly, applicants are not requesting section 17(a) relief with respect to transactions in shares of closed-end funds (including BDCs).

SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270–148, OMB Control No. 3235–0133]

Submission for OMB Review; Comment Request

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549–2736

Extension:

Rule 17a–19 and Form X–17A–19.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (''PRA'') (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (''Commission'') has submitted to the Office of Management and Budget (''OMB'') a request for approval of extension of the previously approved collection of information provided for in Rule 17a–19 (17 CFR 240.17a–19) and Form X–17A–19 of the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*).

Rule 17a–19 requires every national securities exchange and registered national securities association to file a Form X–17A–19 with the Commission and the Securities Investor Protection Corporation (''SIPC'') within 5 business days of the initiation, suspension, or termination of any member and, when terminating the membership interest of any member, to notify that member of its obligation to file financial reports as

required by Exchange Act Rule 17a–5(b).[1]

Commission staff anticipates that the national securities exchanges and registered national securities associations collectively will make 800 total filings annually pursuant to Rule 17a–19 and that each filing will take approximately 15 minutes. The total reporting burden is estimated to be approximately 200 total annual hours.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

The public may view background documentation for this information collection at the following website: *www.reginfo.gov.* Comments should be directed to: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503, or by sending an email to: *Shagufta_Ahmed@omb.eop.gov;* and (ii) Pamela Dyson, Director/Chief Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 100 F Street NE, Washington, DC 20549, or by sending an email to: *PRA_Mailbox@sec.gov.* Comments must be submitted to OMB within 30 days of this notice.

Dated: January 24, 2018.

Eduardo A. Aleman,

Assistant Secretary.

[FR Doc. 2018–01599 Filed 1–26–18; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–82575; File No. TP 18–08]

Order Granting Limited Exemptions From Rules 101 and 102 of Regulation M in Connection With Distributions of AT1 Contingent Convertible Securities Pursuant to Rules 101(d) and 102(e) of Regulation M

January 23, 2018.

By letter dated January 23, 2018, counsel from Sullivan & Cromwell LLP and Davis Polk & Wardell LLP (collectively, the ''Applicants''),[1] requested that the staff of the Division of Trading and Markets grant, on behalf of certain European financial institutions (each, an ''Issuer''), conditional class exemptive or no-action relief from Rules 101 and 102 of Regulation M under the Securities Exchange Act of 1934, as amended (the ''Exchange Act''), to permit certain transactions in ordinary shares underlying the contingent convertible debt securities qualifying as additional tier 1 capital (''AT1 Contingent Convertible Securities''), including ordinary shares represented by American depositary shares (collectively, ''Shares''), by Issuers and affiliated purchasers, including those acting as distribution participants, during a distribution of such AT1 Contingent Convertible Securities.[2]

AT1 Contingent Convertible Securities

Over the last several years, a number of European financial institutions have issued various series of AT1 Contingent Convertible Securities that are designed to qualify as additional tier 1 capital (''AT1 Capital'') that can be counted by a financial institution towards the capital requirements mandated by European regulators.[3]

Applicants represent in the Request Letter that the AT1 Contingent Convertible Securities to be offered are fundamentally fixed-income debt securities that are priced and traded by investors as such.[4] Applicants also represent in the Request Letter that, unlike traditional convertible debt instruments, the AT1 Contingent Convertible Securities to be offered automatically convert into Shares only upon the occurrence of a remote, capital adequacy-related trigger event that is set forth in the terms of the relevant AT1 Contingent Convertible Security.

Specifically, Applicants represent, among other things, the following:

- Relief is requested only with respect to AT1 Contingent Convertible Securities that automatically and mandatorily convert into Shares if the Issuer's Common Equity Tier 1 Capital Ratio (as calculated in accordance with CRD IV) falls below a pre-determined trigger level of 7.0% or lower; [5]
- A Common Equity Tier 1 Capital Ratio below 7.0% is effectively a sign of distress, and conversion of AT1 Contingent Convertible Securities with a trigger level of 7.0% or lower is unlikely to occur as a result of actions within an Issuer's control;
- Because of the perceived severity of the regulatory sanctions that would otherwise apply to an Issuer who allows its Common Equity Tier 1 Capital Ratio to fall below its Combined Buffer Requirement,[6] Issuers have a strong

[1] 17 CFR 240.17a–5(b).

[1] Letter from John O'Connor, Sullivan & Cromwell LLP, and John Banes, Davis Polk & Wardell LLP, to Josephine J. Tao, Assistant Dir., Office of Derivatives Policy & Trading Practices, Div. of Trading & Mkts., SEC (Jan. 23, 2018) (the ''Request Letter'').

[2] The requested relief is solely to permit transactions in Shares during a distribution of an Issuer's AT1 Contingent Convertible Securities (*i.e.,* the Request Letter does not seek relief with respect to transactions in the AT1 Contingent Convertible Securities themselves). For purposes of this relief, the terms ''affiliated purchasers'' and ''distribution participants'' shall have the same meaning as defined in Rule 100(b) of Regulation M. *See* 17 CFR 242.100(b).

[3] Applicants represent in the Request Letter that the qualification requirements/features for AT1 Contingent Convertible Securities that qualify as AT1 Capital are set forth in the European Union's Capital Requirements Directive IV and related Capital Requirements Regulation (collectively, the ''CRD IV''), which were issued in response to the new global regulatory frameworks on bank capital adequacy and liquidity adopted by the Basel Committee on Banking Supervision in December 2010 (generally known as ''*Basel III*''). Applicants represent that the purpose of AT1 Capital is to absorb future losses through conversion to common equity (or write-down) so as to allow a financial institution to maintain sufficient Common Equity Tier 1 Capital to continue as a going concern. In addition, the basic equity-related-structure of AT1 Contingent Convertible Securities that qualify as AT1 Capital under CRD IV is summarized in the Request Letter.

[4] Applicants also represent that Issuers have previously indicated that they expect AT1 Contingent Convertible Securities to price and trade more like traditional fixed-income debt instruments than conventional convertible instruments (*i.e.,* that investors in AT1 Contingent Convertible Securities are generally focused on receiving interest payments during the life of the AT1 Contingent Convertible Securities rather than any potential equity upside in the unlikely event of a conversion into Shares), citing to prior requests for relief from Rules 101 and 102 of Regulation M in connection with offerings of AT1 Contingent Convertible Securities: Letter from Josephine J. Tao, Assistant Dir., Office of Derivatives Policy & Trading Practices, Div. of Trading & Mkts., SEC, to Mark J. Welshimer, Sullivan & Cromwell LLP (Apr. 7, 2015) (ING Groep N.V.); Letter from Josephine J. Tao, Assistant Dir., Office of Derivatives Policy & Trading Practices, Div. of Trading & Mkts., SEC, to John Banes, Davis Polk & Wardwell London LLP (Mar. 6, 2014) (Lloyds Banking Group); Letter from Josephine J. Tao, Assistant Dir., Office of Derivatives Policy & Trading Practices, Div. of Trading & Mkts., SEC, to George H. White, Sullivan & Cromwell LLP (Nov. 7, 2013) (Barclays PLC); Letter From Josephine J. Tao, Assistant Dir., Office of Derivatives Policy & Trading Practices, Div. of Trading & Mkts., SEC, to Michael J. Willisch, Davis Polk & Wardwell Spain LLP (Nov. 3, 2017) (Banco Bilbao Vizcaya Argentaria, S.A.).

[5] Applicants represent that guidance from the UK Prudential Regulation Authority will generally result in a 7.0% trigger level for AT1 Contingent Convertible Securities issued by UK financial institutions, which is intended to ensure that only instruments that will reliably absorb losses while a firm is still a going concern can count towards the leverage ratio under CRD IV. Applicants represent that the applicable 7.0% threshold is equivalent to the sum of the basic 4.5% minimum for Common Equity Tier 1 Capital under CRD IV and the additional 2.5% capital conservation buffer that is also required to be satisfied with Common Equity Tier 1 Capital under CRD IV.

[6] In addition to the basic 4.5% minimum Common Equity Tier 1 Capital Ratio under CRD IV, there is a Combined Buffer Requirement applicable to any institution that is incremental to the minimum requirement and is composed of (1) in all cases, an additional 2.5% capital conservation buffer (with the consequence that the sum of the

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