

SECURITIES AND EXCHANGE COMMISSION

[Release No. IA-6595]

Notice of Intention To Cancel Registrations of Certain Investment Advisers Pursuant to Section 203(H) of the Investment Advisers Act of 1940

April 23, 2024.

Notice is given that the Securities and Exchange Commission (the “Commission”) intends to issue an order, pursuant to section 203(h) of the Investment Advisers Act of 1940 (the “Act”), cancelling the registrations of the investment advisers whose names appear in the attached Appendix, hereinafter referred to as the “registrants.”

Section 203(h) of the Act provides, in pertinent part, that if the Commission finds that any person registered under section 203, or who has pending an application for registration filed under that section, is no longer in existence, is not engaged in business as an investment adviser, or is prohibited from registering as an investment adviser under section 203A, the Commission shall by order cancel the registration of such person.

Each registrant listed in the attached Appendix either (a) has not filed a Form ADV amendment with the Commission as required by rule 204-1 under the Act¹ and appears to be no longer engaged in business as an investment adviser or (b) has indicated on Form ADV that it is no longer eligible to remain registered with the Commission as an investment adviser but has not filed Form ADV-W to withdraw its registration. Accordingly, the Commission believes that reasonable grounds exist for a finding that these registrants are no longer in existence, are not engaged in business as investment advisers, or are prohibited from registering as investment advisers under section 203A, and that their registrations should be cancelled pursuant to section 203(h) of the Act.

Notice is also given that any interested person may, by May 20, 2024, at 5:30 p.m., submit to the Commission in writing a request for a hearing on the cancellation of the registration of any registrant listed in the attached Appendix, accompanied by a statement as to the nature of such person’s interest, the reason for such person’s request, and the issues, if any, of fact or

¹ Rule 204-1 under the Act requires any adviser that is required to complete Form ADV to amend the form at least annually and to submit the amendments electronically through the Investment Adviser Registration Depository.

law proposed to be controverted, and the writer may request to be notified if the Commission should order a hearing thereon. Any such communication should be emailed to the Commission’s Secretary at Secretaries-Office@sec.gov.

At any time after May 20, 2024, the Commission may issue an order or orders cancelling the registrations of any or all of the registrants listed in the attached Appendix, upon the basis of the information stated above, unless an order or orders for a hearing on the cancellation shall be issued upon request or upon the Commission’s own motion. Persons who requested a hearing, or who requested to be advised as to whether a hearing is ordered, will receive any notices and orders issued in this matter, including the date of the hearing (if ordered) and any postponements thereof. Any registrant whose registration is cancelled under delegated authority may appeal that decision directly to the Commission in accordance with rules 430 and 431 of the Commission’s rules of practice (17 CFR 201.430 and 431).

ADDRESSES: The Commission: Secretaries-Office@sec.gov.

FOR FURTHER INFORMATION CONTACT: Matthew Cook, Senior Counsel, at 202-551-6825; Division of Investment Management, Chief Counsel’s Office, 100 F Street NE, Washington, DC 20549-8549.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.²

Sherry R. Haywood,
Assistant Secretary.

Appendix

SEC No.	Full legal name
801-64406	SUNBRIDGE MANAGEMENT INC.
801-108976 ...	TIMESWELL LLC.

[FR Doc. 2024-09034 Filed 4-25-24; 8:45 am]

BILLING CODE 8011-01-P

² 17 CFR 200.30-5(e)(2).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-100009; File No. SR-OCC-2024-001]

Self-Regulatory Organizations; Options Clearing Corporation; Order Instituting Proceedings To Determine Whether To Approve or Disapprove a Proposed Rule Change by the Options Clearing Corporation Concerning Its Process for Adjusting Certain Parameters in Its Proprietary System for Calculating Margin Requirements During Periods When the Products It Clears and the Markets It Serves Experience High Volatility

April 22, 2024.

I. Introduction

On January 10, 2024, the Options Clearing Corporation (“OCC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change SR-OCC-2024-001 pursuant to Section 19(b) of the Securities Exchange Act of 1934 (“Exchange Act”)¹ and Rule 19b-4² thereunder to codify OCC’s process for adjusting certain parameters in its proprietary system for calculating margin requirements during periods when the products OCC clears and the markets it serves experience high volatility.³ The proposed rule change was published for public comment in the **Federal Register** on January 25, 2024.⁴ The Commission has received comments regarding the proposed rule change.⁵

On February 23, 2024, pursuant to Section 19(b)(2) of the Exchange Act,⁶ the Commission designated a longer period within which to approve, disapprove, or institute proceedings to determine whether to approve or disapprove the proposed rule change.⁷ This order institutes proceedings, pursuant to Section 19(b)(2)(B) of the Exchange Act,⁸ to determine whether to approve or disapprove the proposed rule change (hereinafter defined as “Proposed Rule Change”).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Notice of Filing *infra* note 4, at 89 FR 5062.

⁴ Securities Exchange Act Release No. 99393 (Jan. 19, 2024), 89 FR 5062 (Jan. 25, 2024) (File No. SR-OCC-2024-001) (“Notice of Filing”).

⁵ Comments on the proposed rule change are available at <https://www.sec.gov/comments/sr-occ-2024-001/srocc2024001.htm>.

⁶ 15 U.S.C. 78s(b)(2).

⁷ Securities Exchange Act Release No. 99594 (Feb. 23, 2024), 89 FR 14909 (Feb. 29, 2024) (File No. SR-OCC-2024-001).

⁸ 15 U.S.C. 78s(b)(2)(B).

II. Summary of the Proposed Rule Change

OCC is a central counterparty (“CCP”), which means that as part of its function as a clearing agency, it interposes itself as the buyer to every seller and the seller to every buyer for financial transactions. As the CCP for the listed options markets and for certain futures in the United States, OCC is exposed to the risk that one or more of its Clearing Members may fail to make a payment or to deliver securities. OCC addresses such risk exposure, in part, by requiring its members to provide collateral, including margin collateral. Margin is the collateral that CCPs collect to cover potential changes in a member’s positions over a set period of time. Typically, margin is designed to cover such exposures during normal market conditions, which means that margin collateral should be sufficient to cover exposures at least 99 out of 100 days.

OCC’s methodology for calculating margin collateral is called the System for Theoretical Analysis and Numerical Simulations (“STANS”). The STANS Methodology Description is a single document describing OCC’s system for calculating daily and intra-day margin requirements for its Clearing Members.⁹ The STANS Methodology Description briefly discusses margin methodology parameter controls that OCC uses during periods of high volatility.¹⁰ The STANS Methodology Description does not, however, describe OCC’s process for implementing, changing, and terminating the high-volatility parameter controls. As such, OCC is filing the Proposed Rule Change to codify and describe this process. More specifically, OCC proposes to amend its existing Margin Policy to include material details regarding its high-volatility parameter control setting process. Although the Proposed Rule Change would amend OCC’s Margin Policy, the proposal does not significantly change OCC’s existing

high-volatility parameter control setting practices.

Proposed additions to the Margin Policy regarding OCC’s high-volatility control setting process include the following: (1) setting and reviewing regular and high-volatility control settings; (2) monitoring the volatility of products being cleared and markets served, and establishing thresholds to escalate the results of such monitoring to senior decisionmakers; and (3) internal governance for implementing and terminating high-volatility control settings.

III. Proceedings To Determine Whether To Approve or Disapprove the Proposed Rule Change and Grounds for Disapproval Under Consideration

The Commission is instituting proceedings pursuant to Section 19(b)(2)(B) of the Exchange Act¹¹ to determine whether the Proposed Rule Change should be approved or disapproved. Institution of proceedings is appropriate at this time in view of the legal and policy issues raised by the Proposed Rule Change. Institution of proceedings does not indicate that the Commission has reached any conclusions with respect to any of the issues involved. Rather, the Commission seeks and encourages interested persons to comment on the Proposed Rule Change, providing the Commission with arguments to support the Commission’s analysis as to whether to approve or disapprove the Proposed Rule Change.

Pursuant to Section 19(b)(2)(B) of the Exchange Act,¹² the Commission is providing notice of the grounds for disapproval under consideration. The Commission is instituting proceedings to allow for additional analysis of, and input from commenters with respect to, the Proposed Rule Change’s consistency with Section 17A of the Exchange Act,¹³ and the rules thereunder, including the following provisions:

- Section 17A(b)(3)(F) of the Exchange Act,¹⁴ which requires, among other things, that the rules of a clearing agency are designed to promote the prompt and accurate clearance and settlement of securities transactions and derivative agreements, contracts, and transactions; and to assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible;

- Rule 17Ad–22(e)(2) of the Exchange Act,¹⁵ which requires that a covered clearing agency provide for governance arrangements that, among other things, specify clear and direct lines of responsibility; and

- Rule 17Ad–22(e)(6) of the Exchange Act,¹⁶ which requires that a covered clearing agency establish, implement, maintain, and enforce written policies and procedures reasonably designed to cover, if the covered clearing agency provides central counterparty services, its credit exposures to its participants by establishing a risk-based margin system that, among other things, (1) considers, and produces margin levels commensurate with, the risks and particular attributes of each relevant product, portfolio, and market,¹⁷ and (2) calculates sufficient margin to cover its potential future exposure to participants in the interval between the last margin collection and the close out of positions following a participant default.¹⁸

IV. Procedure: Request for Written Comments

The Commission requests that interested persons provide written submissions of their views, data, and arguments with respect to the issues identified above, as well as any other concerns they may have with the Proposed Rule Change. In particular, the Commission invites the written views of interested persons concerning whether the Proposed Rule Change is consistent with Section 17A(b)(3)(F),¹⁹ Rule 17Ad–22(e)(2),²⁰ and Rule 17Ad–22(e)(6)²¹ of the Exchange Act, or any other provision of the Exchange Act, or the rules and regulations thereunder. Although there do not appear to be any issues relevant to approval or disapproval that would be facilitated by an oral presentation of views, data, and arguments, the Commission will consider, pursuant to Rule 19b–4(g) under the Exchange Act,²² any request for an opportunity to make an oral presentation.²³

¹⁵ 17 CFR 240.17Ad–22(e)(2).

¹⁶ 17 CFR 240.17Ad–22(e)(6).

¹⁷ 17 CFR 240.17Ad–22(e)(6)(i).

¹⁸ 17 CFR 240.17Ad–22(e)(6)(iii).

¹⁹ 15 U.S.C. 78q–1(b)(3)(F).

²⁰ 17 CFR 240.17Ad–22(e)(2).

²¹ 17 CFR 240.17Ad–22(e)(6).

²² 17 CFR 240.19b–4(g).

²³ Section 19(b)(2) of the Exchange Act grants to the Commission flexibility to determine what type of proceeding—either oral or notice and opportunity for written comments—is appropriate for consideration of a particular proposal by a self-regulatory organization. See Securities Act Amendments of 1975, Senate Comm. on Banking, Housing & Urban Affairs, S. Rep. No. 75, 94th Cong., 1st Sess. 30 (1975).

⁹ See Securities Exchange Act Release No. 91079 (Feb. 8, 2021), 86 FR 9410 (Feb. 12, 2021) (File No. SR–OCC–2020–016) (“STANS Methodology Approval”).

¹⁰ See Securities Exchange Act Release No. 90763 (Dec. 21, 2020), 85 FR 85788, 85793 (Dec. 29, 2020) (File No. SR–OCC–2020–016) (“The STANS Methodology Description would also describe the controls that may be placed on the GJR–GARCH parameters after their initial calibration. GARCH volatility forecasting models can be very reactive in certain market environments. As a result, OCC may implement parameter controls for risk factors and classes of risk factors, which are subject to periodic review and approval by the [Model Risk Working Group].”).

¹¹ 15 U.S.C. 78s(b)(2)(B).

¹² *Id.*

¹³ 15 U.S.C. 78q–1.

¹⁴ 15 U.S.C. 78q–1(b)(3)(F).

Interested persons are invited to submit written data, views, and arguments regarding whether the Proposed Rule Change should be approved or disapproved by May 17, 2024. Any person who wishes to file a rebuttal to any other person's submission must file that rebuttal by May 31, 2024.

The Commission asks that commenters address the sufficiency of OCC's statements in support of the Proposed Rule Change, which are set forth in the Notice of Filing,²⁴ in addition to any other comments they may wish to submit about the Proposed Rule Change.

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. Please include file number SR-OCC-2024-001 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-OCC-2024-001. 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 (<https://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 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of OCC and on OCC's website at <https://www.theocc.com/Company-Information/Documents-and-Archives/By-Laws-and-Rules>.

Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection.

All submissions should refer to File Number SR-OCC-2024-001 and should be submitted on or before May 17, 2024. Rebuttal comments should be submitted by May 31, 2024.

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

Sherry R. Haywood,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-100001; File No. SR-CboeEDGX-2024-020]

Self-Regulatory Organizations; Cboe EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend its Fees Schedule Related to Physical Port Fees

April 22, 2024.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on April 9, 2024, Cboe EDGX Exchange, Inc. (the "Exchange" or "EDGX") filed with the Securities and Exchange Commission ("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

Cboe EDGX Exchange, Inc. (the "Exchange" or "EDGX Equities") proposes to amend its Fees Schedule. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Exchange's website (http://markets.cboe.com/us/options/regulation/rule_filings/edgx/), at the Exchange's Office of the Secretary, and at the Commission's Public Reference Room.

²⁵ 17 CFR 200.30-3(a)(31).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 proposes to amend its fee schedule relating to physical connectivity fees.³

By way of background, a physical port is utilized by a Member or non-Member to connect to the Exchange at the data centers where the Exchange's servers are located. The Exchange currently assesses the following physical connectivity fees for Members and non-Members on a monthly basis: \$2,500 per physical port for a 1 gigabit ("Gb") circuit and \$7,500 per physical port for a 10 Gb circuit. The Exchange proposes to increase the monthly fee for 10 Gb physical ports from \$7,500 to \$8,500 per port. The Exchange notes the proposed fee change better enables it to continue to maintain and improve its market technology and services and also notes that the proposed fee amount, even as amended, continues to be in line with, or even lower than, amounts assessed by other exchanges for similar connections.⁴ The physical ports may

³ The Exchange initially filed the proposed fee changes on July 3, 2023 (SR-CboeEDGX-2023-044). On September 1, 2023, the Exchange withdrew that filing and submitted SR-CboeEDGX-2023-057. On September 29, 2023, the Securities and Exchange Commission issued a Suspension of and Order Instituting Proceedings to Determine whether to Approve or Disapprove a Proposed Rule Change to Amend its Fees Schedule Related to Physical Port Fees (the "OIP"). On September 29, 2023, the Exchange filed the proposed fee change (SR-CboeEDGX-2023-62). On October 13, 2023, the Exchange withdrew that filing and on business date October 16, 2023 submitted SR-CboeEDGX-2023-065. On December 12, the Exchange withdrew that filing and submitted SR-CboeEDGX-2023-079. On December 20, the Exchange withdrew that filing and submitted SR-CboeEDGX-2023-081. On February 12, 2024, the Exchange withdrew that filing and submitted SR-CboeEDGX-2024-013. On April 9, 2024, the Exchange withdrew that filing and submitted this filing.

⁴ See e.g., The Nasdaq Stock Market LLC ("Nasdaq"), General 8, Connectivity to the

²⁴ See Notice of Filing, *supra* note 4.