

Amend FINRA Rules to conform to the Commission's Proposed Amendment to Commission Rule 15c6-1(a) and the Industry-led Initiative to Shorten the Standard Settlement Cycle for Most Broker-Dealer Transactions from T+3 to T+2. The document made an erroneous reference to "an Equity Regulatory Alert" instead of to "a Regulatory Notice."

FOR FURTHER INFORMATION CONTACT: Steve Kuan, Division of Trading and Markets, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549, (202) 551-5624.

Correction

In the **Federal Register** of February 15, 2017 in FR Doc. 2017-02998, on page 10836, in the second column in the 44-45 lines and on page 10837, in the first column in the 5-6 lines, correct the references to "an Equity Regulatory Alert" instead to "a Regulatory Notice."

Dated: March 6, 2017.

Eduardo A. Aleman,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-80166; File No SR-C2-2017-009]

Self-Regulatory Organizations; C2 Options Exchange, Incorporated; Notice of Filing of a Proposed Rule Change To Amend the C2 Bylaws and Certificate of Incorporation

March 7, 2017.

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 February 22, 2017, C2 Options Exchange, Incorporated (the "Exchange" or "C2") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I and II 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

The Exchange proposes to amend its Bylaws and Certificate of Incorporation. The text of the proposed rule change is available on the Exchange's Web site

(<http://www.c2exchange.com/Legal/>), at the Exchange's Office of the Secretary, 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 its Bylaws and make corresponding changes to its Certificate of Incorporation. Specifically the Exchange proposes to amend its Board size range and eliminate its Compensation Committee.

First, the Exchange proposes to amend its Bylaws relating to Board size range. Currently, Section 3.1 of the Bylaws provide that the Board shall consist of not less than 12 and not more than 16 directors. The Exchange proposes to change the Board size range such that the Board shall consist of no less than 5 directors. The Exchange believes the proposed change will provide greater flexibility by permitting the Board to increase or decrease the size of the board without the need to further amend the Bylaws.³ The Exchange notes that any changes in the number of directors will continue to be in all cases subject to the compositional requirements of the board set forth in the Bylaws, including its provision relating to the fair representation of members.⁴ The Exchange also notes that the Bylaws of other Exchanges have similar board size provisions.⁵ The Exchange also proposes to make conforming changes to its Certificate of

³ The Board notes that it does not at this time anticipate changing the current Board size outside of the original range of 12-16 directors.

⁴ See Section 3.2 of the C2 Bylaws.

⁵ See e.g., Fourth Amended and Restated Bylaws of BZX Exchange, Inc., Article III, Board of Directors, Section 2(a), which provides that the Board of Directors shall consist of four (4) or more Directors, the number of which would be determined by resolution of the Board.

Incorporation. Specifically, C2 proposes to amend subparagraph (b) of Article Fifth to also provide that the Board of Directors shall consist of not less than 5 directors, and eliminate the current referenced range of 12 to 16 directors.

Next, the Exchange proposes to eliminate the Exchange-level Compensation Committee. The Exchange seeks to eliminate the Compensation Committee because it believes that the Compensation Committee's functions are duplicative of the functions of the Compensation Committee of its parent company, CBOE Holdings.⁶ Specifically, under its charter, the CBOE Holdings Compensation Committee has authority to assist the CBOE Holdings Board of Directors in carrying out its overall responsibilities relating to executive compensation and also, among other things, (i) recommending the compensation of the Company's Chief Executive Officer and certain other executive officers and (ii) approving and administering all cash and equity-based incentive compensation plans of the Company that affect employees of the Company and its subsidiaries. Similarly, under its charter, the C2 Compensation Committee has authority to assist the C2 Board and the Parent Compensation Committee in carrying out its overall responsibilities relating to executive compensation as well as (i) recommending the compensation of certain executive officers designated by the Board whose compensation has not been, and is not expected to be, determined by the compensation committee of the Parent Board or another Board committee⁷ and (ii) assist the Parent Compensation Committee in the administration of cash and equity-based incentive compensation plans of the Company that affects employees of the Company and its subsidiaries. As such, other than to the extent that the C2 Compensation Committee recommends the compensation of executive officers whose compensation is not already determined by the CBOE Holdings Compensation Committee, its activities are duplicative of the activities of the CBOE Holdings Compensation Committee. The Exchange notes that

⁶ The Exchange notes that the current composition of the C2 and CBOE Holdings Compensation Committees are the same.

⁷ The Exchange notes that pursuant to its Charter, the C2 Regulatory Oversight and Compliance Committee (ROCC) of the C2 Board recommends to the Board compensation for the Chief Regulatory Officer and any Deputy Chief Regulatory Officers. The Exchange notes that the proposed change will not affect this process. The Exchange also notes that currently not all executive officers of C2 are required to have their compensation determined by the Compensation Committee.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

currently, each of the executive officers whose compensation would be determined by the C2 Compensation Committee is also an executive officer of CBOE Holdings, and as such, the CBOE Holdings Compensation Committee already performs these functions for such officers. To the extent that compensation need be determined by [sic] any C2 officer who is not also a CBOE Holdings officer in the future, the C2 Board or senior management will perform such action without the use of a compensation committee, as provided for in Section 5.11 of the Bylaws. Thus, the responsibilities of the C2 Compensation Committee are fully duplicated by the responsibilities of the CBOE Holdings Compensation Committee. Accordingly, C2 is proposing to delete Section 4.3 of the C2 Bylaws which provides for the C2 Compensation Committee and to delete a reference to the C2 Compensation Committee in Section 4.1(a) of the C2 Bylaws (which lists the required C2 Board committees). C2 also proposes to eliminate the reference to the C2 Compensation Committee in Section 5.11 of the C2 Bylaws (which provides that officers are entitled to salaries, compensation or reimbursement as shall be fixed or allowed from time to time by the Board unless otherwise delegated to the Compensation Committee of the Board or to members of senior management). C2 believes that its proposal to eliminate its Compensation Committee is substantially similar to prior actions taken by other securities exchanges with parent company compensation committees to eliminate their exchange-level compensation committees.⁸

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the “Act”) and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.⁹ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹⁰ requirements that the rules of an exchange be 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. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹¹ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the proposed rule change to amend the Board size range in the Bylaws and Certificate of Incorporation provides the Board with flexibility. Additionally, the Exchange is not proposing to amend any of the compositional requirements currently set forth in the Bylaws. The Exchange therefore believes that the proposed changes will provide greater flexibility to the Exchange in populating a Board of Directors that includes directors with relevant and diverse expertise, while continuing to ensure that the Board is of adequate size and the existing compositional requirements of the Exchange are met, including the provision relating to the fair representation of members.

The Exchange believes eliminating the Exchange-level Compensation Committee allows the Exchange to eliminate a board committee whose responsibilities overlap with, and are adequately handled by, the corresponding committee of the Exchange’s ultimate parent. This will allow directors of the Exchange to focus their attention on matters falling directly within the purview of the Exchange’s board, including its orderly discharge of regulatory duties 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.

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

The Exchange does not believe the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change relates to the corporate governance of C2 and not the operations

of the Exchange. This is not a competitive filing and, therefore, imposes no burden on competition.

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

The Exchange neither solicited nor received comments on the proposed rule change.

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 self-regulatory organization consents, the Commission will:

- (A) By order approve or disapprove such proposed rule change, or
- (B) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission’s Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include File Number SR-C2-2017-009 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.
- All submissions should refer to File Number SR-C2-2017-009. 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

⁸ See e.g., Securities Exchange Act Release No. 60276 (July 9, 2009), 74 FR 34840 (July 17, 2009) (SR-NASDAQ-2009-042). See also Securities Exchange Act Release No. 62304 (June 16, 2010), 75 FR 36136 (June 24, 2010) (SR-NYSEArca-2010-31).

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

¹¹ *Id.*

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-C2-2017-009 and should be submitted on or before April 3, 2017.

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

Eduardo A. Aleman,
Assistant Secretary.

[FR Doc. 2017-04814 Filed 3-10-17; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. IA-4660; File No. 803-00230]

Katahdin Asset Management LLC; Notice of Application

March 7, 2017.

AGENCY: Securities and Exchange Commission (the "Commission").

ACTION: Notice of application for an exemptive order under the Investment Advisers Act of 1940 ("Advisers Act").

APPLICANT: Katahdin Asset Management LLC (the "Applicant").

RELEVANT ADVISERS ACT SECTIONS: Exemption requested under Section 202(a)(11)(H) of the Advisers Act from Section 202(a)(11) of the Advisers Act.

SUMMARY OF APPLICATION: The Applicant requests that the Commission issue an order declaring the Applicant to be a person not within the intent of Section 202(a)(11) of the Advisers Act, which defines the term "investment adviser."

FILING DATES: The application was filed on September 2, 2016, and amended on December 14, 2016 and February 9, 2017.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request

a hearing by writing to the Commission's Secretary and serving the Applicant with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on April 3, 2017, and should be accompanied by proof of service on the Applicant, in the form of an affidavit or, for lawyers, a certificate of service. Pursuant to Rule 0-5 under the Advisers Act, hearing requests should state the nature of the writer's interest, any facts bearing upon the desirability of a hearing on the matter, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the Commission's Secretary.

ADDRESSES: Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549. Applicant, Katahdin Asset Management LLC, c/o Dan L. Jaffe, Vorys, Sater, Seymour and Pease LLP, 52 East Gay Street, Columbus, Ohio 43215.

FOR FURTHER INFORMATION CONTACT: James McGinnis, Senior Counsel, at (202) 551-3025 or Holly Hunter-Ceci, Acting Assistant Chief Counsel, at (202) 551-6825 (Division of Investment Management, Chief Counsel's Office).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained via the Commission's Web site either at <http://www.sec.gov/rules/iareleases.shtml> or by searching for the file number, or for an applicant using the Company name box, at <http://www.sec.gov/search/search.htm>, or by calling (202) 551-8090.

Applicant's Representations

1. The Applicant, a Delaware limited liability company, is a multi-generational single-family office that provides services to the family and descendants of Joseph A. Jeffrey (1836-1928) ("J.A. Jeffrey") through the provision of services to Jeffrey LLC, a Delaware limited liability company, and to The Jeffrey Company, an Ohio corporation ("TJC"). The securities of each of Jeffrey LLC and TJC are 100% owned directly or indirectly by the descendants of J.A. Jeffrey. The managing member of Jeffrey LLC is TJC. Unless otherwise defined herein, capitalized terms have the same meaning as defined in the Family Office Rule.

2. The Applicant provides a wide array of services (both advisory and non-advisory) to, and conducts the day-to-day operations of, Jeffrey LLC and TJC with the Applicant's own employees (neither Jeffrey LLC nor TJC having employees of its own), subject to

the direction of the board of directors of TJC (the "Board"). TJC is managed by the Board, a majority of the members of which are Family Members as defined in paragraph (d)(6) of Rule 202(a)(11)(G)-1 (the "Family Office Rule") (with J.A. Jeffrey being the "common ancestor" for this purpose). The Applicant is wholly owned and controlled by the same individual who is TJC's chief executive officer, and who also is a Family Member.

3. The Applicant represents that (i) each of the persons served by the Applicant is a Family Client, *i.e.*, the Applicant has no clients other than Family Clients as required by paragraph (b)(1) of the Family Office Rule, (ii) the Applicant is owned and controlled in a manner that complies in all respects with paragraph (b)(2) of the Family Office Rule, and (iii) the Applicant does not hold itself out to the public as an investment adviser as required by paragraph (b)(3) of the Family Office Rule.

4. The Applicant represents that Jeffrey LLC currently relies on an exception from the definition of investment company pursuant to Section 3(c)(1) of the Investment Company Act of 1940, as amended (the "ICA"). Jeffrey LLC would like to offer to additional Family Clients the opportunity to invest in Jeffrey LLC (subject to securities law compliance, including complying with applicable federal and state exemptions from the registration of its securities). The Applicant states that the 100 beneficial owner limitation of Section 3(c)(1) of the ICA would cause family friction by denying to many Family Clients the opportunity to invest in Jeffrey LLC. The Applicant states that there are approximately 350 Family Members. Accordingly, on March 11, 2016, Jeffrey LLC filed an application with the Commission pursuant to Section 6(c) of the ICA requesting an exemption from all of the provisions of the ICA and all rules and regulations thereunder. Such exemption would permit Jeffrey LLC to allow all Family Clients the opportunity to invest in Jeffrey LLC without imposing on Jeffrey LLC the costs of registering under, and complying with, the ICA.

5. The Applicant represents that, in the event Jeffrey LLC were to exceed the 100 beneficial owner limitation of Section 3(c)(1) of the ICA, the Applicant would continue to meet the three general conditions of the Family Office Rule set forth in item 3 above, with the exception that Jeffrey LLC would not qualify as a Family Client, as more fully described below. The Applicant represents that the assets owned

¹² 17 CFR 200.30-3(a)(12).