

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-70860; File No. SR-NASDAQ-2013-138]

### Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Make Modifications to Fees and Rebates Under Rules 7014 and 7018

November 13, 2013.

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 November 1, 2013, The NASDAQ Stock Market LLC (“NASDAQ” or the “Exchange”) filed with the Securities and Exchange Commission (“Commission”) a 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

NASDAQ proposes to make modifications to its Qualified Market Maker (“QMM”) and NBBO Setter Incentive pricing incentive programs under Rule 7014 and the pricing for its Retail Price Improvement (“RPI”) program under Rule 7018(g), and to make other changes to NASDAQ’s schedule of fees and credits applicable to execution and routing of orders in securities priced at \$1 or more per share. NASDAQ proposes to implement the proposed rule change on November 1, 2013. 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, NASDAQ 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

#### QMM and NBBO Setter Incentive Programs

Under NASDAQ’s QMM Program, a member may be designated as a QMM with respect to one or more of its market participant identifiers (“MPIDs”) if:

- The member is not assessed any “Excess Order Fee” under Rule 7018 during the month;<sup>3</sup> and
- Through such MPID the member quotes at the national best bid or best offer (“NBBO”) at least 25% of the time during regular market hours<sup>4</sup> in an average of at least 1,000 securities per day during the month.<sup>5</sup>

A member that is a QMM with respect to a particular MPID (a “QMM MPID”) is eligible to receive certain financial benefits, as fully described in Rule 7014. One of these benefits pertains to the credits available under NASDAQ’s NBBO Setter Incentive Program. Under that program, NASDAQ provides an enhanced liquidity provider rebate with respect to displayed liquidity-providing orders that set the NBBO or cause NASDAQ to join another trading center with a protected quotation at the NBBO. The NBBO Setter Incentive credit is paid on a monthly basis, and the amount is determined by multiplying

<sup>3</sup> Rule 7018(m). In 2012, NASDAQ introduced an Excess Order Fee, aimed at reducing inefficient order entry practices of certain market participants that place excessive burdens on the systems of NASDAQ and its members and that may negatively impact the usefulness and life cycle cost of market data. In general, the determination of whether to impose the fee on a particular MPID is made by calculating the ratio between (i) entered orders, weighted by the distance of the order from the NBBO, and (ii) orders that execute in whole or in part. The fee is imposed on MPIDs that have an “Order Entry Ratio” of more than 100.

<sup>4</sup> Defined as 9:30 a.m. through 4:00 p.m., or such shorter period as may be designated by NASDAQ on a day when the securities markets close early (such as the day after Thanksgiving).

<sup>5</sup> A member MPID is considered to be quoting at the NBBO if it has a displayed order (other than a Designated Retail Order, as defined in Rule 7018) at either the national best bid or the national best offer or both the national best bid and offer. On a daily basis, NASDAQ will determine the number of securities in which the member satisfied the 25% NBBO requirement. To qualify for QMM designation, the MPID must meet the requirement for an average of 1,000 securities per day over the course of the month. Thus, if a member MPID satisfied the 25% NBBO requirement in 900 securities for half the days in the month, and satisfied the requirement for 1,100 securities for the other days in the month, it would meet the requirement for an average of 1,000 securities.

the applicable rate by the number of shares of displayed liquidity provided to which a particular rate applies.<sup>6</sup> Currently, a member receives an NBBO Setter Incentive credit at a \$0.0005 rate with respect to orders that qualify for the NBBO Setter Incentive Program (*i.e.*, displayed orders with a size of at least one round lot that set the NBBO or join another trading center at the NBBO) and that are entered through a QMM MPID; provided that the QMM also has a volume of liquidity provided through the QMM MPID (as a percentage of Consolidated Volume<sup>7</sup>) that exceeds *the lesser of* the volume of liquidity provided through such QMM MPID during the first month in which the MPID qualified as a QMM MPID (as a percentage of Consolidated Volume) or 1.0% of Consolidated Volume.<sup>8</sup> If a QMM does not satisfy these volume requirements, it receives an NBBO Setter Incentive credit of \$0.0002 per share executed with respect to orders that qualify for the NBBO Setter Incentive Program.

NASDAQ is proposing to modify the program to eliminate the \$0.0005 credit, such that a credit of \$0.0002 per share executed would be paid with respect to all orders entered through a QMM MPID that displayed a quantity of at least one round lot at the time of execution and either established the NBBO or was the first order posted on NASDAQ that had the same price as an order posted at another trading center with a protected quotation that established the NBBO. The change reflects ongoing efforts to reduce costs in a period of persistent low trading volumes.

#### Retail Price Improvement Program Pricing

Under the RPI Program, a member (or a division thereof) approved by the Exchange to participate in the program (a “Retail Member Organization” or “RMO”) may submit designated “Retail Orders”<sup>9</sup> for the purpose of seeking

<sup>6</sup> The credit is in addition to any other credit for which the member may qualify; provided, however, that if a QMM is eligible to receive both an NBBO Setter Incentive credit and a credit under NASDAQ’s Investor Support Program, it will receive the larger of these two credits but not both. In addition, a member is not eligible to receive an NBBO Setter Incentive credit with respect to a Designated Retail Order.

<sup>7</sup> “Consolidated Volume” means the consolidated volume reported to all consolidated transaction reporting plans by all exchanges and trade reporting facilities during a month.

<sup>8</sup> QMMs have also received the \$0.0005 per share rate during the first month in which an MPID becomes a QMM MPID.

<sup>9</sup> A Retail Order is defined in NASDAQ Rule 4780(a)(2) as an agency or riskless principal order that originates from a natural person and is submitted to Nasdaq by a Retail Member

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

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

price improvement. All NASDAQ members may enter retail price improvement orders (“RPI Orders”),<sup>10</sup> a form of non-displayed orders that are priced more aggressively than the Protected NBBO by at least \$0.001 per share, for the purpose of offering such price improvement. RMOs may use two types of Retail Order. A Type 1 Retail Order is eligible to execute only against RPI Orders and other orders (such as midpoint pegged orders) that will provide price improvement. Type 2 Retail Orders interact first with available RPI Orders and other price improving orders, and then are eligible to access non-price improving liquidity on the NASDAQ book and to route to other trading venues if so designated.

NASDAQ currently offers a rebate of \$0.0025 per share executed to RMOs for Retail Orders that execute against RPI Orders or other orders providing price improvement with respect to the NBBO. NASDAQ is proposing to reduce this rebate to \$0.0005 per share executed. For RPI Orders that provide liquidity, NASDAQ currently charges a fee of \$0.0020 per share executed, which NASDAQ proposes to reduce to \$0.0010 per share executed. Other charges with respect to the program remain unchanged. The change is designed to eliminate “inverted” pricing that was introduced at the commencement of the program, under which Retail Orders were paid a credit that exceeded the charge assessed against RPI Orders.

#### Other Fee Changes

Currently, NASDAQ provides a credit of \$0.0029 per share executed for displayed orders that provide liquidity if a member (i) has shares of liquidity provided in all securities during the month representing more than 0.15% of Consolidated Volume during the month, through one or more of its Nasdaq Market Center MPIDs, and (ii) Total Volume, as defined in Chapter XV, Section 2 of the Nasdaq Options Market (“NOM”) rules,<sup>11</sup> of 100,000 or more

Organization, provided that no change is made to the terms of the order with respect to price (except in the case that a market order is changed to a marketable limit order) or side of market and the order does not originate from a trading algorithm or any other computerized methodology.

<sup>10</sup> A Retail Price Improvement Order is defined in NASDAQ Rule 4780(a)(3) as consisting of non-displayed liquidity on NASDAQ that is priced better than the Protected NBBO by at least \$0.001 and that is identified as such.

<sup>11</sup> “Total Volume” is defined as Customer, Professional, Firm, Broker-Dealer, Non-NOM Market Maker and NOM Market Maker volume in Penny Pilot Options and Non-Penny Pilot Options that either adds or removes liquidity on NOM. The term “Customer” applies to any transaction that is identified by a Participant for clearing in the Customer range at The Options Clearing

contracts per day executed during the month through one or more of its NOM MPIDs. NASDAQ is proposing a new tier under which it will also provide a credit of \$0.0029 per share executed for displayed orders that provide liquidity if a member (i) has shares of liquidity provided in all securities during the month representing more than 0.10% of Consolidated Volume during the month, through one or more of its Nasdaq Market Center MPIDs, and (ii) adds Total NOM Market Maker Volume, as defined in Chapter XV, Section 2 of the NOM rules, of 90,000 or more contracts per day executed during the month through one or more of its NOM MPIDs. Thus, as compared with the current tier, the new tier would be available to members that are NOM Market Makers and would require a lower Consolidated Volume, but would require volume on NOM that adds liquidity.

Similarly, NASDAQ is amending an existing tier, under which NASDAQ provides a credit of \$0.0030 per share executed for displayed orders that provide liquidity if a member (i) has shares of liquidity provided in all securities during the month representing at least 0.45% of Consolidated Volume during the month, through one or more of its Nasdaq Market Center MPIDs, and (ii) qualifies for the Penny Pilot Tier 8 Customer and Professional Rebate to Add Liquidity under Chapter XV, Section 2 of the NOM rules during the month through one or more of its NOM MPIDs. A NOM Participant may qualify for the Tier 8 Customer and Professional Rebate if it (i) has Total Volume of 200,000 or more contracts per day in a month, of which 70,000 or more contracts per day in a month are Customer and/or Professional liquidity, or (ii) adds Customer and/or Professional liquidity of 1.00% or more of national customer volume in multiply-listed equity and ETF options

Corporation (“OCC”) that is not for the account of broker or dealer or for the account of a “Professional” (as that term is defined in Chapter I, Section 1(a)(48) of the NOM Rules). The term “Professional” means any person or entity that (i) is not a broker or dealer in securities, and (ii) places more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s) pursuant to Chapter I, Section 1(a)(48). The term “Non-NOM Market Maker” means a registered market maker on another options exchange that is not a NOM Market Maker. The term “NOM Market Maker” means a Participant that has registered as a Market Maker on NOM pursuant to Chapter VII, Section 2 of the NOM Rules, and must also remain in good standing pursuant to Chapter VII, Section 4 of the NOM Rules. The term “Firm” applies to any transaction that is identified by a Participant for clearing in the Firm range at OCC. The term “Broker-Dealer” applies to any transaction that is not subject to any of the other transaction fees applicable within a particular category.

classes in a month.<sup>12</sup> NASDAQ is proposing to modify the criterion for this tier pertaining to Consolidated Volume by reducing the required percentage from 0.45% to 0.40%.

As with existing tiers that require participation in both the Nasdaq Market Center and NOM, these tiers recognize the prevalence of trading in which members simultaneously trade different asset classes within the same strategy. Because cash equities and options markets are linked, with liquidity and trading patterns on one market affecting those on the other, NASDAQ believes that pricing incentives that encourage market participant activity in NOM also support price discovery and liquidity provision in the Nasdaq Market Center. The changes enhance these incentives by creating a new tier and reducing the requirement for participation in another existing tier.

For members trading securities listed on NASDAQ, NASDAQ currently pays a rebate of \$0.0020 per share executed for a member with shares of liquidity provided in all securities during the month representing less than 0.10% of Consolidated Volume, provided that the member provides a daily average of at least 250,000 shares of liquidity in securities listed on an exchange other than NASDAQ. Without modifying the existing criteria, NASDAQ is proposing to make this tier also available to any member that routes a daily average volume of at least 10,000 shares during the month using the QDRK routing strategy. The modified tier will also apply only to trading of securities listed on NASDAQ. QDRK is a routing option under which orders check the System for available shares and simultaneously route the remaining shares to destinations on the System routing table that are not posting Protected Quotations within the meaning of Regulation NMS.<sup>13</sup> Thus, the strategy is generally used to route to dark pools. Through the proposed change, NASDAQ hopes to (i) encourage greater use of its router and (ii) allow the smaller firms that generally use exchange-provided routing to receive a higher rebate than would otherwise be the case as a means of encouraging them to provide greater liquidity in securities listed on NASDAQ.

<sup>12</sup> Effective November 1, 2013, NOM eliminated an additional prong, under which a NOM Participant could qualify for Tier 8 if it had Total Volume of 325,000 or more contracts per day in a month. SR-NASDAQ-2013-136 (October 30, 2013).

<sup>13</sup> If shares remain un-executed after routing, they are posted on the book. Once on the book, should the order subsequently be locked or crossed by another market center, the System will not route the order to the locking or crossing market center.

Finally, NASDAQ is proposing to eliminate an existing pricing tier for Designated Retail Orders. A Designated Retail Order is defined as an agency or riskless principal<sup>14</sup> order that originates from a natural person and is submitted to NASDAQ by a member that designates it pursuant to Rule 7018, provided that no change is made to the terms of the order with respect to price or side of market and the order does not originate from a trading algorithm or any other computerized methodology. Currently, if a member enters Designated Retail Orders through an MPID through which (i) at least 90% of the shares of liquidity provided during the month are provided through Designated Retail Orders, and (ii) the member accesses, provides, or routes shares of liquidity that represent at least 0.10% of Consolidated Volume during the month, the member receives a credit of \$0.0034 per share executed for Designated Retail Orders that provide liquidity if they are displayed orders. For all other Designated Retail Orders that are displayed orders and that provide liquidity, the credit is \$0.0033 per share executed. Under the proposed change, the \$0.0034 per share executed tier will be eliminated, so that the credit will be \$0.0033 per share executed with respect to all Designated Retail Orders. In recent months, no market participants have qualified for this tier, so NASDAQ believes that it can be eliminated with no impact on member fees and credits.

## 2. Statutory Basis

NASDAQ believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,<sup>15</sup> in general, and with Sections 6(b)(4) and 6(b)(5) of the Act,<sup>16</sup> in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system which NASDAQ operates or controls, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The change with respect to the NBBO Setter Incentive credit paid to QMMs is reasonable because it merely serves to limit the extent of the incentives

associated with the programs, thereby causing the credits received by program participants to become more consistent with credits received by members that are not participants, while maintaining an incentive structure designed to benefit all market participants by encouraging quoting at or near the NBBO in a wide range of securities. NASDAQ hopes thereby to maintain the benefits associated with the programs while reducing their costs and making the programs sustainable in the longer term. The change is also reasonable because it does not alter the fact that QMMs continue to be provided a discount as compared with other members, thereby resulting in lower overall fees for QMMs. The change is consistent with an equitable allocation of fees because it maintains, but reduces the cost of, an incentive designed to benefit all market participants by encouraging members to quote at the NBBO in a significant number of securities and to allow NASDAQ to set or join the NBBO. The change is not unfairly discriminatory because it will make the credits received by QMMs more consistent with the credits provided to other members, while continuing to recognize the beneficial contributions of market participants that quote at the NBBO.

The changes with respect to the RPI program are reasonable because they are intended to eliminate an instance of inverted pricing. While it may be reasonable for exchanges to invert pricing in limited circumstances as a promotional incentive to use a new service, NASDAQ does not believe that the Act could be construed to require inverted pricing to be maintained indefinitely, since it results in a loss to the Exchange on each transaction to which it applies. The proposed credit of \$0.0005 per share executed with respect to Retail Orders that access liquidity offering price improvement is reasonable because it will continue to result in a reduction of fees with respect to such orders, as compared with the fees that would be charged in the absence of the program, thereby reducing the costs of members that represent retail customers and that take advantage of the program, and potentially also reducing costs to the customers themselves.<sup>17</sup> The change is consistent with an equitable allocation of fees because it will make the credit provided less disparate from the fees charged to other market participants to

access liquidity, while still serving to encourage greater retail participation in NASDAQ. Because retail orders are likely to reflect long-term investment intentions, they promote price discovery and dampen volatility, and their presence in the NASDAQ market has the potential to benefit all market participants. NASDAQ further believes that the proposed credit is not unreasonably discriminatory because it is offered to firms representing retail customers without regard to the firm's trading volumes.

The proposed fee with respect to an RPI Order that provides liquidity is reasonable because, as previously recognized by the Commission, it reflects the fact that markets often seek to distinguish between orders of individual retail investors and orders of professional traders.<sup>18</sup> In this instance, the RPI seeks to balance the consideration that "retail investors may on average be less informed about short-term price movements . . . [than] professional traders"<sup>19</sup> with a fee charged to liquidity providers and a program designed to provide retail investors with price improvement and favorable execution prices. The reduction in the fee charged is reasonable because it will reduce charges to liquidity providers and thereby may encourage greater use of RPI Orders to provide liquidity. NASDAQ further believes that the fee change is equitable and not unreasonably discriminatory because even though these orders are charged a fee, while other liquidity providing orders are provided a credit, the use of such orders by liquidity providers is voluntary. Firms that believe that potential advantages of interacting with Retail Orders outweigh the costs of price improvement and the fee charged by NASDAQ will employ this order type. Those that do not are free to forego involvement in the program and receive a rebate under NASDAQ's standard price schedule when providing liquidity. Finally, however, the change serves to reduce the disparity between the fee charged and the credit otherwise provided, consistent with the overall goal of eliminating inverted pricing under the RPI program.

The new tier for members active in both the NASDAQ Market Center and NOM, as well as the modification of one of the criteria for an existing tier, are reasonable because they reflect the

<sup>14</sup> To qualify as a Designated Retail Order, a riskless principal order must satisfy the criteria set forth in FINRA Rule 5320.03. These criteria include that the member maintain supervisory systems to reconstruct, in a time-sequenced manner, all orders that are entered on a riskless principal basis; and the member submits a report, contemporaneously with the execution of the facilitated order, that identifies the trade as riskless principal.

<sup>15</sup> 15 U.S.C. 78f.

<sup>16</sup> 15 U.S.C. 78f(b)(4) and (5).

<sup>17</sup> The credit is comparable to the credit paid by the New York Stock Exchange under its Retail Liquidity Program. See <http://usequities.nyx.com/markets/nyse-equities/trading-fees>.

<sup>18</sup> Securities Exchange Act Release No. 67347 (July 3, 2012), 77 FR 40763, 40769–40680 (July 10, 2012) (SR–NYSE–2011–55; SR–NYSEAmex–2011–84).

<sup>19</sup> *Id.*

availability of a significant price reduction for members that support liquidity on both markets. The changes are consistent with an equitable allocation of fees because the pricing tiers require significant levels of liquidity provision, which benefits all market participants, and because activity in NOM also supports price discovery and liquidity provision in the NASDAQ Market Center due to the increasing propensity of market participants to be active in both markets and the influence of each market on the pricing of securities in the other. Moreover, the changes have the potential to make the applicable credits available to a wider range of market participants by introducing an additional means of qualification, in the case of the new tier, and reducing the threshold for qualification, in the case of the existing tier. The changes are not unreasonably discriminatory because market participants may qualify for a comparable or a higher rebate through alternative means that do not require participation in NOM, including through existing volume-based NASDAQ Market Center tiers, the use of Designated Retail Orders, or through a combination of qualification for volume-based tiers and participation in the ISP.

The change with respect to the existing tier providing a credit of \$0.0020 per share executed is reasonable because it will increase the liquidity provider credit for an additional group of members without restricting availability to those currently qualifying. Specifically, the credit is currently available to members without an overall volume requirement (*i.e.*, those providing less than 0.10% of Consolidated Volume), as long as they provide a daily average of at least 250,000 shares of liquidity in securities listed on an exchange other than NASDAQ; the change would broaden availability to those that route a daily average volume of at least 10,000 shares per day using the QDRK routing strategy. The change is consistent with an equitable allocation of fees because it will result in a higher credit being paid to the smaller firms that generally use exchange-provided routing services, in exchange for modest usage of those services. The change is not unfairly discriminatory, because it is available to any member able to route a volume of 10,000 shares per day, a volume level achievable by almost any market participant.

The change with respect to pricing for Designated Retail Orders is reasonable because although it will eliminate the availability of a rebate tier, NASDAQ still provides a very high rebate of

\$0.0033 per share executed for Designated Retail Orders, which is higher than the highest rebate tier available for other orders that provide liquidity (of \$0.00305 per share executed). Moreover, the change is consistent with an equitable allocation of fees and not unfairly discriminatory because in recent months, no market participants have qualified for the tier. Accordingly, the change will not have an actual impact on the credits paid to members that submit Designated Retail Orders.

#### *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.<sup>20</sup> NASDAQ notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive, or rebate opportunities available at other venues to be more favorable. In such an environment, NASDAQ must continually adjust its fees and rebates to remain competitive with other exchanges and with alternative trading systems that have been exempted from compliance with the statutory standards applicable to exchanges. Because competitors are free to modify their own fees and rebates in response, and because market participants may readily adjust their order routing practices, NASDAQ believes that the degree to which fee or rebate changes in this market may impose any burden on competition is extremely limited. In this instance, several of the changes—specifically, the changes to tiers with respect to members active in NASDAQ and NOM, the broadening of the \$0.0020 per share credit to members using QDRK, and the fee reduction for RPI orders—will serve to decrease members' costs, thereby enhancing NASDAQ's competitiveness. Moreover, although the modifications to Designated Retail Orders, Retail Orders under the RPI program, and the QMM and NBBO Setter Incentive programs all serve to limit the availability of certain favorable credits, the associated programs all remain in place and are themselves reflective of the need for exchanges to offer significant financial incentives to attract order flow. If any of the changes are unattractive to market participants, it is likely that NASDAQ will lose market share as a result. Thus, NASDAQ does not believe that the

proposed changes will impair the ability of members or competing order execution venues to maintain their competitive standing in the financial markets.

#### *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.

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

The foregoing change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>21</sup> and paragraph (f) of Rule 19b-4<sup>22</sup> thereunder. 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-NASDAQ-2013-138 on the subject line.

#### *Paper Comments*

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-NASDAQ-2013-138. 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

<sup>20</sup> 15 U.S.C. 78f(b)(8).

<sup>21</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>22</sup> 17 CFR 240.19b-4(f).

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 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-2013-138 and should be submitted on or before December 10, 2013.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>23</sup>

**Kevin M. O'Neill,**  
*Deputy Secretary.*

[FR Doc. 2013-27626 Filed 11-18-13; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[File No. 500-1]

### In The Matter of: Sovereign Lithium, Inc.; Order of Suspension of Trading

November 15, 2013.

It appears to the Securities and Exchange Commission that the public interest and the protection of investors require a suspension of trading in the securities of Sovereign Lithium, Inc. ("Sovereign Lithium") because of concerns regarding the accuracy and adequacy of information in the marketplace and potentially manipulative transactions in Sovereign Lithium's common stock. Sovereign Lithium is a Delaware corporation based in Denver, Colorado. It is quoted on OTC Link under the symbol SLCO.

The Commission is of the opinion that the public interest and the protection of investors require a suspension of trading in the securities of the above-listed company.

Therefore, it is ordered, pursuant to Section 12(k) of the Securities Exchange Act of 1934, that trading in the securities of the above-listed company is

suspended for the period from 9:30 a.m. EST on November 15, 2013 through 11:59 p.m. EST on November 29, 2013.

By the Commission.

**Elizabeth M. Murphy,**  
*Secretary.*

[FR Doc. 2013-27807 Filed 11-15-13; 4:15 pm]

**BILLING CODE 8011-01-P**

## SMALL BUSINESS ADMINISTRATION

### DeltaPoint Capital IV, L.P.; License No. 02/02-0662; Notice Seeking Exemption Under the Small Business Investment Act, Conflicts of Interest

Notice is hereby given that DeltaPoint Capital IV, L.P., 45 East Avenue, 6th Floor, Rochester, NY 14604, 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). DeltaPoint Capital IV, L.P. provided financing to BioMaxx, Inc., 1 Fishers Road, Suite 160, Pittsford, NY 14534. The financing was contemplated for working capital purposes.

The financing is brought within the purview of § 107.730(a)(1) of the Regulations because DeltaPoint Capital IV (New York), L.P., an Associate of DeltaPoint Capital IV, L.P., owns more than ten percent of BioMaxx, Inc.

Therefore, this transaction is considered a financing of an Associate requiring an exemption. 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 and Innovation, U.S. Small Business Administration, 409 Third Street SW., Washington, DC 20416.

**Javier E. Saade,**

*Associate Administrator for Investment & Innovation.*

[FR Doc. 2013-27646 Filed 11-18-13; 8:45 am]

**BILLING CODE P**

## SMALL BUSINESS ADMINISTRATION

[Disaster Declaration #13768 and #13769]

### Colorado Disaster Number CO-00065

**AGENCY:** U.S. Small Business Administration.

**ACTION:** Amendment 5.

**SUMMARY:** This is an amendment of the Presidential declaration of a major disaster for the State of Colorado (FEMA-4145-DR), dated 09/14/2013.

*Incident:* Severe Storms, Flooding, Landslides, and Mudslides.

*Incident Period:* 09/11/2013 through 09/30/2013.

*Effective Date:* 11/05/2013.

*Physical Loan Application Deadline Date:* 12/02/2013.

*EIDL Loan Application Deadline Date:* 06/16/2014.

**ADDRESSES:** Submit completed loan applications to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

**FOR FURTHER INFORMATION CONTACT:** A. Escobar, Office of Disaster Assistance, U.S. Small Business Administration, 409 3rd Street SW., Suite 6050, Washington, DC 20416.

**SUPPLEMENTARY INFORMATION:** The notice of the President's major disaster declaration for the State of Colorado, dated 09/14/2013 is hereby amended to extend the deadline for filing applications for physical damages as a result of this disaster to 12/02/2013.

All other information in the original declaration remains unchanged.

(Catalog of Federal Domestic Assistance Numbers 59002 and 59008)

**James E. Rivera,**

*Associate Administrator for Disaster Assistance.*

[FR Doc. 2013-27642 Filed 11-18-13; 8:45 am]

**BILLING CODE 8025-01-P**

## SMALL BUSINESS ADMINISTRATION

[Disaster Declaration #13814 and #13815]

### North Dakota Disaster #ND-00040

**AGENCY:** U.S. Small Business Administration.

**ACTION:** Notice.

**SUMMARY:** This is a Notice of the Presidential declaration of a major disaster for Public Assistance Only for the State of North Dakota (FEMA-4154-DR), dated 10/31/2013.

*Incident:* Severe Winter Storm

*Incident Period:* 10/04/2013 through 10/05/2013.

*Effective Date:* 10/31/2013.

*Physical Loan Application Deadline Date:* 12/30/2013.

*Economic injury (EIDL) loan application deadline date:* 07/31/2014.

**ADDRESSES:** Submit completed loan applications to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

<sup>23</sup> 17 CFR 200.30-3(a)(12).