

Applicants state that RBS Securities is an Affiliated Person of Citizens IA. Applicants state that, taken together, sections 9(a)(2) and 9(a)(3) would have the effect of precluding Citizens IA from acting as a sub-adviser to the Fund.

2. Section 9(c) of the Act provides that, upon application, the Commission shall grant an application for exemption from the disqualification provisions of section 9(a) of the Act if it is established that these provisions, as applied to the Applicants, are unduly or disproportionately severe or that the conduct of the Applicants has been such as not to make it against the public interest or the protection of investors to grant the exemption. Applicants have filed an application pursuant to section 9(c) seeking a temporary and permanent order exempting them and other Covered Persons from the disqualification provisions of section 9(a).

3. Applicants believe they meet the standard for exemption specified in section 9(c). Applicants state that the prohibitions of section 9(a) as applied to them would be unduly and disproportionately severe and that the conduct of the Applicants has been such as not to make it against the public interest or the protection of investors to grant the exemption from section 9(a).

4. Applicants state that the Conduct did not involve any of the Applicants' Fund Service Activities. Applicants state that RBS Securities does not serve in any of the capacities described in section 9(a) of the Act. In addition, Applicants state that the Conduct did not involve the Fund, or the assets of the Fund, with respect to which the Applicants provided Fund Service Activities.

5. Applicants also state to the best of their knowledge (i) none of the current directors, officers, or employees of Citizens IA that are involved in providing Fund Service Activities (or any other persons in such roles during the time period covered by the Complaint) had knowledge of or participated in the conduct alleged in the Complaint to have constituted the violations that provide a basis for the Injunction; (ii) the directors, officers and employees at RBS Securities who participated in the conduct alleged in the Complaint to have constituted the violations that provide a basis for the Injunction have had no, and will not have any, involvement in providing Fund Service Activities on behalf of the Applicants or other Covered Persons; and (iii) because the personnel of Citizens IA did not participate in the conduct alleged in the Complaint to have constituted the violations that

provide a basis for the Injunction, the shareholders of the Fund were not affected any differently than if the Fund had received services from any other non-affiliated investment adviser or principal underwriter.

6. Applicants submit that they have taken sufficient remedial actions to address the conduct that served as the basis for the Injunction and that granting the exemption requested is consistent with the public interest and the protection of investors.

7. Applicants state that the inability of Citizens IA to continue providing Fund Service Activities to the Fund would result in the Fund and its shareholders facing potential hardship. Applicants state that they will distribute to the board of trustees of the Fund (the "Board") written materials describing the circumstances that led to the Injunction, any impact on the Fund, and the application. The written materials will include an offer to discuss the materials at an in-person meeting with the Board, including the directors who are not "interested persons" of the Fund as defined in section 2(a)(19) of the Act, and their independent legal counsel as defined in rule 0-1(a)(6) under the Act. Applicants state that they will provide the Board with the information concerning the Injunction and the application that is necessary for the Fund to fulfill its disclosure and other obligations under the federal securities laws.

8. Applicants state that if Citizens IA were barred from providing investment advisory services to the Fund, the effect on its businesses and employees would be severe. Applicants state that Citizens IA has committed substantial capital and other resources to establish an expertise in sub-advising registered investment companies. Applicants further state that prohibiting Citizens IA from providing Fund Service Activities would not only adversely affect its business, but would also adversely affect its employees that are involved in those activities. Applicants state that many of these employees could experience significant difficulties in finding alternative fund-related employment.

9. Applicants state that Applicants and certain other affiliated persons of the Applicants have previously received an order under section 9(c) of the Act, as the result of conduct that triggered section 9(a), as described in greater detail in the application.

#### **Applicants' Condition**

Applicants agree that any order granting the requested relief will be subject to the following condition:

Any temporary exemption granted pursuant to the application shall be without prejudice to, and shall not limit the Commission's rights in any manner with respect to, any Commission investigation of, or administrative proceedings involving or against, Covered Persons, including without limitation, the consideration by the Commission of a permanent exemption from section 9(a) of the Act requested pursuant to the application or the revocation or removal of any temporary exemptions granted under the Act in connection with the application.

#### **Temporary Order**

The Commission has considered the matter and finds that the Applicants have made the necessary showing to justify granting a temporary exemption.

Accordingly,

*It is hereby ordered*, pursuant to section 9(c) of the Act, that Applicants and any other Covered Persons are granted a temporary exemption from the provisions of section 9(a), solely with respect to the Injunction, subject to the condition in the application, from November 25, 2013, until the Commission takes final action on their application for a permanent order.

By the Commission.

**Kevin M. O'Neill,**

*Deputy Secretary.*

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## **SECURITIES AND EXCHANGE COMMISSION**

### **Sunshine Act Meeting.**

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Public Law 94-409, that the Securities and Exchange Commission will hold a Closed Meeting on Wednesday, December 4, 2013 at 10:30 a.m.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the Closed Meeting. Certain staff members who have an interest in the matters also may be present.

The General Counsel of the Commission, or her designee, has certified that, in her opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(3), (5), (7), 9(B) and (10) and 17 CFR 200.402(a)(3), (5), (7), 9(ii) and (10), permit consideration of the scheduled matter at the Closed Meeting.

Commissioner Stein, as duty officer, voted to consider the items listed for the Closed Meeting in a closed session and

determined that no earlier notice thereof was possible.

The subject matter of the Closed Meeting will be:

Institution and settlement of injunctive actions;

Institution and settlement of administrative proceedings; and  
Other matters relating to enforcement proceedings.

At times, changes in Commission priorities require alterations in the scheduling of meeting items.

For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact the Office of the Secretary at (202) 551-5400.

Dated: November 26, 2013.

**Elizabeth M. Murphy,**

*Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-70936; File No. SR-CBOE-2013-112]

### Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Increase the Class Quoting Limit for Options on Twitter

November 25, 2013.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on November 15, 2013, Chicago Board Options Exchange, Incorporated (the “Exchange” or “CBOE”) filed with the Securities and Exchange Commission (“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 increase the Class Quoting Limit (“CQL”) for options on Twitter. The text of the proposed rule change is available on the Exchange’s Web site (<http://www.cboe.com/AboutCBOE/CBOELegalRegulatoryHome.aspx>), 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

A CQL is the maximum number of Trading Permit Holders (“TPHs”) that may quote electronically in a given product.<sup>3</sup> CBOE Rule 8.3A, Interpretation .01 states that the CQL for products trading on the Exchange’s Hybrid Trading System (“Hybrid”) is 50.<sup>4</sup> However, the President of the Exchange may increase the CQL for an existing or new product if he determines that it would be appropriate.<sup>5</sup> Such an increase can be accomplished by submitting to the Securities and Exchange Commission (the “Commission”) a rule filing pursuant to Section 19b(3)(A) of the Act and announcing the increase to TPHs via Information Circular.<sup>6</sup> The Exchange has previously increased the CQLs for other products via rule filing.<sup>7</sup>

The Exchange intends to begin to allow the trading of options on Twitter on November 15, 2013. The Exchange has already noticed substantial interest in the product, specifically from Market-Makers desiring to quote in that class. As such, CBOE’s President has determined that it would be appropriate to increase the CQL for Twitter to 75. The Exchange has prepared an Information Circular to inform TPHs of this change, and hereby submits this

proposed rule filing to effect such change. The Exchange has the system capacity to manage the proposed increase.

###### 2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.<sup>8</sup> Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>9</sup> requirements that the rules of an exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts, to remove impediments to and to perfect the mechanism for a free and open market and a national market system, and, in general, to protect investors and the public interest. Increasing the CQL for Twitter allows more Market-Makers to quote in that product, which provides greater volume and more trading activity for all market participants, thereby perfecting the mechanism for a free and open market.

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

CBOE does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because it will be applied to all Market-Makers in accordance with CBOE Rule 8.3A. The Exchange does not believe that the proposed rule change will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because it only affects Market-Maker quoting on CBOE. Further, increasing the CQL for Twitter on CBOE will allow more Market-Makers to quote in that product, which provide [sic] for greater trading opportunities greater volume and more trading activity for CBOE market participants, thereby enhancing competition. To the extent that the proposed change makes CBOE a more attractive trading venue for market participants at other exchanges, such market participants may elect to become CBOE market participants.

<sup>3</sup> See CBOE Rule 8.3A.

<sup>4</sup> See CBOE Rule 8.3A, Interpretation .01(a).

<sup>5</sup> See CBOE Rule 8.3A, Interpretation .01(b).

<sup>6</sup> See CBOE Rule 8.3A, Interpretation .01(c).

<sup>7</sup> See Securities Exchange Act Release No. 55664 (April 24, 2007), 72 FR 23867 (May 1, 2007) (SR-CBOE-2007-36), which increased the CQLs for Apple Inc. and Research In Motion to 60. See also Securities Exchange Act Release No. 67231 (June 21, 2012), 77 FR 38362 (June 27, 2012) (SR-CBOE-2012-057), which increased the CQL for Facebook to 60.

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

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

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

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