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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–85925; File No. SR–NYSEAMER–2019–19]

### Self-Regulatory Organizations; NYSE American LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Rule 967NY

May 23, 2019.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (“Act”)<sup>2</sup> and Rule 19b–4 thereunder,<sup>3</sup> notice is hereby given that on May 10, 2019, NYSE American LLC (“Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the self-regulatory organization. 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 Rule 967NY (Price Protection—Orders) to enhance its current price protection mechanisms and adopt certain new price protection functionality for orders. The proposed rule change is available on the Exchange’s website at [www.nyse.com](http://www.nyse.com), at the principal office of the Exchange, 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 self-regulatory organization 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 those 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 parts of such statements.

#### A. Self-Regulatory Organization’s Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

##### 1. Purpose

The Exchange proposes to amend Rule 967NY (Price Protection—Orders) to enhance its current price protection mechanisms and adopt certain new price protection functionality for Limit Orders, specifically, Price Reasonability Checks.

The Exchange has in place various price check mechanisms that are designed to prevent incoming orders from automatically executing at potentially erroneous prices.<sup>4</sup> These mechanisms are designed to help maintain a fair and orderly market by mitigating potential risks associated with orders trading at prices that are extreme and potentially erroneous. The Exchange proposes to adopt Rule 967NY(c) to add new price protection mechanisms for orders to help further prevent potentially erroneous executions.

##### Price Reasonability Checks

Proposed Rule 967NY(c) would provide Price Reasonability Checks (the “Price Checks” or “Checks”) for Limit Orders based on the principle that an option order is in error and should be rejected (or canceled) when the same result can be achieved on the market for the underlying equity security at a lesser cost.<sup>5</sup> The proposed Checks are based on the consolidated last sale price of the security underlying the option, once the security opens for trading (or reopens following a Trading Halt).<sup>6</sup> The Exchange notes that it currently has price checks in place for Market Maker quotes that are similar to the checks for options orders proposed herein (the “MM Quote Price Checks”).<sup>7</sup>

##### Buy Orders Arbitrage Checks

Proposed Rule 967NY(c)(1) would protect buyers of puts and calls from

presumptively erroneous executions. A buy order in a put series provides the right to *sell* the underlying security at the strike price, which strike price represents the option’s maximum value. Proposed Rule 6.60–O(c)(1)(A) would provide that an order to buy a put would be rejected or canceled if the price of the order is equal to or greater than the strike price of the option. For example, assume that SeriesA is a put series based on Underlying ABC, which has a strike price of \$50.00. FIRM1 submits a new buy order on SeriesA for \$50.00, which would be rejected because it is priced equal to the \$50.00 strike price. Because the Exchange presumes such orders with a price that equals or exceeds the strike price of the option to be erroneous, the Exchange believes it would be appropriate to reject or cancel such orders. In addition to being similar to the MM Quote Check, this functionality is also available on at least one other options exchange.<sup>8</sup>

A buy order in a call series provides the right to *buy* the underlying security at the strike price. Proposed Rule 967NY(c)(1)(B) would provide that an order to buy a call option would be canceled or rejected if the price of the order is equal to or greater than the consolidated last sale price of the underlying security (the “last sale price”), plus a dollar amount to be determined by the Exchange (the “specified dollar amount”) and announced by Trader Update.<sup>9</sup> In general, a derivative product that conveys the right to buy the underlying should not be priced higher than the prevailing value of the underlying itself. In that case, a market participant could just purchase the underlying at the prevailing value rather than pay a larger amount for the call by incurring the option premium. However, the Exchange believes a specified dollar amount is reasonable because in certain situations, market participants opt to execute certain trades (which may be part of a strategy) even if such trades occur for a price more than the last sale price.<sup>10</sup> However, absent the cap

<sup>4</sup> See, e.g., Rules 967NY(a) (trading collars) and (b) (limit order price filter), Rule 967.1NY (price protection for Market Maker quotes).

<sup>5</sup> A Limit Order is an order to buy or sell a stated number of option contracts at a specified price, or better. See Rule 900.3NY(b). The proposed Price Checks apply solely to single-leg Limit Orders and are not available for Complex Orders. The Exchange notes that Complex Orders are subject to separate price protections. See Rule 980NY, Commentary .05 (price protection filter) and .06 (debit/credit reasonability checks).

<sup>6</sup> See proposed Rule 967NY(c).

<sup>7</sup> See Rule 967.1NY (providing two layers of price protection for quotes. The first layer assesses incoming sell quotes against the NBB and incoming buy quotes against the NBO; the second layer assesses the price of call or put bids against a specified (price) benchmark).

<sup>8</sup> See Rule 967.1NY(a)(3) (providing in relevant part that “[a] Market Maker bid for Put options will be rejected if the price of the bid is equal to or greater than the strike price of the option”). See also Chicago Board Options Exchange, Inc. (“CBOE”) Rule 6.14(i)(A) (providing, in relevant part, that quote or buy limit orders for a put will be rejected if the price of the quote bid or order is equal to or greater than the strike price of the option).

<sup>9</sup> The Exchange anticipates that it would initially set the specified dollar amount to \$0.50 and whether and when that amount changes would depend upon the interest and/or behavior of market participants.

<sup>10</sup> A small incremental allowance outside of the last sale price allows for a small premium to offset

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

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b–4.

provided by the specified dollar, such trades could occur at prices that are too far away from the last sale price and would be deemed potentially erroneous. The Exchange also believes that allowing for the specified dollar amount above the last sale price for buy orders in call options would help address certain market scenarios, including during periods of extreme price volatility. In addition to being similar to the MM Quote Check, this functionality is also available on at least one other options exchange.<sup>11</sup>

The following examples illustrate this proposed functionality. For each example SeriesA is a call series based on Underlying ABC, which has a last sale price of \$50.00.

*Example 1:* The Exchange-determined specified dollar amount is \$0.00, which means orders equal to or greater than \$50.00 will be rejected (*i.e.*, \$50.00 (last sale) + \$0.00 (specified dollar amount)). FIRM1 submits an order to buy a call in SeriesA for \$51.00, which would be rejected because it is greater than \$50.00. Similarly, if FIRM1 submits an order to buy a call in SeriesA for \$50.00 during pre-open, the order would be accepted and held until series opens. When SeriesA opens, the order would be rejected because it is equal to \$50.00.

*Example 2:* The Exchange-determined specified dollar amount is \$5.00, which means orders equal to or greater than \$55.00 will be rejected (*i.e.*, \$50.00 (last sale) + \$5.00 (specified dollar amount)). FIRM1 submits an order to buy a call in SeriesA for \$55.00, which would be rejected because it is equal to \$55.00. However, if the FIRM1 were to submit an order to buy a call in SeriesA for \$50.00, this would be accepted because \$50.00 is less than \$55.00.

commissions associated with trading and may incentivize participants to take the other side of trades at or slightly outside of the last sale price. For the participant looking to close out their position, it may be financially beneficial to pay a small premium and close out the position rather than carry such position to expiration and take delivery. The purpose of this rule change is not to impede current order handling but to ensure execution prices are within a reasonable range of the last sale price.

<sup>11</sup> See Rule 967.1NY(a)(2) (providing in relevant part that “Market Maker bids for Call options will be rejected if the price of the bid is equal to or greater than the price of the underlying security”). See CBOE Rule 6.14(a)(i)(B) (providing, in relevant part, that quote or buy limit orders for a call will be rejected if “the quote bid or order is equal to or greater than the consolidated last sale price of the underlying security” for equity and ETF options). CBOE also applies this check to index options based on the last disseminated value of the underlying index, which check the Exchange is not proposing in this filing. Unlike the current proposal, CBOE does not retain discretion to cancel/reject orders that are a specified dollar amount greater than the strike price.

#### Sell Orders Intrinsic Value Checks

Proposed Rule 967NY(c)(2) would protect sellers of calls and puts based on the “Intrinsic Value” of an option, which is measured as the difference between the strike price and the last sale price. A sell order in a call series creates an obligation to *sell* the underlying security at the strike price and a sell order in a put series creates an obligation to *buy* the underlying security at the strike price. Thus, the Intrinsic Value for a call option is equal to the last sale price minus the strike price; whereas the Intrinsic Value for a put option is equal to the strike price minus the last sale price.<sup>12</sup>

Proposed Rule 967NY(c)(2)(A) would provide that orders to sell for both calls and puts would be canceled or rejected as presumptively erroneous if the price of the order is equal to or lower than its Intrinsic Value, minus a threshold percentage (the “threshold percentage”) to be determined by the Exchange and announced by Trader Update.<sup>13</sup> The Exchange believes having a threshold percentage is reasonable because in certain situations market participants willingly want to execute certain trading strategies even if such trades occur for a price less than the Intrinsic Value.<sup>14</sup> However, absent the cap provided by the threshold percentage, such trades could occur at prices that are too far away from the Intrinsic Value and would be deemed potentially erroneous. In addition, the threshold percentage would allow the Exchange to account for market scenarios, including during periods of extreme price volatility.

The following examples illustrate this proposed functionality.

*Example 1:* SeriesA is a call series based on Underlying ABC, which has a last sale price of \$220.00 and a strike price of \$210.00. The Exchange-determined threshold percentage is 0%, which means the Intrinsic Value is \$10.00. FIRM1 submits a new sell order on SeriesA for \$9.90, which would be rejected because it is below the

<sup>12</sup> See proposed Rule 967NY(c)(2).

<sup>13</sup> The Exchange anticipates that it would initially set the threshold percentage to ten percent (10%) and whether and when that amount changes would depend upon the interest and/or behavior of market participants.

<sup>14</sup> A small incremental allowance outside of the Intrinsic Value allows for a small premium to offset commissions associated with trading and may incentivize participants to take the other side of trades at or slightly outside of the Intrinsic Value. For the participant looking to close out their position, it may be financially beneficial to pay a small premium and close out the position rather than carry such position to expiration and take delivery. The purpose of this rule change is not to impede current order handling but to ensure execution prices are within a reasonable range of the Intrinsic Value of the option.

threshold of \$10.00 ( $\$220.00 - \$210.00$ ) \* (100-0%)/100.

*Example 2:* SeriesA is a put series based on Underlying ABC, which has a last sale price of \$210.00 and a strike price of \$220.00. The Exchange-determined threshold percentage is 0%, which means the Intrinsic Value is \$10.00. FIRM1 submits a sell order on SeriesA for \$10.00, which would be rejected because it is equal to the threshold of \$10.00 ( $\$220.00 - \$210.00$ ) \* (100-0%)/100.

*Example 3:* SeriesA is a call series based on Underlying ABC, which has a last sale price of \$220.00 and a strike price of \$210.00. The Exchange-determined threshold percentage is 10%, which means the Intrinsic Value is \$9.00. FIRM1 submits a sell order on SeriesA for \$9.90, which would be accepted because it is above the threshold of \$9.00 ( $\$220.00 - \$210.00$ ) \* (100-10%)/100.

#### Excluded From Price Checks

Consistent with the operation of the MM Quote Price Checks,<sup>15</sup> proposed Commentary .01 to the Rule would provide that the Price Checks would not apply to “(i) any options series for which the underlying security has a non-standard cash or stock deliverable as part of a corporate action; (ii) any options series for which the underlying security is identified as over-the counter (‘OTC’ or ‘Pink Sheets’); (iii) any option series on an index; and (iv) Binary Return Derivatives (‘ByRDs’)” (the “Excluded Options”).<sup>16</sup>

The proposed change would enable the Exchange to implement the Price Checks and apply the Checks to securities for which there is reliable price data for the underlying security to perform the Check. Specifically, like the MM Quote Checks, the Exchange would exclude any options series for which the underlying security has a non-standard cash or stock deliverable as part of a corporate action because the last sale information would not have been adjusted for the non-standard deliverable, and would therefore be unreliable. Also, like the MM Quote Checks, options whose underlying security is traded OTC or Pink Sheets would be considered Excluded Options because the last sale information for such underlying securities is not available on an active market data feed. The Exchange would also exclude any options series overlying a stock index because Exchange does not subscribe to

<sup>15</sup> See Rule 967.1NY, Commentary .01.

<sup>16</sup> See proposed Rule 967NY, Commentary .01. See also proposed Rule 967NY(c) (providing that the Price Checks would apply, “except as provided in Commentary .01 to this Rule”).

receive last sale information for such indices. Moreover, like the MM Quote Checks, the Exchange would exclude options on ByRDs because ByRDS track a value weighted average price (“VWAP”) and not the last sale of the underlying security.<sup>17</sup>

Consistent with the MM Quote Checks, the Exchange also proposes to exempt from the Price Check any option series for which the Exchange determines it is necessary to exclude underlying securities in the interests of maintaining a fair and orderly market.<sup>18</sup> The Exchange believes this proposed change would enable the Exchange to exclude option series, other than Excluded Options, from the Price Checks if the Exchange determines that the price protection feature would not function for the purpose of preventing erroneous orders.<sup>19</sup> For example, if the last sale is zero, for whatever reason, the Exchange would have the discretion to forego the price check for a particular order. Similarly, if there was some other event or change that impacted the underlying security (for example if there was a change to the ticker symbol for the underlying security), the Exchange would retain discretion to exclude the affected options series from the Price Checks. The Exchange has retained discretion to maintain a fair and orderly market for the MM Quote Checks and notes that another options exchange likewise has retained discretion for similar checks as relates to orders.<sup>20</sup>

#### Technical Change to Limit Order Filter

Rule 967NY(b) describes the Limit Order Filter, which is another price protection that rejects limit orders that are priced a specified percentage away from the contra-side NBB or NBO feature offered by Exchange. The current Rule provides that limit orders received prior to the open “will be rejected immediately before the Exchange conducts a Trading Auction of Rule 952NY.” The Exchange proposes to clarify that such orders are not “rejected

immediately,” but are instead accepted and then “canceled” before the Exchange conducts the Trading Auction “per Rule 952NY”—as “of Rule 952NY” is not grammatically correct.<sup>21</sup> These proposed textual changes would more accurately reflect the treatment of such orders.

#### Implementation

The Exchange will announce by Trader Update the implementation date of the proposed rule change.

#### 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>22</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>23</sup> in particular, in that it is 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.

In particular, the Exchange believes the proposed Price Checks would protect investors and the public interest and maintain fair and orderly markets by mitigating potential risks associated with market participants entering orders at unintended prices and orders trading at prices that are potentially erroneous, which may likely have resulted from human or operational error. The proposed Price Checks of the reasonability of Limit Order prices would assist in the maintenance of a fair and orderly market and protect investors by rejecting (or canceling) orders that exceed the corresponding benchmark. With regard to the proposed use of the specified dollar amount (as relates to buy orders for call options) and the threshold percentage (as relates to sell orders for puts and calls), the Exchange notes that in certain situations, market participants may opt to execute certain trades (that may be part of a strategy) even if such trades occur outside/away from the last sale price of the underlying or intrinsic value at seemingly erroneous prices. The Exchange believes it is appropriate to provide market participants flexibility to allow them to execute these trading strategies and therefore to

adopt a buffer to permit the execution of such trades.<sup>24</sup>

Similarly, the Exchange believes it is appropriate to have this flexibility to determine times when the check should not apply to respond to market events, such as times of extreme price volatility. This assists the Exchange’s maintenance of a fair and orderly market, which ultimately removes impediments to and perfects the mechanism of a free and open market and protects investors and the public interest.

With regard to the Excluded Options, the Exchange believes that where no reliable pricing data is available, it is appropriate to exclude such options from the Price Checks. Without such pricing information, there is risk that the Exchange may cancel or reject appropriately priced Limit Orders, which could negatively impact market participants. Further, the Exchange believes it is appropriate to have the flexibility to disable the Price Checks in response to a market event (for example, if dissemination of data was delayed and resulting in unreliable underlying values) to maintain a fair and orderly market. This will promote just and equitable principles of trade and ultimately protect investors.

The Exchange believes that the proposed Price Checks, which are substantially similar to the MM Quote Checks, would further mitigate the risk to market participants that orders are executed at erroneous prices. Specifically, the Exchange believes that the Price Checks, which are responsive to member input, will facilitate transactions in securities and perfect the mechanism of a free and open market by providing ATP Holders with additional functionality that will assist them with managing their risk. Thus, the Exchange is proposing the Price Checks for the benefit of, and in consultation with, ATP Holders. The Exchange believes the proposed rule change will help the Exchange to maintain a fair and orderly market, and provide a valuable service to investors.

#### Technical Changes

The Exchange notes that the proposed change to Rule 967NY(b) regarding the treatment of certain orders subject to the Limit Order Filter would provide clarity and transparency to Exchange rules and would promote just and equitable principles of trade and remove impediments to, and perfect the

<sup>17</sup> See generally Section 17, Binary Return Derivatives, Rules 900ByRDs–980NYByRDs. ByRDs are European-style option contracts on individual stocks, exchange-traded funds and Index-Linked Securities that have a fixed return in cash based on a set strike price.

<sup>18</sup> See proposed Rule 967NY Commentary .01(v).

<sup>19</sup> The Exchange would document, retain, and periodically review any Exchange decision to not apply the Price Checks, including the reason for the decision.

<sup>20</sup> See Rule 967.1NY, Commentary .01. CBOE Rule 6.14(a)(ii) (providing that CBOE “may determine not to apply to a class either the put check in subparagraph (i)(A) or the call check in subparagraph (i)(B) above if a senior official at the Exchange’s Help Desk determines the applicable check should not apply in the interest of maintaining a fair and orderly market”).

<sup>21</sup> See proposed Rule 967NY(b).

<sup>22</sup> 15 U.S.C. 78f(b).

<sup>23</sup> 15 U.S.C. 78f(b)(5).

<sup>24</sup> Nasdaq ISE, LLC has adopted a buffer when determining the calculation of the minimum/maximum values for certain complex order strategies. See Securities Exchange Act Release No. 83464 (June 19, 2018), 83 FR 29583 (June 25, 2018) (SR-ISE-2018-55).

mechanism of, a free and open market and a national market system. The proposed rule amendments would also provide internal consistency within Exchange rules and operate to protect investors and the investing public by making the Exchange rules easier to navigate and comprehend.

#### *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 rule change adds price protection mechanisms for option orders of all ATP Holders submitted to the Exchange to help further prevent potentially erroneous executions, which benefits all market participants. The Price Checks apply in same manner to all ATP Holders that submit orders that are subject to the Price Checks. The Exchange believes the proposed rule change would provide market participants with additional protection from anomalous or erroneous executions.

The Exchange does not believe that the proposed enhancement to the existing price protections would impose a burden on competing options exchanges. Rather, it provides ATP Holders with the opportunity to avail themselves of similar protections that are currently available on the Exchange for Market Maker quotes and on another exchange for orders.<sup>25</sup>

Finally, the Exchange does not believe that the proposed clarifications to Limit Order Filter would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act as these changes are not intended to address any competitive issues and would instead add more specificity, clarity and transparency regarding this functionality.

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

No written comments were solicited or received with respect to the proposed rule change.

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

Because the foregoing proposed rule change does not: (i) Significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become

operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>26</sup> and Rule 19b-4(f)(6) thereunder.<sup>27</sup>

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.

### **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-NYSEAMER-2019-19 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-NYSEAMER-2019-19. 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 website (<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 website 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. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-NYSEAMER-2019-19 and should be submitted on or before June 19, 2019.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>28</sup>

**Eduardo A. Aleman,**

*Deputy Secretary.*

[FR Doc. 2019-11236 Filed 5-28-19; 8:45 am]

**BILLING CODE 8011-01-P**

## **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-85912; File No. SR-BX-2019-013]

### **Self-Regulatory Organizations; Nasdaq BX, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Exchange's Transaction Fees and Credits at Equity 7, Section 118(a)**

May 22, 2019.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on May 10, 2019, Nasdaq BX, Inc. ("BX" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III, below, which Items 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 the Exchange's transaction fees and credits at Equity 7, Section 118(a), as described further below.

The text of the proposed rule change is available on the Exchange's website at <http://nasdaqbx.cchwallstreet.com/>, at the principal office of the Exchange, and at the Commission's Public Reference Room.

<sup>28</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>26</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>27</sup> 17 CFR 240.19b-4(f)(6).

<sup>25</sup> See *supra* nn. 8, 11, 15, 19-20, 24.