

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–85016; File No. SR–IEX–2018–23]

Self-Regulatory Organizations; Investors Exchange LLC; Notice of Designation of a Longer Period for Commission Action on a Proposed Rule Change To Modify the Resting Price of Discretionary Peg Orders

January 31, 2019.

On November 30, 2018, the Investors Exchange LLC (“Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”) ¹ and Rule 19b–4 thereunder, ² a proposed rule change to modify the resting price of discretionary orders. The proposed rule change was published for comment in the **Federal Register** on December 19, 2018. ³ The Commission has received one comment on the proposal. ⁴

Section 19(b)(2) of the Act ⁵ provides that, within 45 days of publication of notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it find such longer period to be appropriate and publishes its reasons for so finding, or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The 45th day after publication of the notice for this proposed rule change is February 2, 2019. The Commission is extending this 45-day time period.

The Commission finds it appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the proposed rule change. Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act, ⁶ designates March 19, 2019, as the date by which the Commission shall either approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change (File No. SR–IEX–2018–23).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority. ⁷

Eduardo A. Aleman,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–85022; File No. SR–NASDAQ–2018–080]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing of Amendment No. 3 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment Nos. 1, 2 and 3, To List and Trade Shares of the BrandywineGLOBAL—Global Total Return ETF

January 31, 2019.

I. Introduction

On October 17, 2018, The Nasdaq Stock Market LLC (“Nasdaq” or the “Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”) ¹ and Rule 19b–4 thereunder, ² a proposed rule change to list and trade shares (“Shares”) of the BrandywineGLOBAL—Global Total Return ETF (“Fund”), a series of Legg Mason ETF Investment Trust (“Trust”), under Nasdaq Rule 5735 (Managed Fund Shares). The proposed rule change was published for comment in the **Federal Register** on November 5, 2018. ³ On December 7, 2018, pursuant to Section 19(b)(2) of the Act, ⁴ 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. ⁵ On December 13, 2018, the Exchange filed Amendment No. 1 to the proposed rule change, which replaced and superseded the proposed rule change in its

entirety. ⁶ On January 30, 2019, the Exchange filed Amendment No. 2 to the proposed rule change, which replaced and superseded the proposed rule change, as modified by Amendment No. 1, in its entirety, ⁷ and Amendment No. 3 to the proposed rule change, which replaced and superseded the proposed rule change, as modified by Amendment Nos. 1 and 2, in their entirety. ⁸ The Commission has received no comments on the proposed rule change. The Commission is publishing notice of the filing of Amendment No. 3 to solicit comment from interested persons and is

⁶ Amendment No. 1 is available at <https://www.sec.gov/comments/sr-nasdaq-2018-080/srnasdaq2018080-477425-176816.pdf>.

⁷ Amendment No. 2 is available at <https://www.sec.gov/comments/sr-nasdaq-2018-080/srnasdaq2018080-4858098-177308.pdf>.

⁸ In Amendment No. 3, the Exchange: (1) Provided that the Fund will not invest more than 5% of its total assets in warrants traded over-the-counter (“OTC”); (2) clarified that no more than 10% of the Fund’s total assets will be invested in listed Equity-Related Warrants (as defined below) or other exchange-listed securities or Exchange-Traded Derivatives (as defined below) that are listed on an exchange that is not a member of the Intermarket Surveillance Group (“ISG”) or with which the Exchange does not have a comprehensive surveillance sharing agreement; (3) clarified that the Fund’s investments in Equity-Related Warrants will not comply with the generic listing requirements for equity securities set forth in Nasdaq Rule 5735 but will be subject to the limits described in (1) above if traded OTC, or (2) above if listed on a non-ISG member exchange or an exchange with which the Exchange does not have a comprehensive surveillance sharing agreement; (4) clarified that no more than 25% of the total assets of the Fund will be invested in Debt (as defined below) or fixed income or equity securities of issuers in any one industry (excluding securities of sovereign issuers); (5) clarified that the Fund’s investments in convertible fixed income securities and convertible preferred securities will comply with the generic listing standards for fixed income securities set forth in Nasdaq Rule 5735 and will be limited to 20% of the Fund’s total assets; (6) clarified that the Fund will generally dispose of convertible fixed income securities and convertible preferred securities prior to conversion; however, in the event that such securities held by the Fund were to convert, the equity or fixed income securities into which such securities are converted would comply with the applicable generic listing standards set forth in Nasdaq Rule 5735; (7) clarified that for purposes of the proposed rule change, the terms “fixed income weight of the portfolio” and “weight of the fixed income portion of the portfolio” include all fixed income securities and Debt held by the Fund, as well as derivatives held by the Fund that provide exposure to fixed income securities or Debt; (8) stated that price information is generally not available for OTC warrants, and these instruments will be subject to the Fund’s fair valuation procedures unless the Fund is able to secure price information from market data vendors or broker-dealers; (9) provided additional justification as to why the listing and trading of the Shares is consistent with the Act even though certain of the Fund’s proposed holdings would not meet the generic listing standards for Managed Fund Shares set forth in Nasdaq Rule 5735(b)(1); and (10) made other clarifications, corrections, and technical changes. Amendment No. 3 is available at <https://www.sec.gov/comments/sr-nasdaq-2018-080/srnasdaq2018080-4860703-177326.pdf>.

¹ 17 CFR 200.30–3(a)(31).

² 15 U.S.C. 78s(b)(1).

³ 17 CFR 240.19b–4.

⁴ See Securities Exchange Act Release No. 84505 (Oct. 30, 2018), 83 FR 55416 (“Notice”).

⁵ 15 U.S.C. 78s(b)(2).

⁶ See Securities Exchange Act Release No. 84747, 83 FR 63915 (Dec. 12, 2018). The Commission designated February 3, 2019, as the date by which the Commission shall approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ See Securities Exchange Act Release No. 84820 (December 13, 2018), 83 FR 65186.

⁴ See letter from Joanna Mallers, Secretary, FIA Principals Traders Group to Brent J. Fields, Secretary, Office of the Secretary, Securities and Exchange Commission, dated January 22, 2019.

⁵ 15 U.S.C. 78s(b)(2).

⁶ *Id.*