60611. The agenda for this meeting follows:

Portion open to the public:

(1) Executive Committee Reports

The person to contact for more information is Martha P. Rico, Secretary to the Board, Phone No. 312–751–4920.

Dated: May 23, 2014.

Martha P. Rico,

Secretary to the Board.

[FR Doc. 2014–12579 Filed 5–27–14; 4:15 pm]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–72226; File No. SR–NASDAQ–2014–054]

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Adopt the Nasdaq Opening Cross Contingency

May 22, 2014.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on May 13, 2014, 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 the Substance of the Proposed Rule Change

NASDAQ proposes a rule change to adopt an alternative market opening process, the Opening Cross Contingency, used only when the normal opening process fails to calculate an opening price.

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 Statutory Basis for, the Proposed Rule Change

1. Purpose

NASDAQ is proposing to adopt an alternative market opening process, to be used only in instances where the primary opening process has failed to calculate an opening price. The proposed process will help ensure that the NASDAQ market opens in an orderly manner.

Current Opening Process

The Nasdaq Opening Cross [3] (the ''Opening Cross'') is NASDAQ's process for matching orders at the launch of the regular trading hours, and is open to all securities listed on the NASDAQ, NYSE, NYSE Amex and NYSE Arca Exchanges (collectively, ''System Securities''). Beginning at 4:00 a.m. Eastern Time (all times noted hereafter are Eastern Time), NASDAQ accepts orders executable during the Opening Cross. At 9:28 a.m., NASDAQ begins to disseminate information about order Imbalances [4] in the opening book along with indicative opening prices every five seconds until the initiation of the Opening Cross.[5] NASDAQ initiates an Opening Cross in all System Securities for which there are orders that will execute against contra-side orders at 9:30 a.m., at which time the opening book and the NASDAQ continuous book are brought together to create single NASDAQ opening prices for System Securities. The securities' Nasdaq Opening Cross price is the Nasdaq Official Opening Price (''NOOP'') for these securities.[6] The NOOP is distributed to the consolidated tape immediately after completion of the Opening Cross and conclusion of the Opening Cross signals the System to open a System Security for regular market hours trading.

In certain cases, a System Security will not have any contra-side interest for execution in the Opening Cross, or any orders whatsoever, when the Opening Cross process is initiated. When this occurs, NASDAQ executes a ''null cross'' instead, whereby no securities are matched yet the System receives the necessary precondition to regular hours trading that a ''cross'' in the security has occurred. After completion of the null cross, regular hours trading begins by integrating Market Hours Orders [7] into the book in time priority and executing in accordance with market hours rules.[8] In such cases, the NOOP is determined by the first last-sale eligible trade [9] reported at or after 9:30 a.m., when regular trading hours begin.

Proposed Opening Cross Contingency

NASDAQ is retaining its current opening process, but is proposing to adopt an alternative opening process to be used only in cases in which the Opening Cross fails to calculate an opening price.[10] The proposed Opening Cross Contingency will provide NASDAQ with a rules-based process to address Opening Cross failures. Specifically, upon being informed that an Opening Cross has failed to calculate an opening price in one or more System Securities, a senior official will initiate an Opening Cross Contingency for each of the affected System Securities.[11] Like the opening process followed when there are no orders to cross in a System Security, the Opening Cross Contingency will initiate a null cross in each affected System Security to allow the System to release such securities for

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

[2] 17 CFR 240.19b–4.

[3] *See* Rule 4752.

[4] An Imbalance is defined as the number of shares of buy or sell MOO, LOO, Early Market Hours, Open Eligible Interest or OIO order shares at a particular price at any given time. *See* Rule 4752(a)(1).

[5] Rule 4752(d)(1).

[6] Rule 4752(d)(4).

[7] A Market Hours Order is any order that may be entered into the system and designated with a time-in-force of MIOC, MDAY, MGTC. Market Hours Orders shall be designated as ''Early Market Hours Orders'' if entered into the system prior to 9:28 a.m. and shall be treated as market-on-open and limit-on-open orders, as appropriate, for the purposes of the Nasdaq Opening Cross. Orders entered into the system at 9:28 a.m. or after shall be designated as ''Late Market Hours Orders'' and shall be treated as imbalance-only orders for the purposes of the cross. Beginning at 9:28 a.m., requests to cancel or modify Market Hours Orders shall be suspended until after completion of the Opening Cross at which time such requests shall be processed, to the extent that such orders remain available within the System. *See* Rule 4752(a)(7).

[8] Rule 4752(c).

[9] The first last-sale eligible trade is the first trade transaction that occurs during the regular market session (9:30 a.m. to 4:00 p.m.). If an Opening Cross occurs, the NOOP is determined by the bulk print. If there is no Opening Cross, the NOOP is determined by the first regular way print.

[10] There are two general types of failure of the Opening Cross, hardware-based and software-based. Hardware-based failures are the result of problems with the physical infrastructure supporting the Opening Cross process. This includes, but is not limited to, switch failures, cabling failures, server failures, and power failures. Hardware-based failures are mitigated via network and server infrastructure redundancy designed into the system. Software-based failures are the result of bugs. These include, but are not limited to, coding errors and configuration errors. Software-based failures are mitigated via application redundancy, core system code diversity, the proposed Opening Cross Contingency, and configuration management policies and procedures.

[11] System Securities that have successful Opening Crosses will open normally under that process at the NOOP based on the Opening Cross price.

regular market hours trading. Unlike the null cross in the normal opening process in which Market Hours Orders are integrated into the book in time priority, orders entered for execution where an Opening Cross that fails to calculate an opening price and where the Opening Cross Contingency is initiated are cancelled out of the book instead of executing against regular Market Hours Orders. NASDAQ notes that this is a consequence of the orders eligible for execution in the Opening Cross being locked in the failed cross. Each System Security in which an Opening Cross Contingency is applied will open at the first last sale eligible trade when regular market hours begin, which is the NOOP for such securities.

2. Statutory Basis

NASDAQ believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,[12] in general, and with Section 6(b)(5) of the Act,[13] in particular, because it 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; and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange believes that the proposed changes to Rule 4752 will promote transparency in the process for handling failures of the Opening Cross in calculating an opening price for System securities. Moreover, the proposed changes will also help assure consistent results in handling such Opening Cross failures, thus furthering fair and orderly markets, the protection of investors and the public interest.

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.[14] The Exchange believes that the proposal is irrelevant to competition because it is not driven by, and will have no impact on, competition.

[12] 15 U.S.C. 78f.

[13] 15 U.S.C. 78f(b)(5).

[14] 15 U.S.C. 78f(b)(8).

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 if consistent with the protection of investors and the public interest, it has become effective pursuant to Section 19(b)(3)(A) of the Act[15] and subparagraph (f)(6) of Rule 19b–4 thereunder.[16]

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. 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–2014–054 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–NASDAQ–2014–054. 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 offices 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–2014–054, and should be submitted on or before June 19, 2014.

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

[16] 17 CFR 240.19b–4(f)(6).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[17]

Kevin M. O'Neill,

Deputy Secretary.

[FR Doc. 2014–12422 Filed 5–28–14; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–72229; File No. SR–Phlx–2014–35]

Self-Regulatory Organizations; NASDAQ OMX PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Reporting of Accounts

May 22, 2014.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on May 12, 2014, NASDAQ OMX PHLX LLC (''Phlx'' 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

[17] 17 CFR 200.30–3(a)(12).

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

[2] 17 CFR 240.19b–4.