

new Participant's name in Section 3(a) of the Plan; and (b) submit the executed Plan to the Commission. The Plan then provides that such an amendment will be effective when the amendment is approved by the Commission or otherwise becomes effective pursuant to Section 11A of the Act and Rule 608 thereunder.

## II. Effectiveness of the Proposed Linkage Plan Amendment

The foregoing Plan amendment has become effective pursuant to Rule 608(b)(3)(iii)<sup>6</sup> because it involves solely technical or ministerial matters. At any time within sixty days of the filing of this amendment, the Commission may summarily abrogate the amendment and require that it be refiled pursuant to paragraph (a)(1) of Rule 608,<sup>7</sup> if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors or the maintenance of fair and orderly markets, to remove impediments to, and perfect the mechanisms of, a national market system or otherwise in furtherance of the purposes of the Act.

## III. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the amendment 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 4-546 on the subject line.

### Paper Comments

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090. All submissions should refer to File Number 4-546. 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 amendment 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 such filing also will be available for inspection and copying at the principal office of ISE Mercury. 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 4-546 and should be submitted on or before April 4, 2016.

By the Commission.

**Robert W. Errett,**

*Deputy Secretary.*

[FR Doc. 2016-05599 Filed 3-11-16; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

### Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Public Law 94-409, that the Securities and Exchange Commission will hold an Open Meeting on Wednesday, March 16, 2016 at 1:30 p.m., in the Auditorium (L-002) at the Commission's headquarters building, to hear oral argument in an appeal from an initial decision of an administrative law judge by respondents Mohammed Riad and Kevin Timothy Swanson.

On April 21, 2014, the ALJ found that respondents violated the antifraud provisions of the securities laws while associated with an investment adviser responsible for managing the portfolio of a closed-end investment company, the Fiduciary/Claymore Dynamic Equity Fund (the "Fund"). Specifically, the ALJ found that respondents misrepresented and omitted material information about two newly implemented derivative strategies in the Fund's 2007 annual report and May 2008 semiannual report. The ALJ also found that Riad caused the Fund's violation of Investment Company Rule 8b-16(b), which requires closed-end funds to disclose in their annual reports any material change in their investment objectives, policies, and risk factors.

For these violations, the ALJ imposed cease-and-desist orders, order that each

respondent pay a third-tier civil penalty of \$130,000, and barred each respondent. She also ordered that Riad disgorge \$188,948.52 plus prejudgment interest.

Respondents appealed the initial decision's findings of violations and the sanctions imposed. The issues likely to be considered at oral argument include, among other things, whether respondents violated the securities laws and, if so, what sanction, if any, is appropriate in the public interest.

For further information, please contact the Office of the Secretary at (202) 551-5400.

Dated: March 9, 2016.

**Brent J. Fields,**

*Secretary.*

[FR Doc. 2016-05802 Filed 3-10-16; 4:15 pm]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-77316; File No. SR-MSRB-2016-03]

### Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Consisting of an Amendment to Rule G-33, on Calculations, and an Interpretive Notice

March 8, 2016.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act" or "Exchange Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on February 23, 2016, the Municipal Securities Rulemaking Board (the "MSRB" or "Board") filed with the Securities and Exchange Commission (the "Commission" or "SEC") the proposed rule change as described in Items I and II below, which Items have been prepared by the MSRB. 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 MSRB filed with the Commission a proposed rule change consisting of a proposed amendment to Rule G-33, on calculations, and a proposed interpretive notice (the "proposed rule change"). The MSRB has designated the proposed rule change as "non-controversial" pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>3</sup> and Rule

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

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

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

<sup>6</sup> 17 CFR 242.608(b)(3)(iii).

<sup>7</sup> 17 CFR 242.608(a)(1).

19b-4(f)(6)<sup>4</sup> thereunder, which renders it effective upon filing with the Commission. A proposed rule change filed under Rule 19b-4(f)(6)<sup>5</sup> normally does not become operative prior to 30 days after the date of filing. Rule 19b-4(f)(6)(iii),<sup>6</sup> however, permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. Immediate utilization of the amended pricing formula contained in the proposed rule change will result in more accurate price and yield data reported to the MSRB, which will, in turn, result in more accurate data disseminated to the public. The MSRB requests the Commission waive the 30-day operative delay. Such waiver would allow the MSRB to establish a compliance date of July 18, 2016 for all dealers to conform to the amended pricing formula, while allowing dealers the flexibility to immediately utilize the amended pricing formula pursuant to the proposed interpretive notice.

The text of the proposed rule change is available on the MSRB's Web site at [www.msrb.org/Rules-and-Interpretations/SEC-Filings/2016-Filings.aspx](http://www.msrb.org/Rules-and-Interpretations/SEC-Filings/2016-Filings.aspx), at the MSRB's principal office, 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 MSRB 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 MSRB 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 proposed rule change would revise the mathematical formula in Rule G-33(b)(i)(B)(2), which governs how brokers, dealers, and municipal securities dealers (collectively "dealers") calculate the dollar price of interest-bearing municipal securities with periodic interest payments (*e.g.*, daily, monthly, quarterly or annually) that have more than six months to redemption (the "pricing formula," as amended by the proposed rule change, the "amended pricing formula"). The proposed rule change would also clarify that the amended pricing formula is applicable for the calculations of municipal securities with periodic interest payments and more than one coupon period to redemption. The proposed rule change would similarly clarify that the formulas in Rules G-33(b)(i)(B)(1) and G-33(b)(ii)(B)(1), which are not being changed, are applicable for the calculations of municipal securities with periodic interest payments and less than six months to redemption.

The amended pricing formula would replace a formula that was originally designed to accommodate the technologies available at the time of its adoption several decades ago and reflected the limited capabilities of those technologies to efficiently conduct the more complex and advanced calculation of the amended pricing formula.<sup>7</sup> Recognizing that it resulted in only marginally less accurate price reporting on a relatively small number of transactions, the accommodation was made to presume that interest-bearing municipal securities with periodic interest payments and with more than one coupon period to redemption pay interest on a semi-annual basis. With improved access to more technologically advanced methods of computing dollar prices and yields, the

amended pricing formula would dispense with the six-month presumption and instead require the use of a calculation method for yield and dollar price that is based on the actual interest payment frequency of the security. Modernizing the pricing formula would recognize the use of enhanced calculators by many market participants and produce more accurate price and yield data reported to the MSRB's Real-Time Transaction Reporting System ("RTRS"),<sup>8</sup> which the MSRB subsequently disseminates to the market and displays on its Electronic Municipal Market Access ("EMMA"<sup>®</sup>) system.<sup>9</sup>

In addition, the MSRB is proposing an interpretive notice ("Notice") concerning the application of the amended pricing formula to afford dealers the flexibility to utilize the amended pricing formula prior to the mandatory compliance date.

#### Proposed Amendment to Rule G-33

Rule G-33 prescribes standard formulas for the computation of accrued interest, dollar price and yield, and related computations. Specifically, Rule G-33(b)(i)(B)(2) requires that, for interest-bearing municipal securities with periodic interest payments and more than one coupon period to redemption, dealers compute the dollar price of such securities using a formula that accounts for the present value of all future coupon payments and presumes a semi-annual payment of interest rather than the actual interest payment frequency of the security (*e.g.*, monthly or quarterly).<sup>10</sup> By reference, Rule G-33(b)(ii)(B)(2) requires the use of the formula in Rule G-33(b)(i)(B)(2) when calculating the yield on such municipal securities with periodic interest payments and more than one coupon period to redemption.

The proposed rule change would require, for securities subject to Rule G-33(b)(i)(B)(2), that the dollar price for transactions effected on the basis of yield be computed in accordance with the amended pricing formula below:

$$P = \left[ \frac{RV}{\left(1 + \frac{Y}{M}\right)_{exp}^{N-1} + \frac{E-A}{E}} \right] + \left[ \sum_{K=1}^N \frac{100 \cdot \frac{R}{M}}{\left(1 + \frac{Y}{M}\right)_{exp}^{K-1} + \frac{E-A}{E}} \right] - \left[ 100 \cdot \frac{A}{B} \cdot R \right]$$

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

<sup>5</sup> *Id.*

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

<sup>7</sup> See *e.g.*, Use of formulas: Annual interest securities, June 6, 1983. Available at [http://www.msrb.org/Rules-and-Interpretations/MSRB-](http://www.msrb.org/Rules-and-Interpretations/MSRB-Rules/General/Rule-G-33.aspx?tab=2)

[Rules/General/Rule-G-33.aspx?tab=2](http://www.msrb.org/Rules/General/Rule-G-33.aspx?tab=2) ("1983 interpretive letter").

<sup>8</sup> The proposed amendments will conform the rule text regarding the required manner of calculation by dealers to the manner in which the MSRB currently calculates dollar price and yield for such securities in RTRS.

<sup>9</sup> EMMA is a registered trademark of the MSRB.

<sup>10</sup> The formula also accounts for the present value of the redemption amount and the accrued interest to be paid to the seller. Those elements of the calculation are not being changed.

The amended pricing formula modifies the pricing formula currently prescribed by Rule G-33(b)(i)(B)(2) by eliminating the presumption in the calculation that interest-bearing municipal securities with periodic interest payments, and more than one coupon period to redemption, pay interest on a semi-annual basis. Rather than calculate for a variable of yield divided by 2 (presumed semi-annual interest payment), the amended pricing formula requires dividing yield by “M” where “M” is the number of interest payment periods per year standard for the security involved in the transaction.<sup>11</sup>

In addition, the proposed rule change would modify subparagraphs (b)(i)(B)(2) and (b)(ii)(B)(2) to clarify the applicability of the formula in Rule G-33(b)(i)(B)(2).<sup>12</sup> Because the amended pricing formula is adapted to future coupon payments that occur more frequently or less frequently than semi-annually, it is more accurate to provide that the formula is applicable for the calculations of securities with more than one coupon period to redemption rather than “with more than six months to redemption.” The proposed rule change would also make a corresponding change to subparagraphs (b)(i)(B)(1) and (b)(ii)(B)(1). Specifically the proposed rule change would clarify that the formulas in Rule G-33(b)(i)(B)(1) and G-33(b)(ii)(B)(1) are applicable for calculating dollar price and yield, respectively, on securities with one coupon period or less to redemption rather than “with six months or less to redemption.”

#### Proposed Interpretive Notice

With the current, wide availability of advanced calculator models, dealers may want to utilize the more precise amended pricing formula prior to the compliance date. The proposed interpretive notice would provide that, prior to the compliance date for Rule G-33, as amended by the proposed rule change, dealers would be in compliance with the current rule if they calculate price and yield on interest-bearing securities with periodic interest payments and more than one coupon period to redemption factoring in the actual interest frequency in the formula rather than assuming a semi-annual interest payment.

The MSRB believes that allowing dealers this flexibility could benefit

transparency without creating any material discrepancies in pricing information. Transactions in interest-bearing securities with periodic interest payments (e.g., monthly, quarterly or annually) have typically accounted for less than .05 percent of all transactions reported to the MSRB annually and, as the MSRB previously recognized, calculations for these securities that presume a semi-annual interest payment rather than the actual interest payment frequency “produce slightly less accurate results.”<sup>13</sup>

#### 2. Statutory Basis

The MSRB believes that the proposed rule change is consistent with Section 15B(b)(2)(C) of the Act, which requires, in pertinent part, that the MSRB’s rules shall be designed 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 municipal securities and municipal financial products, to remove impediments to and perfect the mechanism of a free and open market in municipal securities and municipal financial products, and, in general, to protect investors, municipal entities, obligated persons, and the public interest.

The MSRB believes that the amended pricing formula will improve the accuracy of the reporting of the dollar prices and yields on transactions in interest-bearing municipal securities that pay interest on a periodic basis. Additionally, the MSRB believes that the proposed interpretive notice will afford dealers the flexibility to utilize the more precise formula prior to the compliance date.

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

Section 15B(b)(2)(C)<sup>14</sup> of the Act requires that MSRB rules not be designed to impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

In determining whether this standard has been met, the MSRB attempted to evaluate the number of firms that may need to make changes to comply with the proposed amendment and the likely challenges associated with compliance. In reviewing data from 2015, the MSRB observed that a very small percentage, approximately 1/10 of 1 percent, of

municipal securities reported to RTRS pay interest on a periodic basis and trading in those securities accounted for less than 1/4 of 1 percent of customer transactions reported to the MSRB. The MSRB believes that the impact of the proposed amendments would be very small and would not impose any additional burdens on competition that are not necessary or appropriate in furtherance of the purposes of the Exchange Act.

#### 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 on the proposed rule change.

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

Pursuant to Section 19(b)(3)(A)<sup>15</sup> of the Act and Rule 19b-4(f)(6)<sup>16</sup> thereunder, the MSRB has designated the proposed rule change as one that affects a change that 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. A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative until 30 days after the date of filing.<sup>17</sup> However, Rule 19b-4(f)(6)(iii) permits the Commission to designate a shorter time if consistent with the protection of investors and the public interest.<sup>18</sup>

The MSRB has requested that the Commission waive the 30-day operative delay specified in Rule 19b-4(f)(6)(iii).<sup>19</sup> The waiver of the 30-day operative delay will allow dealers to immediately utilize the amended pricing formula before the July 18, 2016, compliance date. According to the MSRB, immediate utilization of the amended pricing formula will result in more accurate price and yield data reported to the MSRB, which will, in turn, result in more accurate data disseminated to the public. The Commission believes that

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

<sup>16</sup> 17 CFR 240.19b-4(f)(6).

<sup>17</sup> *Id.*

<sup>18</sup> In addition, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change, along with a brief description and text of such proposed rule change, at least five business days prior to the date of filing, or such shorter time as designated by the Commission. The MSRB fulfilled this obligation.

<sup>19</sup> See SR-MSRB-2016-03 (filed with the Commission on February 23, 2016).

<sup>11</sup> All other variables remain the same and the symbols for the formula are as defined in Rule G-33(b)(i)(B)(2).

<sup>12</sup> By reference, despite computing for a different end variable, G-33(b)(ii)(B)(2) uses the pricing formula in (b)(i)(B)(2).

<sup>13</sup> As a result of the amended pricing formula, the MSRB will delete the 1983 interpretive letter from its Rule Book.

<sup>14</sup> 15 U.S.C. 78o-4(b)(2)(C).

waiving the 30-day operative delay is consistent with the protection of investors and the public interest as it will allow dealers to immediately begin providing more accurate price and yield data to the MSRB, which reflects the actual frequency of interest payments. Accordingly, the Commission hereby waives the 30-day operative delay specified in Rule 19b-4(f)(6)(iii) and designates the proposed rule change to be operative upon filing.<sup>20</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-MSRB-2016-03 on the subject line.

##### *Paper Comments*

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549.
- All submissions should refer to File Number SR-MSRB-2016-03. 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 MSRB. 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-MSRB-2016-03 and should be submitted on or before April 4, 2016.

For the Commission, pursuant to delegated authority.<sup>21</sup>

**Robert W. Errett,**

*Deputy Secretary.*

[FR Doc. 2016-05586 Filed 3-11-16; 8:45 am]

BILLING CODE 8011-01-P

#### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-77320; File No. SR-NASDAQ-2016-002]

#### Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Designation of a Longer Period for Commission Action on Proposed Rule Change to List and Trade Shares of the First Trust Municipal High Income ETF

March 8, 2016.

On January 6, 2016, The NASDAQ Stock Market LLC ("Exchange") filed with the Securities and Exchange Commission ("Commission"), 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> a proposed rule change to list and trade shares of the First Trust Municipal High Income ETF under Nasdaq Rule 5735. The proposed rule change was published for comment in the **Federal Register** on January 27, 2016.<sup>3</sup> The Commission has not received any comments on the proposal.

Section 19(b)(2) of the Act<sup>4</sup> provides that within 45 days of the 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 finds 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 March 12, 2016. 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 this proposed rule change. Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,<sup>5</sup> designates April 26, 2016, 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-NASDAQ-2016-002)

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>6</sup>

**Robert W. Errett,**

*Deputy Secretary.*

[FR Doc. 2016-05588 Filed 3-11-16; 8:45 am]

BILLING CODE 8011-01-P

#### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-77319; File No. SR-CBOE-2016-016]

#### Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Order Granting Accelerated Approval of a Proposed Rule Change Related to Options That Overlie the MSCI EAFE Index and the MSCI Emerging Markets Index

March 8, 2016.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that, on February 29, 2016, Chicago Board Options Exchange, Incorporated (the "Exchange" or "CBOE") 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 Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons and, for the

<sup>21</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. 76944 (Jan. 21, 2016), 81 FR 4712.

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

<sup>5</sup> *Id.*

<sup>6</sup> 17 CFR 200.30-3(a)(31).

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

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

<sup>20</sup> For the purpose of waiving the 30-day operative delay for this proposal, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).