The fees that the Exchange proposes to refund to eligible Specialists and Market Makers represent the difference between the Variable Active SQF Port Fees and the Fixed Active SQF Port Fee that became operative on May 1, 2015, each subject to the $42,000 monthly cap.\footnote{20} For example, according to the Exchange, if Specialist A was assessed and paid a Variable Active SQF Port Fee of $16,000 for the month of April 2015 (4 ports at $4,000 per port) whereas the Specialist would have paid only a $5,000 Fixed Active SQF Port Fee if this fee had been operative in April (4 ports at $1,250 per port), the Exchange would pay that member a refund amount of $11,000. In addition, if Market Maker B was assessed and paid a Variable Active SQF Port Fee of $42,000 for the month of April 2015 (8 ports at $5,250 per port) whereas the Market Maker would have paid only a $10,000 Fixed Active SQF Port Fee if this fee had been operative in April (4 ports at $1,250 per port), the Exchange would pay that member a refund amount of $32,000.\footnote{21} The Exchange notes that the payment of a refund to eligible Specialists and Market Makers is unique to April 2015 only and applies only to the April 2015 Billing Period.

III. Discussion and Commission’s Findings

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.\footnote{22} In particular, approval of the retroactive application of the proposal is consistent with Section 6(b)(4) of the Act,\footnote{23} which requires that the rules of a national securities exchange provide for the equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other parties using its facilities. The Commission notes that the refund the Exchange proposes to pay would have a retroactive effect on eligible Specialists and Market Makers because these members of the Exchange would effectively be subject to the Fixed Active SQF Port Fee during the month of April 2015, which was a month that the Variable Active SQF Port Fees were operative under the Exchange’s rules. The Commission further notes that the proposed change from the Variable Active SQF Port Fees to the Fixed Active SQF Port Fee was contained in an April 2015 submission by the Exchange for immediate effectiveness pursuant to Section 19(b)(3)(A)\footnote{24} of the Act and Rule 19b–4(f)(2)\footnote{25} thereunder; however that submission was rejected by the Commission because it was not filed in accordance with the requirements of the Act and the rules and regulations thereunder.\footnote{26} The proposed fee changes would otherwise qualify for immediate effectiveness pursuant to Section 19(b)(3)(A)\footnote{27} of the Act and Rule 19b–4(f)(2)\footnote{28} thereunder. However, because the proposed rule change seeks retroactive application of a fee change, the Exchange filed the proposed rule change pursuant to Section 19(b)(2)\footnote{29} of the Act,\footnote{30} seeking approval retroactive to April 1, 2015. Retroactive approval of this proposal allows the proposed rule change to take effect for the month of April 2015.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2)\footnote{31} of the Act,\footnote{32} that the proposed rule change (File No. SR–Phlx–2015–79) be, and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.\footnote{33}

Robert W. Errett,
Deputy Secretary.

[FR Doc. 2015–30332 Filed 11–27–15; 8:45 am]

BILLING CODE 8011–01–P

SEcurities and Exchange Commission


Self-Regulatory Organizations; International Securities Exchange, LLC; Notice of Filing of Proposed Rule Change To Amend Rule 804(g)

November 23, 2015.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),\footnote{34} and Rule 19b–4 thereunder,\footnote{35} notice is hereby given that on November 10, 2015, the International Securities Exchange, LLC (the “Exchange” or the “ISE”) filed with the Securities and Exchange 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 804(g) to require Clearing Member approval for market makers to resume trading after a market-wide speed bump is triggered. The text of the proposed rule change is available on the Exchange’s Web site (http://www.ise.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 these statements may be examined at the places specified in Item IV below. The self-regulatory organization 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 purpose of the proposed rule change is to amend Rule 804(g) on “Automated Quotation Adjustments” to...
require Clearing Member approval for Primary Market Makers ("PMMs") and Competitive Market Makers ("CMMs") (collectively, "market makers") to resume trading after a market-wide speed bump is triggered. The Exchange offers market makers functionality whereby the Exchange will automatically remove a market maker’s quote in all series or complex order strategies in an options class if a "curtailment event" occurs based on parameters set by the market maker on a class-by-class basis. In particular, the Exchange will automatically remove a market maker’s quote in a class when, during a time period established by the market maker, the market maker exceeds: (i) The specified number of total contracts in the class, (ii) the specified percentage of the total size of the market maker’s quotes in the class, (iii) the specified absolute value of the net between contracts bought and contracts sold in the class, or (iv) the specified absolute value of the net between (a) calls purchased plus puts sold in the class, and (b) calls sold plus puts purchased in the class.

In addition, the Exchange provides market-wide functionality whereby a market maker’s quote in all options classes are automatically cancelled if, during a configurable time period, the total number of curtailment events in simple and complex instruments exceeds a market-wide parameter set by the market maker. This market-wide functionality, which is available for ISE only or across both ISE and ISE’s affiliate, ISE Gemini, LLC, is useful to members as numerous curtailment events triggered across multiple options classes, and if chosen, multiple exchanges, may signify a larger problem being experienced by the market maker that warrants its quotes being removed from the market. Currently, the Exchange only requires that a market maker notify Market Operations of its intention to reenter the market to resume trading after the market-wide speed bump has been activated. Due to the significant nature of events that may trigger this market-wide speed bump functionality, the Exchange now proposes also to require Clearing Member approval prior to allowing the market maker to resume quoting. Pursuant to the proposed rule change, a market maker must notify its Clearing Member(s) when it is ready to resume trading following a market-wide speed bump. Exchange staff may also notify the Clearing Member(s) when the market maker’s quotes have been removed, to facilitate a better response time. Each Clearing Member must then contact the Exchange directly to give their authorization for the market maker to resume trading.

Each market maker authorized to trade on the Exchange must obtain from a Clearing Member a “Market Maker Letter of Guarantee” wherein the Clearing Member accepts financial responsibility for all Exchange transactions made by the market maker. The Exchange believes that it is appropriate to require Clearing Member approval before a market maker can reenter the market after the market-wide speed bump has been triggered as the Clearing Member guarantees the market maker’s trades, and therefore bears ultimate financial risk associated with those transactions. The Exchange notes that while not all market makers are Clearing Members, all market makers require a Clearing Member’s consent to clear transactions on their behalf in order to conduct business on the Exchange. As the Clearing Member ultimately bears the risk for a trade they clear on any market makers behalf, the Exchange believes it is reasonable to require that the Clearing Member authorize the market maker to continue trading after the market-wide speed bump is triggered.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6(b) of the Act. In particular, the proposal is consistent with Section 6(b)(5) of the Act, because it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest.

The Exchange believes that the proposed rule change removes impediments to and perfects the mechanism of a free and open market by requiring that Clearing Members authorize continued trading by a market maker after that market maker triggers a market-wide speed bump. The Exchange believes that the proposed rule change is consistent with the protection of investors and the public interest because it will permit Clearing Members with a financial interest in a market maker’s risk management to better monitor and manage the potential risks assumed by that market maker. The Exchange already shares market makers’ risk settings with their Clearing Members in order to assist those Clearing Members in monitoring risks at firms on whose behalf they clear trades. The proposed rule change would further assist Clearing Members in monitoring risk, and provide these Clearing Members with greater control and flexibility over their risk tolerance and exposure. Because the Clearing Member guarantees all of the market maker’s trades it is in a unique position to objectively evaluate the risk of a market maker reentering the market following a serious systems or other issue. While in some cases this may result in a minimal delay for a market maker that wants to reenter the market quickly following a market-wide speed bump, the Exchange believes that Clearing Member approval is appropriate to ensure that the market maker does not prematurely enter the market without adequate safeguards in place.

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

The Exchange believes the proposal is consistent with Section 6(b)(8) of the Act in that it does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is not designed to address any aspect of competition, but is rather intended to provide additional safeguards by requiring Clearing Member approval before market makers are allowed to reenter the market following a market-wide speed bump. The Exchange believes that this would allow Clearing Members to better monitor and manage the potential risks assumed by market makers on whose behalf they have executed a Market Maker Letter of Guarantee, and does not
impose any unnecessary burden on competition.

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

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any unsolicited written comments from members or other interested parties.

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

Within 45 days of the publication date of this notice in the Federal Register or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:
(A) by order approve or disapprove such proposed rule change, or
(B) institute proceedings to determine whether the proposed rule change should be disapproved.

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. Please include File Number SR–ISE–2015–30 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–ISE–2015–30. 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 am and 3:00 pm. 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; 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–ISE–2015–30 and should be submitted on or before December 21, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.14
Robert W. Errett,
Deputy Secretary.

[FR Doc. 2015–30242 Filed 11–27–15; 8:45 am]
BILLING CODE 8011–01–P

SMALL BUSINESS ADMINISTRATION
[License No. 05/05–0298]
LaSalle Capital Group II–A, L.P.; Notice Seeking Exemption Under Section 312 of the Small Business Investment Act, Conflicts of Interest

Notice is hereby given that LaSalle Capital Group II–A, L.P., 70 W Madison Street, Suite 5710, Chicago, IL 60602, a Federal Licensee under the Small Business Investment Act of 1958, as amended (“the Act”), in connection with the financing of a small concern, has sought an exemption under Section 312 of the Act and Section 107.730, Financings which Constitute Conflicts of Interest of the Small Business Administration (“SBA”) Rules and Regulations (13 CFR 107.730). LaSalle Capital Group II–A, L.P., proposes to merge Westminster Foods II, LLC, 1 Scale Avenue, Suite 8, Rutland, Vermont 05701 and Dr. Lucy’s LLC, 7420 Central Business Park Drive, Suite 1, Norfolk, Virginia 23513 together. The financing is brought within the purview of § 107.730(a)(1) of the Regulations because Westminster Foods II, LLC and Dr. Lucy’s, LLC all Associates of LaSalle Capital Group II–A, L.P., will merge together as Westminster Foods II, LLC, and therefore this transaction is considered a financing of an Associate requiring prior SBA approval.

Notice is hereby given that any interested person may submit written comments on the transaction, within fifteen days of the date of this publication, to the Associate Administrator for Investment, U.S. Small Business Administration, 409 Third Street SW., Washington, DC 20416.

Dated: November 18, 2015.

John R. Williams,
Acting Deputy Associate Administrator,
Office of Investment and Innovation.

[FR Doc. 2015–30246 Filed 11–27–15; 8:45 am]
BILLING CODE 8025–01–P