

appropriate in furtherance of the purposes of the Act. The Exchange notes that the proposed rule change implements Section 11.5 of the CAT NMS Plan approved by the Commission, and is designed to assist the Exchange in meeting its regulatory obligations pursuant to the Plan. Similarly, all national securities exchanges and FINRA are proposing this proposed rule to implement the requirements of the CAT NMS Plan. Therefore, this is not a competitive rule filing and, therefore, it does not raise competition issues between and among the exchanges and FINRA.

*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**

Within 45 days of the date of publication 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 Exchange 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](mailto:rule-comments@sec.gov). Please include File Number SR-PHLX-2017-47 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-PHLX-2017-47. 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 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-PHLX-2017-47, and should be submitted on or before July 14, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>21</sup>

**Eduardo A. Aleman,**  
Assistant Secretary.

[FR Doc. 2017-13098 Filed 6-22-17; 8:45 am]

**BILLING CODE 8011-01-P**

**SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-80974; File No. SR-MRX-2017-09]**

**Self-Regulatory Organizations; Nasdaq MRX, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Regarding Quote Mitigation**

June 19, 2017.

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 June 15, 2017, Nasdaq MRX, LLC ("MRX" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III, below, which Items have been

prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

**I. Self-Regulatory Organization's Statement of the Substance of the Proposed Rule Change**

The Exchange proposes to amend MRX Rule 804(h), regarding quote mitigation.

The text of the proposed rule change is available on the Exchange's Web site at [www.ise.com](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 Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

*A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change*

**1. Purpose**

The Exchange proposes to amend MRX Rule 804, entitled "Market Maker Quotations," to specifically amend Rule 804(h) which addresses the Exchange's quote traffic mitigation plan to adopt a similar quote mitigation plan to that of NASDAQ PHLX LLC ("Phlx").

ISE Mercury, LLC (now known as MRX) implemented its quote mitigation plan in 2013, at the time it filed its Form 1 application.<sup>3</sup> At that time, MRX adopted the same quote mitigation plan that was in effect on ISE.<sup>4</sup>

MRX Rule 804(h) provides that MRX shall utilize a mechanism so that newly-received quotations and other changes to the Exchange's best bid and offer are not disseminated for a period of up to,

<sup>3</sup> See Securities Exchange Release Act. No. 76998 (January 29, 2016), 81 FR 6066 (February 4, 2016) (File No. 10-221) (In the Matter of the Application of ISE Mercury, LLC for Registration as a National Securities Exchange; Findings, Opinion, and Order of the Commission). This pilot has since been extended several times.

<sup>4</sup> See Securities Exchange Release Act. No. 55161 (February 1, 2007), 72 FR 4754 (January 24, 2007) (SR-ISE-2006-62) (Order Granting Approval to Proposed Rule Change as Modified by Amendment Nos. 1 and 2 Thereto, To Implement a Penny Pilot Program To Quote Certain Options in Pennies).

<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.

but not more than one second. With the upcoming planned migration to INET,<sup>5</sup> the Exchange proposes to utilize a plan similar to that of Phlx for quote mitigation. The Exchange proposes to amend Rule 804(h) to adopt language similar to Phlx. Since 2007, Phlx has operated on INET, the same system that MRX will be migrating to utilize.

Phlx Rule 1082(a)(ii)(C) sets forth the conditions under which Phlx disseminates updated quotations based on changes in the Exchange's disseminated price and/or size. Phlx disseminates an updated bid and offer price, together with the size associated with such bid and offer, when: (1) Phlx's disseminated bid or offer price increases or decreases; (2) the size associated with Phlx's disseminated bid or offer decreases; or (3) the size associated with Phlx's bid (offer) increases by an amount greater than or equal to a percentage (never to exceed 20%)<sup>6</sup> of the size associated with the previously disseminated bid (offer). Such percentage, which would never exceed 20%, would be determined on an issue-by-issue basis by the Exchange and announced to membership via an Exchange circular. The percentage size increase necessary to give rise to a refreshed quote may vary from issue to issue, depending, without limitation, on the liquidity, average volume, and average number of quotations submitted in the issue. The mitigation would apply to all options traded on MRX.

The Exchange will not be adopting Phlx Rule 1082(a)(ii)(C)(4). This functionality is not necessary on INET. Phlx adopted 1082(a)(ii)(C)(4) when it was not operating on INET, with its subsequent replatform to INET functionality, 1082(a)(ii)(C)(4) was no longer necessary because of the real-time features which exist on INET. The INET functionality rendered the rule text in 1082(a)(ii)(C)(4) as unnecessary.

The Exchange will begin a system migration to Nasdaq INET in Q3 of 2017.<sup>7</sup> The migration will be on a symbol by symbol basis as specified by the Exchange in a notice to Members. The Exchange is proposing to

implement this rule change once all symbols have migrated to INET.

Upon completion of the migration to INET, MRX will set an initial percentage of 3% to be applied to all issues, which will be announced in an Options Trader Alert. MRX will continue to monitor the quote activity on the market and would not notify participants of any incremental increase in the size of the Exchange's quote to be disseminated to OPRA.

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>8</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>9</sup> in particular, in that it is designed to promote just and equitable principles of trade, 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, by reducing the number of options quotations required to be submitted to OPRA and, therefore, mitigating the Exchange's quote message traffic and capacity. By adopting a quote mitigation plan similar to Phlx, the Exchange will continue to mitigate quotes and monitor its quote capacity, as is the case today. While the Phlx method differs from that of MRX's rule, the Exchange believes that Phlx's method today successfully mitigates quotes on that market. In addition, MRX desires to adopt a similar mitigation as currently utilized by its affiliated market, as it will operate on the same architecture.

The Phlx quote mitigation process has been in place since 2007. Phlx is operating on the INET system today, the same system that MRX will migrate to for its operating system. The Exchange believes that Phlx's quote mitigation process has successfully controlled Phlx's quote capacity. The Exchange believes that it is reasonable to utilize a similar process as Phlx to mitigate quotes for MRX given the system architecture which will be utilized on MRX with the upcoming migration. Additionally, Nasdaq, Inc., a common parent to Phlx and MRX, has experience with this quote mitigation strategy on INET. The Exchange has selected to mitigate MRX at 3% to start and determine if the percentage will need to be adjusted thereafter. The Exchange has selected to mitigate MRX at 3% initially because, unlike Phlx, which is a mature market with various auction offerings and higher volumes, MRX is a not as large in volume and has fewer

functional offerings, e.g., complex orders and floor trading. The Exchange notes that it will continue to monitor quotes on MRX and make adjustments as necessary.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange proposes to mitigate all options trading on MRX. All options exchanges have a quote mitigation process in place in connection with their participation in the Penny Pilot Program.

## 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)(iii) of the Act<sup>10</sup> and subparagraph (f)(6) of Rule 19b-4 thereunder.<sup>11</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: (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

<sup>5</sup> See SR-MRX-2017-02 (not yet published). The Commission notes that MRX-2017-02 was published for comment in the *Federal Register* on June 5, 2017. See Securities Exchange Act Release No. 80815 (May 30, 2017), 82 FR 25827.

<sup>6</sup> Phlx has set its percentage to 10%. See <http://www.nasdaqtrader.com/content/phlxmemos/2007/jan/0197-07.pdf>.

<sup>7</sup> See SR-MRX-2017-02 (not yet published). The Commission notes that MRX-2017-02 was published for comment in the *Federal Register* on June 5, 2017. See Securities Exchange Act Release No. 80815 (May 30, 2017), 82 FR 25827.

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

<sup>9</sup> 15 U.S.C. 78f(b)(5).

<sup>10</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>11</sup> 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.

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-MRX-2017-09 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-MRX-2017-09. 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 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-MRX-2017-09 and should be submitted on or before July 14, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>12</sup>

**Eduardo A. Aleman,**

*Assistant Secretary.*

[FR Doc. 2017-13105 Filed 6-22-17; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-1, OMB Control No. 3235-0007]

### Submission for OMB Review; Comment Request

*Upon Written Request Copies Available From:* Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE., Washington, DC 20549-02736.

*Extension:*

Rule 13e-3 (Schedule 13E-3).

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") has submitted to the Office of Management and Budget this request for extension of the previously approved collection of information discussed below.

Rule 13e-3 (17 CFR 240.13e-3) and Schedule 13E-3 (17 CFR 240.13e-100)—Rule 13e-3 prescribes the filing, disclosure and dissemination requirements in connection with a going private transaction by an issuer or an affiliate. Schedule 13E-3 provides shareholders and the marketplace with material information concerning a going private transaction. The information collected permits verification of compliance with securities laws requirements and ensures the public availability and dissemination of the collected information. This information is made available to the public. Information provided on Schedule 13E-3 is mandatory. We estimate that Schedule 13E-3 is filed by approximately 77 issuers annually and it takes approximately 137.42 hours per response. We estimate that 25% of the 137.42 hours per response is prepared by the filer for a total annual reporting burden of 2,646 hours (34.36 hours per response × 77 responses).

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number.

The public may view the background documentation for this information collection at the following Web site, [www.reginfo.gov](http://www.reginfo.gov). Comments should be directed to: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503, or by sending an email to: [Shagufta.Ahmed@omb.eop.gov](mailto:Shagufta.Ahmed@omb.eop.gov); and (ii) Pamela Dyson, Director/Chief Information

Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 100 F Street NE., Washington, DC 20549 or send an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov). Comments must be submitted to OMB within 30 days of this notice.

Dated: June 2017.

**Eduardo A. Aleman,**  
*Assistant Secretary.*

[FR Doc. 2017-13141 Filed 6-22-17; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-80973; File No. SR-FINRA-2017-009]

### Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Order Approving a Proposed Rule Change Relating to Expediting List Selection in Arbitration

June 19, 2017.

#### I. Introduction

On April 26, 2017, Financial Industry Regulatory Authority, Inc. ("FINRA") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Exchange Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to provide that the Director of FINRA's Office of Dispute Resolution ("ODR Director") will send the list or lists of arbitrators generated by the Neutral List Selection System ("NLSS") to all parties at the same time, within approximately 30 days after the last answer is due, regardless of the parties' agreement to extend any answer due date.

The proposed rule change was published for comment in the **Federal Register** on May 15, 2017.<sup>3</sup> The public comment period closed on June 5, 2017. The Commission received five comment letters in response to the Notice, all of which supported the proposed rule change.<sup>4</sup> This order approves the proposed rule change.

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

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

<sup>3</sup> See Exchange Act Release No. 80634 (May 9, 2017), 82 FR 22363 (May 15, 2017) (File No. SR-FINRA-2017-009) ("Notice").

<sup>4</sup> See Letters from Steven B. Caruso, Maddox Hargett Caruso, P.C., dated May 11, 2017 ("Caruso Letter"); Ryan K. Bakhtiari, Aidikoff, Uhl & Bakhtiari, dated May 15, 2017 ("Bakhtiari Letter"); Glenn S. Gitomer, McCausland Keen + Buckman, dated May 26, 2017 ("Gitomer Letter"); Marnie C. Lambert, President, Public Investors Arbitration Bar Association ("PIABA"), dated June 1, 2017 ("PIABA Letter"); Andres Gomez III, Esquire, Executive Principal, AG Consultants, dated June 4, 2017 ("Gomez Letter"). Comment letters are available at [www.sec.gov](http://www.sec.gov).

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