

Commission hereby grants the Exchange's request and designates the proposal operative upon filing.¹⁷

At any time within 60 days of the filing of such 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. Please include File Number SR-NYSE-2013-47 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-NYSE-2013-47. 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

one-third of outstanding shares (except for companies entitled to rely on the provisions set forth in Section 103.00 of the Manual) has previously been listed on the Exchange. In addition, the Exchange represented, in footnote 7, that it will not list a company with a quorum requirement of less than one-third of outstanding shares (except for companies entitled to rely on the provisions set forth in Section 103.00 of the Manual) going forward. The Commission notes that these quorum requirements, which apply to all shareholder meetings, including ones where the shareholder approval matters in Section 312 are presented, are at least as stringent as NASDAQ's (see NASDAQ Rule 5620(c)).

¹⁷ For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

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 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 publicly available. All submissions should refer to File Number SR-NYSE-2013-47 and should be submitted on or before August 7, 2013.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁸

Elizabeth M. Murphy,
Secretary.

[FR Doc. 2013-17095 Filed 7-16-13; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-69977; File No. SR-OCC-2013-05]

Self-Regulatory Organizations; The Options Clearing Corporation; Order Approving Proposed Rule Change To Provide That OCC, Rather Than an Adjustment Panel of the Securities Committee, Will Determine Adjustments to the Terms of Options Contracts To Account for Certain Events, Such as Certain Dividend Distributions or Other Corporate Actions, That Affect the Underlying Security or Other Underlying Interest

July 11, 2013.

I. Introduction

On May 15, 2013 The Options Clearing Corporation ("OCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change SR-OCC-2013-05 pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder.² The proposed rule change was published for comment in the **Federal**

Register on June 3, 2013.³ The Commission received no comment letters. This order approves the proposed rule change.

II. Description

Certain corporate actions—such as declaration of dividends or distributions, stock splits, rights offerings, reorganizations, or the merger or liquidation of an issuer—affecting an underlying security may require an adjustment to the terms of the overlying options. The principal purpose of this rule change is to authorize OCC, rather than adjustment panels of the Securities Committee,⁴ to determine option contract adjustments and to determine the value of distributed property involved in such adjustments.

Article VI, Section 11 of OCC's By-Laws provide that all adjustments to option contracts are currently determined on a case-by-case basis by an adjustment panel of the Securities Committee composed of two representatives⁵ of each exchange that trades an option on the underlying security and the OCC Chairman (or his representative). All actions are determined by majority vote, with OCC voting only to break a tie. Besides determining particular adjustments in individual cases, Article VI, Section 11 also authorizes the Securities Committee to adopt statements of policy or interpretations governing option adjustments in general. Additionally, the Securities Committee is authorized to determine the value of distributed property involved in stock option adjustments as stated in Article VI, Section 11A(f).

Discussions among OCC and the options exchanges concerning potential changes to Securities Committee governance in respect of adjustments

³ Securities Exchange Act Release No. 34-69642 (May 28, 2013), 78 FR 33138 (June 3, 2013).

⁴ The OCC Securities Committee is authorized under OCC By-Law Article VI Section 11(a) to determine contract adjustments in particular cases and to formulate adjustment policy or interpretations having general applicability. The Securities Committee is comprised of representatives of OCC's participant options exchanges and authorized representatives of OCC.

⁵ The Commission has approved an amendment to OCC's By-Laws under which only one representative of each relevant exchange is required on an adjustment panel. Securities Exchange Act Release No. 34-67333 (July 2, 2012), 77 FR 40394 (July 9, 2012) (SR-OCC-2012-07). However, the amendment will not be implemented until an amendment to the Options Disclosure Document reflecting this change is made. Interpretation and Policy .01 to Article VI, Section 11 clarifies that until such time as the amendment to the Options Disclosure Document is made and only one representative is required, an adjustment panel must have two representatives of each exchange that trades an option on the underlying security.

¹⁸ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

yielded a consensus that the exchanges should retain policy-making authority under the adjustment By-Laws through the Securities Committee but that OCC should be the sole determiner of particular adjustment decisions, thereby eliminating adjustment panels convened for the purpose of determining adjustments of particular option contracts. Under the rule change:

(i) The policy making role of the Securities Committee will be unchanged. As members of the Securities Committee, exchanges will retain authority to determine adjustment policy in general.

(ii) OCC will apply the adjustment By-Laws and Interpretations to determine particular adjustments on a case-by-case basis. An adjustment panel comprised of exchange and OCC representatives will *not* be called to determine a particular adjustment.

(iii) OCC and the exchanges will retain unrestricted ability to mutually discuss considerations pertaining to any adjustment decision or policy.

(iv) OCC will have authority to determine the value of distributed property involved in contract adjustments.

Notwithstanding the elimination of exchange representative adjustment panels, panels of exchange representatives will retain their existing functions and authority under other provisions of OCC's By-Laws.⁶ The types of adjustments for which exchange representative panels may continue to be convened will be limited to rare situations involving market closures or the unavailability of accurate pricing.

As a result of this rule change, adjustment panels for the purpose of determining adjustments of particular options contracts will cease to exist and exchanges will have no obligation or authority to determine a particular adjustment. OCC will determine the appropriate application of the By-Laws and Interpretations and Policies, but the exchanges will retain policy making authority as members of the Securities Committee. In this policy making capacity, actions of the Securities Committee will continue to require approval by a majority vote.

OCC states that occasionally there may be unique aspects of a corporate event that justify departure from adjustment policy or precedent, or that involve a situation for which there is no existing adjustment policy or precedent.

⁶ For example, those panels will retain the authority to fix exercise settlement amounts for cash-settled options where a closing price for the underlying is otherwise unavailable.

Such events may also highlight a need for a more general reformulation of adjustment policy. Under this rule change, if OCC determines such aspects to be present, OCC will determine in its sole discretion any adjustment to be applied in the particular case. The Securities Committee will not initiate policy changes "ad hoc" to address a particular case (which would be a *de facto* determination of a particular adjustment decision). Instead, after OCC determined a particular adjustment, the Securities Committee, in its discretion, will determine the appropriateness of adopting prospective policy changes or clarifications.⁷

OCC and the exchanges believe that they should retain unrestricted ability to discuss with each other any considerations pertaining to an adjustment decision or policy—with the understanding that adjustment decisions would be made solely by OCC and the exchanges would be involved solely in an advisory capacity.⁸ Accordingly, this rule change does not prohibit either the exchanges or OCC from initiating conversations concerning adjustment policy or particular adjustment decisions, but neither would such consultation be required. Furthermore, to ensure continued exchange involvement in determining adjustment policy, OCC intends to call periodic meetings of the Securities Committee, to be held on a quarterly or more frequent period basis, to discuss policy issues and review recent experience with contract adjustments.⁹

The rule change will apply only to the functions of OCC and the Securities Committee in the determination of option contract adjustments as described in Article VI, Sections 11 and other By-Law provisions. The Securities Committee—or panels comprised of representatives of the Securities

⁷ This approach was followed in 2006 in response to a special cash dividend. In that case, adjustment panels determined to depart from precedent and adjust certain ETF options where the ETF distributed pro rata dividends based on the amount of a special dividend paid by the issuer of one of the component stocks in the ETF. Following these adjustments, the Securities Committee recommended to the OCC Board a policy reformulation. See Interpretation .08 to Article VI, Section 11A.

⁸ Although OCC and the exchanges believe it is feasible for OCC to independently determine adjustments, both are averse to losing valuable exchange experience and insight that is now brought to bear in adjustment decisions.

⁹ As a practical matter, even if adjustments are determined solely by OCC it would still be necessary for OCC and the exchanges to coordinate the operational execution of all option adjustments. This coordination includes, but is not limited to, the determination of an effective date, option symbols and strike prices and the publication of notices.

Committee—in respect of actions that do *not* involve option contract adjustments will retain all other functions and authority granted under the By-Laws, including, for example, the ability to fix index option settlement values in cases of market disruption and similar actions.

In addition to the principal purpose underlying this rule change, OCC is making certain other conforming and/or clarifying changes to the By-Laws relating to adjustments and/or adjustment panels. Specifically, OCC is modifying or eliminating certain adjustment related By-Law provisions because, due to industry or other changes, there is no longer any open interest in options covered by such provisions. OCC is eliminating other stale provisions, including those found within Interpretation and Policy .01 under the Article VI, Section 11, which relate to the determination of "ordinary cash dividends or distributions" for which no adjustment is ordinarily made. OCC is also making changes to Article XIV, Section 3A(a)(3) in relation to binary options for which the underlying is an equity interest. OCC is also making changes to Article XIV Section 3A to reflect a clarifying interpretation issued by the Securities Committee with respect to determinations of corporate issuers to accelerate or defer payments of otherwise ordinary dividends.¹⁰ Other conforming changes being made by OCC update cross-references to By-Laws and Rules that are being amended.

III. Discussion

Section 19(b)(2)(C) of the Act¹¹ directs the Commission to approve a proposed rule change of a self-regulatory organization if it finds that such proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to such organization. Section 17A(b)(3)(F) of the Act¹² requires that the rules of a clearing agency are designed to, among other things, promote the prompt and accurate clearance and settlement of securities transactions and foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions.

¹⁰ OCC's Securities Committee is empowered under the By-Laws to adopt statements of policy or interpretations having general application to specified types of events or specific kinds of cleared contracts. The Securities Committee determined that such events would not, as a general rule, affect the ordinary nature of such dividends subject to the evaluation of these events on a case-by-case basis.

¹¹ 15 U.S.C. 78s(b)(2)(C).

¹² 15 U.S.C. 78q-1(b)(3)(F).

By providing OCC with sole discretion for particular adjustment decisions, the rule change helps to ensure that decisions are consistent, efficient and free from undue influence. As a result, the rule change should help to promote the prompt and accurate clearance and settlement of securities transactions as well as foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions consistent with Section 17A(b)(3)(F) of the Act.¹³ Furthermore, in addition to ensuring consistency with Section 17A(b)(3)(F) of the Act,¹⁴ the conforming and clarifying changes to OCC's By-Laws and Rules should help ensure that OCC maintains a well-founded, transparent and enforceable legal framework as required by Rule 17Ad-22(d)(1).¹⁵

IV. Conclusion

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of the Act and in particular with the requirements of Section 17A of the Act¹⁶ and the rules and regulations thereunder.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹⁷ that the proposed rule change (File No. SR-OCC-2013-05) be and hereby is approved.¹⁸

For the Commission by the Division of Trading and Markets, pursuant to delegated authority.¹⁹

Elizabeth M. Murphy,
Secretary.

[FR Doc. 2013-17099 Filed 7-16-13; 8:45 am]

BILLING CODE 8011-01-P

SMALL BUSINESS ADMINISTRATION

Small Business Size Standards: Waiver of the Nonmanufacturer Rule

AGENCY: U.S. Small Business Administration.

ACTION: Notice of intent to rescind the class waiver of the Nonmanufacturer Rule for NAICS Code 335999, *All Other Miscellaneous Electrical Equipment and Component Manufacturing*.

SUMMARY: The U. S. Small Business Administration (SBA) intends to rescind a class waiver of the Nonmanufacturer Rule for *All Other Miscellaneous Electrical Equipment and Component Manufacturing*, under the North American Industry Classification System (NAICS) code 335999. According to the request, there is at least one small business manufacturer of the various supplies listed under the *All Other Miscellaneous Electrical Equipment and Component Manufacturing* descriptor that has conducted business with the Federal Government within the previous 24 months. Additionally, SBA's independent research resulted in discovery of other small business manufacturers for the various items listed under the *All Other Miscellaneous Electrical Equipment and Component Manufacturing* descriptors.

DATES: Comments and source information must be submitted August 1, 2013.

ADDRESSES: You may directly submit comments and source information to regulations.gov at URL <http://www.regulations.gov#!/home> or Edward Halstead, Procurement Analyst, Small Business Administration, Office of Government Contracting, 409 3rd Street SW., Suite 8022, Washington, DC 20416. **FOR FURTHER INFORMATION CONTACT:** Mr. Edward Halstead, Procurement Analyst, by telephone at (202) 205-6855 or by email at Edward.halstead@sba.gov.

SUPPLEMENTARY INFORMATION: Section 8(a)(17) of the Small Business Act (Act), 15 U.S.C. 637(a)(17), and SBA's implementing regulations require that recipients of Federal supply contracts set aside for small businesses, Service Disabled Veteran-Owned small businesses, Women-Owned Small Businesses, or Participants in SBA's 8(a) Business Development Program provide the product of a small business manufacturer or processor, if the recipient is other than the actual manufacturer or processor of the product. This requirement is commonly referred to as the Nonmanufacturer Rule. 13 CFR 121.406(b), 125.15(c). Section 8(a)(17)(b)(iv) of the Act authorizes SBA to waive the Nonmanufacturer Rule for any "product or class" for which there are no small business manufacturers or processors available to participate in the Federal market.

In order to be considered available to participate in the Federal market for a product or class of products, a small business manufacturer must have submitted a proposal for a contract solicitation or received a contract from

the Federal Government within the last 24 months. 13 CFR 121.1202(c). SBA defines "class of product or products" based on the specific item descriptions found in the Office of Management and Budget's North American Industry Classification System (NAICS) online manual. SBA may then identify a specific item or items within a NAICS code to which a class waiver would apply.

SBA is currently processing a request to rescind the Nonmanufacturer Rule for All Other Miscellaneous Electrical Equipment and Component Manufacturing, under North American Industry Classification System (NAICS) code 335999. The public is invited to comment or provide source information to SBA on the proposed waiver of the Nonmanufacturer Rule for the within 15 days after the date of posting in the **Federal Register**.

Dated: Ju1y 11, 2013.

Ajoy K. Sinah,

Deputy Director, Office of Government Contracting.

[FR Doc. 2013-17035 Filed 7-16-13; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Pipeline and Hazardous Materials Safety Administration

[Docket No. PHMSA-2013-0176, Notice No. 13-11]

Safety Advisory: Unauthorized Filling of Compressed Gas Cylinders

AGENCY: Pipeline and Hazardous Materials Safety Administration (PHMSA), DOT.

ACTION: Safety Advisory Notice.

SUMMARY: This is to notify the public that PHMSA has confirmed that North American Coil and Beverage Group, 15641 E 10 Mile Road, Eastpointe, MI, 48021, improperly filled and offered for transportation high pressure compressed gas cylinders without verifying that they met the appropriate safety requirements for continued use. The Eastpointe Michigan Fire Department alerted the Michigan State Police, who in turn alerted PHMSA of an incident on June 25, 2013, in which a high pressure DOT 3A 1800 cylinder filled and provided by North American Coil and Beverage Group with carbon dioxide catastrophically burst at Sullivan's Bar in Eastpointe, Michigan

FOR FURTHER INFORMATION CONTACT: North American Coil and Beverage Group: Mr. Len Santamaria, Manager, 15641 E 10 Mile Road, Eastpointe,

¹³ 15 U.S.C. 78q-1(b)(3)(F).

¹⁴ 15 U.S.C. 78q-1(b)(3)(F).

¹⁵ 17 CFR 240.17Ad-22(d)(1).

¹⁶ 15 U.S.C. 78q-1.

¹⁷ 15 U.S.C. 78s(b)(2).

¹⁸ In approving the proposed rule change, the Commission considered the proposal's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

¹⁹ 17 CFR 200.30-3(a)(12).