Exchange has requested that the Commission waive the 30-day operative delay period so that the proposal may become operative before the pilot's expiration. The Exchange stated that an immediate operative date is necessary in order to immediately implement the proposed rule change so that member organizations could continue to benefit from the pilot program without interruption after December 31, 2014.

The Commission believes that waiver of the 30-day operative delay period is consistent with the protection of investors and the public interest. Specifically, the Commission believes that the proposal would allow the pilot to continue uninterrupted, thereby avoiding any potential investor confusion that could result from the temporary interruption in the pilot program. For these reasons, the Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest, and designates the proposed rule change to be operative on December 31, 2014.[24]

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.[25]

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–NYSEMKT–2014–112 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–NYSEMKT–2014–112. 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 such 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–NYSEMKT–2014–112 and should be submitted on or before January 28, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[26]

Brent J. Fields,

Secretary.

[FR Doc. 2014–30970 Filed 1–6–15; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–73972; File No. SR–NASDAQ–2014–126]

Self-Regulatory Organizations; The NASDAQ Stock Market, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Modify Nasdaq's Rule Governing Modification of Orders in the Event of an Issuer Corporate Action Related to a Dividend, Payment or Distribution

December 31, 2014.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the ''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on December 18, 2014, The NASDAQ Stock Market LLC (''Nasdaq'' 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 the Substance of the Proposed Rule Change

The text of the proposed rule change is available on the Exchange's Web site at *http://nasdaq.cchwallstreet.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 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

Nasdaq Rule 4761 addresses the treatment of quotes/orders in securities that are the subject of issuer corporate actions related to a dividend, payment or distribution. The rule applies to any trading interest that is carried on the Nasdaq Market Center book overnight. As a general matter, Nasdaq cancels open quotes/orders in the event of any corporate action related to a dividend, payment or distribution, on the ex-date of the action. The cancellation occurs immediately prior to the opening of trading at 4 a.m. on the ex-date of the corporate action, and the member receives a cancellation notice, so that it can, if it desires, reenter the order at the commencement of trading on the ex-date.

Prior to 2013, Nasdaq Rule 4761 provided for a complex variety of adjustments of quotes and orders carried on the Nasdaq book overnight; depending on the nature of the

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[24] For purposes only of waiving the 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).

[25] 15 U.S.C. 78s(b)(3)(C).

[26] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b-4.

corporate action, these adjustments might result in the cancellation of a quote/order or an adjustment of its price and/or size to reflect the impact of the corporate action. In April 2013, Nasdaq filed an amendment to the rule to provide that Nasdaq would cancel all open quotes/orders in the event of any corporate action.[3] The proposal reflected a conclusion that the rule was excessively complex and had given rise to certain non-material discrepancies between the rule as written and its application in Nasdaq's systems. Subsequently, in response to member demand for assistance with order management with respect to certain common types of corporate action, Nasdaq amended the rule again to offer limited, optional functionality to allow open orders to be adjusted, rather than cancelled.[4] As written, the rule provides for the possibility of order adjustment in the case of cash dividends, forward stock splits, and combined cash dividends/forward stock splits.

The proposal will expand the rule also to provide for adjustment in the case of stock dividends and combined cash dividends/stock dividends. The proposal reflects the conclusion, based on member feedback, that actions resulting in the distribution of additional stock should be treated similarly, regardless of whether they are denominated as forward stock splits or stock dividends. Nasdaq will make members aware of the effective date of the proposed change by the issuance of a widely disseminated Equity Trader Alert.

Under the current rule, a member may designate that all orders with a time-in-force of good-till-cancelled[5] that are entered through one or more order entry ports specified by the member will be processed in the manner specified below.[6]

(1) Cash Dividend. If an issuer is paying a cash dividend, the price of an order to buy is reduced by the amount of the sum of all dividends payable, rounded up to the nearest whole cent; provided, however, that there will be no adjustment if the sum of all dividends is less than $0.01. For example, if the sum of all dividends is $0.381, the price of the order will be reduced by $0.39. An order to sell will be retained but will receive no price adjustment.

(2) Forward Stock Split. If an issuer is implementing a forward stock split, the order is cancelled if its size is less than one round lot. If the order's size is greater than one round lot, (i) the size of the order is multiplied by the ratio of post-split shares to pre-split shares, with the result rounded downward to the nearest whole share, and (ii) the price of the order will be multiplied by the ratio of pre-split shares to post-split shares, with the result rounded down to the nearest whole penny in the case of orders to buy and rounded up to the nearest whole penny in the case of orders to sell.

Under the change proposed in this filing, stock dividends will be treated in the same manner as forward stock splits. Thus, any corporate action in which additional shares are issued to holders of outstanding shares will be treated in the manner described above.

For example, if a member has entered a good-till-cancelled order to buy 375 shares at $10.95 per share and the issuer implemented a split or dividend under which an additional 1.25 shares would be issued for each share outstanding, the size of the order would be adjusted to 843 shares ($375 \times 2.25/1 = 843.75$, rounded down to 843) and the price of the order would be adjusted to $4.86 per share ($10.95 per share $\times$ 1/2.25 = $4.8667 per share, rounded down to $4.86 per share). An order to sell at the same price and size would be adjusted to 843 shares with a price of $4.87 per share ($4.8667 per share, rounded up).[7]

(3) Combination of Cash Dividend and Forward Stock Split or Stock Dividend. Under the current rule, if an issuer is implementing a cash dividend and a forward stock split on the same date, the adjustments described above will both be applied, in the order described in the notice of the corporate actions received by Nasdaq.[8] Under the proposed rule change, this provision is being expanded to cover stock dividends as well as forward stock splits.

As is currently the case, changes to open orders will continue to be effected immediately prior to the opening of the System at 4:00 a.m. on the ex-date of the applicable corporate action. Open orders that are retained are re-entered by the System (as adjusted above) immediately prior to the opening of the System, such that they will retain time priority over new orders entered at or after 4:00 a.m.[9] Under the proposed rule change, for corporate actions other than cash dividends, forward stock splits, and stock dividends (or any combination thereof), open orders are always cancelled, regardless of the port through which they were entered.

2. Statutory Basis

Nasdaq believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,[10] in general, and with Section 6(b)(5) of the Act[11] in particular, in that the proposal 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. Specifically, Nasdaq believes that the change, which is responsive to member input, will facilitate transactions in securities and perfect the mechanism of a free and open market by providing members with additional optional functionality that may assist them with order management with respect to stock dividends in a manner similar to the current functionality with respect to cash dividends and forward splits. Because forward splits and stock dividends both involve the distribution of additional stock to current stockholders, providing them with similar treatment under the rule is logical and may help to prevent confusion on the part of members that expect both types of corporate events to receive consistent treatment.

[3] Securities Exchange Act Release No. 69454 (April 25, 2013), 78 FR 25506 (May 1, 2013) (SR–NASDAQ–2013–068).

[4] Securities Exchange Act Release No. 70113 (August 5, 2013), 78 FR 48746 (August 9, 2013) (SR–NASDAQ–2013–096).

[5] Nasdaq notes that the use of good-till-cancelled orders is not prevalent, accounting for significantly less than 1% of all orders entered into Nasdaq. The vast majority of orders expire by their terms at the end of regular market hours.

[6] The member may opt for this processing on a port-by-port basis. Thus, the provisions providing for order adjustment are applied to all good-till-cancelled orders entered through a port that has been specified by the member for such processing. Because members may obtain multiple ports, however, members may opt to apply different processing to different orders based on the ports through which they are entered.

[7] Nasdaq is also amending the example in the rule text to make it clear that the prices provided therein are per share prices.

[8] For securities listed on Nasdaq, Nasdaq receives notice of corporate actions from the issuer and determines the applicable ex-date. *See* Rule 11140. For securities listed on other exchanges, Nasdaq receives notice from the listing exchange.

[9] To the extent that multiple good-till-cancelled orders in a particular security are adjusted and re-entered, such orders may not retain the same time priority vis-à-vis one another that they had on the preceding day. Rather, because such orders are entered simultaneously through multiple order entry ports, their relative priority is a function of the duration of system processing associated with each individual order.

[10] 15 U.S.C. 78f.

[11] 15 U.S.C. 78f(b)(5).

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

Nasdaq does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended. Specifically, by offering market participants additional options with regard to management of open orders, the change has the potential to enhance Nasdaq's competitiveness with respect to other trading venues, thereby promoting greater competition. Moreover, the change does not burden competition in that it does not restrict the ability of members to enter and update trading interest in Nasdaq.

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

No written comments were either solicited or received.

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)(ii) of the Act [12] and subparagraph (f)(6) of Rule 19b–4 thereunder.[13]

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: (i) Necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or 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–NASDAQ–2014–126 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 SR–NASDAQ–2014–126. 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 such 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–NASDAQ–2014–126, and should be submitted on or before January 28, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[14]

Brent J. Fields,

Secretary.

[FR Doc. 2014–30971 Filed 1–6–15; 8:45 am]

BILLING CODE 8011–01–P

[12] 15 U.S.C. 78s(b)(3)(a)(ii).

[13] 17 CFR 240.19b–4(f)(6). In addition, Rule 19b–4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

[14] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–73975; File Nos. SR–FICC–2014–810; SR–NSCC–2014–811; SR–DTC–2014–812]

Self-Regulatory Organizations; Fixed Income Clearing Corporation; National Securities Clearing Corporation; The Depository Trust Company; Notice of Extension of Review Period of Advance Notices, as Amended, To Amend and Restate the Third Amended and Restated Shareholders Agreement, Dated as of December 7, 2005

December 31, 2014.

On November 5, 2014, Fixed Income Clearing Corporation (''FICC''), National Securities Clearing Corporation (''NSCC''), and The Depository Trust Company (''DTC,'' together with FICC and NSCC, ''Operating Subsidiaries'') filed with the Securities and Exchange Commission (''Commission'') advance notices SR–FICC–2014–810, SR–NSCC–2014–811 and SR–DTC–2014–812 (''Advance Notices''), pursuant to section 806(e)(1) of the Payment, Clearing, and Settlement Supervision Act of 2010 (''Clearing Supervision Act'') [1] and Rule 19b–4(n)(1)(i) under the Securities Exchange Act of 1934 (''Exchange Act'').[2] On November 17, 2014, the Operating Subsidiaries each filed Amendments No. 1 to the Advance Notices.[3] On November 17, 2014, FICC withdrew Amendment No. 1 and filed Amendment No. 2 to advance notice SR–FICC–2014–810.[4] The Advance Notices were published for comment in the **Federal Register** on December 11, 2014.[5] As of December 31, 2014, the Commission had not received any comment letters on the proposal contained in the Advance Notices.

Section 806(e)(1)(G) of the Clearing Supervision Act provides that the Operating Subsidiaries may implement the changes proposed in the Advance Notices if they have not received an objection to the proposed changes within 60 days of the later of (i) the date that the Commission receives the Advance Notices or (ii) the date that any

[1] 12 U.S.C. 5465(e)(1).

[2] 17 CFR 240.19b–4(n)(1)(i).

[3] NSCC and DTC filed Amendment Nos. 1 to provide additional description of the changes proposed in advance notices SR–NSCC–2014–811 and SR–DTC–2014–812, respectively.

[4] FICC withdrew Amendment No. 1 to advance notice SR–FICC–2014–810 due to an error in filing the amendment. FICC filed Amendment No. 2 to advance notice SR–FICC–2014–810 in order to provide additional description of the changes proposed in the advance notice.

[5] *See* Release No. 34–73755 (Dec. 5, 2014), 79 FR 73665 (Dec. 11, 2014).