

investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6)(iii) thereunder.

A proposed rule change filed under Rule 19b-4(f)(6)²⁹ normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),³⁰ the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest because it would allow the Exchange immediately to adopt clear and transparent criteria concerning the submission of orders that are designated as “retail” and eligible to receive fee credits under the Exchange’s current fee schedule. Accordingly, the Commission hereby grants the Exchange’s request and designates the proposal operative upon filing.³¹

At any time within 60 days of the filing of this proposed rule change, the Commission summarily may temporarily suspend this 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–NYSEMKT–2014–46 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–NYSEMKT–2014–46. 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 Section, 100 F Street NE., Washington, DC 20549–1090. Copies of the filing will also be available for Web site viewing and printing at the NYSE’s principal office and on its Internet Web site at www.nyse.com. 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–NYSEMKT–2014–46 and should be submitted on or before June 23, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³²

Kevin M. O’Neill,

Deputy Secretary.

[FR Doc. 2014–12644 Filed 5–30–14; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–72254; File No. SR–ISE–2014–26]

Self-Regulatory Organizations; International Securities Exchange, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Regarding Complex Orders

May 27, 2014.

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 May 20, 2014 the International Securities Exchange, LLC (the “Exchange” or the

“ISE”) 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 Terms of the Substance of the Proposed Rule Change

The Exchange proposes to amend its rules to adopt additional price protections for complex orders executed on the Exchange. The text of the proposed rule change is available on the Exchange’s Web site 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 self-regulatory organization 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 purpose of the proposal is to enhance the Exchange’s complex order functionality by adopting additional price protections for complex orders executed on the Exchange. The Exchange provides in its rules several complex order protections that currently exist in the trading system.³ Today, under Supplementary Material .07(b) to Rule 722, the trading system rejects any complex order strategy where all legs are to buy if it is entered at a price that is less than the minimum price, which is calculated as the sum of the ratio times \$0.01 per leg.⁴ Further, Supplementary Material .07(c) to Rule 722 provides price protection for

³ See Rule 722, Supplementary Material .07.

⁴ For example, an order to buy 2 calls and buy 1 put would have a minimum price of \$0.03. If such an order were entered at a price of \$0.02, it would not be executable, as a price of zero would have to be assigned to one of the legs of the order.

²⁹ 17 CFR 240.19b-4(f)(6).

³⁰ 17 CFR 240.19b-4(f)(6)(iii).

³¹ 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).

³² 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

vertical spreads where the trading system today rejects a vertical spread order (*i.e.*, an order to buy a call (put) option and to sell another call (put) option in the same security with the same expiration but a higher (lower) strike price) when entered with a net price of less than zero, and prevents the execution of a vertical spread order at a price that is less than zero when entered as a market order to sell.⁵

The Exchange now proposes to enhance existing price protections for certain complex orders and quotes. The Exchange recognizes two complex order strategies that could cause undue risk to market participants. In order to address these strategies, the Exchange proposes to implement functionality that prevents these complex order strategies from trading at prices outside of pre-set limits. This proposal will apply only to vertical spread orders and quotes and to calendar spread orders and quotes. With this proposed rule change, the trading system will ensure that neither of these strategies trade outside of quantifiable values by more than a pre-set amount.

While the Exchange has developed functionality where the trading system rejects vertical spreads when entered with a net price of less than zero and prevents the execution of a vertical spread order at a price that is less than zero when entered as a market order to sell, the trading system does not currently reject orders and quotes that are priced above the maximum value of this strategy. These orders and quotes trade at prices that are more than the maximum value of the strategy. With this proposal, the Exchange will allow this price protection to be adjusted by a pre-set value. As a result, the trading system will reject vertical spread orders when entered with a net price of less than zero (minus a pre-set value) and will prevent the execution of a vertical spread order at a price that is less than zero (minus a pre-set value) when entered as a market order to sell. The Exchange will establish a common pre-set value as an amount not to exceed \$1.00 which will apply across all options classes. For example, assume the market for a January 30 call is 1.00×1.20 and for a January 31 call it is 0.95×1.15 . Suppose the pre-set value for a minimum price check for vertical spreads is established by the Exchange

as \$0.10. A vertical spread order consisting of a sale of one January 30 call and the purchase of one January 31 call priced at (\$0.11) will be rejected by the trading system because the limit price of this order is below the pre-set value of (\$0.10). A vertical spread market order to sell, *i.e.*, sale of one January 30 call and the purchase of one January 31 call priced at the market, will be prevented from trading with individual bids and offers because the resulting trade, *i.e.*, sale of January 30 call at \$1.00 and purchase of January 31 call at \$1.15, will result in a net price of (\$0.15), which is below the pre-set value of (\$0.10).

The Exchange also proposes to implement functionality where the trading system will reject a vertical spread order when entered with a net price greater than the value of the higher strike price minus the lower strike price (plus a pre-set value) and will prevent the execution of a vertical spread order at a price that is greater than the value of the higher strike price minus the lower strike price (plus a pre-set value) when entered as a market order to buy. The Exchange will establish a common pre-set value as the lesser of (i) an amount not to exceed \$1.00, and (ii) a percentage of the difference between strike prices not to exceed 10%, which will apply across all options classes. For example, assume the market for a January 20 call is 10.55×10.70 and for a January 25 call it is 5.35×5.50 . Suppose the pre-set value for a maximum price check of vertical spreads is established by the Exchange as the lesser of \$0.10 and 5%. The maximum price for a vertical spread order consisting of the purchase of one January 20 call and the sale of one January 25 call is \$5.10, which is calculated as the lesser of the difference between the strike prices plus the pre-set buffer, or \$5.10, and the difference between the strike prices plus the pre-set buffer percentage of the strike prices difference, or \$5.25. The trading system will therefore accept a vertical spread order consisting of a purchase of one January 20 call and the sale of one January 25 call priced at \$5.00 but will reject a vertical spread order priced at \$5.15. A vertical spread market order to buy, *i.e.*, purchase of one January 20 call and sale of one January 25 call priced at the market, will be prevented from trading with individual bids and offers because the resulting trade, *i.e.*, purchase of January 20 call at \$10.70 and sale of January 25 call at \$5.35, will result in a net price of \$5.35, which is above the maximum price of \$5.10.

A calendar spread is an order to buy a call (put) option with a longer

expiration and to sell another call (put) options with a shorter expiration in the same security at the same strike price. A buyer of a calendar spread would buy a longer expiration and sell a shorter expiration in the same security at the same strike price while a seller of a calendar spread would sell a longer expiration and buy a shorter expiration in the same security at the same strike price. With this proposal, the Exchange proposes to implement functionality where the trading system will reject a calendar spread order when entered with a net price of less than zero (minus a pre-set value), and will prevent the execution of a calendar spread order at a price that is less than zero (minus a pre-set value) when entered as a market order to sell. The proposed price protection for calendar spreads will protect both buyers and sellers of calendar spreads. The Exchange will establish a common pre-set value as an amount not to exceed \$1.00 which will apply across all options classes. For example, assume the market for a February 30 call is 1.00×1.20 and for a January 30 call it is 0.95×1.15 . Suppose the pre-set value for a minimum price check of calendar spreads is established by the Exchange as \$0.10. An order to sell a calendar spread consisting of a sale of one February 30 call and the purchase of one January 30 call priced at (\$0.11) will be rejected by the trading system because the limit price of this order is below the pre-set value of (\$0.10). A market order to sell a calendar spread consisting of a sale of one February 30 call and the purchase of one January 30 call priced at market, will be prevented from trading with individual bids and offers because the resulting trade, *i.e.*, sale of February 30 call at \$1.00 and purchase of January 30 call at \$1.15 will result in a net price of (\$0.15), which is below the pre-set value of (\$0.10).

For purposes of the price protections set forth in Rule 722, Supplementary Material .07(c)(1) and in proposed Rule 722, Supplementary Material .07(c)(3), the Exchange will set a common pre-set value not to exceed \$1.00 to be applied uniformly across all classes. For purposes of the price protections set forth in proposed Rule 722, Supplementary Material .07(c)(2), the Exchange will set a common pre-set value of (1) an amount not to exceed \$1.00 and (2) a percentage of the difference between strike prices not to exceed 10% to be applied uniformly across all classes.

The Exchange notes, however, that there may be a need to adjust these values. For example, the Exchange may determine at some future point in time

⁵ The vertical spread price check does not apply to complex orders executed in the Facilitation Mechanism, Solicited Order Mechanism and Price Improvement Mechanism. Complex orders executed in these mechanisms are two-sided orders where the contra-side order is willing to trade with the agency order at an agreed upon price thus removing the risk that the order was executed erroneously or at an erroneous price.

to adjust the established pre-set value for all options classes. Any change to the established pre-set value will be within the parameters prescribed in the rules and will be communicated to Exchange Members via circular.

The Exchange believes adopting a buffer is reasonable because while market participants may in certain situations be willing to trade a strategy beyond its minimum value, these trades could occur at erroneous prices without a cap. The Exchange's ability to adjust the pre-set value will provide market participants greater flexibility to execute their trading strategies as it will allow market participants to execute vertical and calendar spreads even if the strategy is priced outside its intrinsic value.

The proposed price checks will not apply to complex orders executed in the Facilitation Mechanism, Solicited Order Mechanism and Price Improvement Mechanism. Complex orders executed in these mechanisms are two-sided orders where the contra-side order is willing to trade with the agency order at an agreed upon price thus removing the risk that the order was executed erroneously or at an erroneous price.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Securities Exchange Act of 1934 (the "Act")⁶ in general, and furthers the objectives of Section 6(b)(5) of the Act⁷ in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism for a free and open market and a national market system, and, in general, to protect investors and the public interest. The Exchange proposes to adopt the price protections described in the interest of protecting investors and to assure fair and orderly markets on the Exchange.

As discussed above, the Exchange believes that rejecting vertical spread orders that are entered at a price greater than their intrinsic value and preventing the execution of such orders at a price greater than their intrinsic value when they are entered as a buy market order protects investors from executing these orders at erroneous prices. The Exchange further believes that rejecting calendar spread orders that are entered at a negative price also protects investors from executing orders that were likely entered in error, and that preventing the execution of such orders at negative prices when they are entered as a sell market order, protects investors from paying to sell a strategy when they

expected to receive payment for selling the strategy.

The Exchange notes, however, that in certain situations, market participants willingly want to execute certain trading strategies even if such trades occur outside their intrinsic value or at seemingly erroneous prices. The Exchange believes it is appropriate to provide market participants flexibility to allow them to execute these trading strategies and therefore to adopt a buffer to permit the execution of such trading strategies. The Exchange believes it is reasonable to adopt a buffer to give the Exchange the ability to adjust the pre-set value uniformly across all options classes in the event the Exchange believes a different pre-set value is more appropriate. Finally, the Exchange notes that it provides these protections for the benefit of, and in consultation with, its members. The Exchange believes the proposed rule change will help the Exchange to maintain a fair and orderly market, and provide a valuable service to investors.

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

The proposed rule change specifies circumstances in which the trading system does not provide an automatic execution in the interest of protecting investors against the execution of erroneous orders or the execution of orders at erroneous prices. As such, the proposal does not impose any burden on competition.

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

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any unsolicited written comments from members or other interested parties.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not significantly affect the protection of investors or the public interest, does not impose any significant burden on competition, and, by its terms, does not 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)⁸ of the Act and Rule 19b-4(f)(6)⁹ thereunder. The Exchange

provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing the proposed rule change.

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.

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-ISE-2014-26 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-ISE-2014-26. 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

⁶ 15 U.S.C. 78f(b).

⁷ 15 U.S.C. 78f(b)(5).

⁸ 15 U.S.C. 78s(b)(3)(A).

⁹ 17 CFR 240.19b-4(f)(6).

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-ISE-2014-26, and should be submitted on or before June 23, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁰

Kevin M. O'Neill,
Deputy Secretary.

[FR Doc. 2014-12646 Filed 5-30-14; 8:45 am]

BILLING CODE 8011-01-P

SMALL BUSINESS ADMINISTRATION

Reporting and Recordkeeping Requirements Under OMB Review

AGENCY: Small Business Administration.

ACTION: 30-Day notice.

SUMMARY: The Small Business Administration (SBA) is publishing this notice to comply with requirements of the Paperwork Reduction Act (PRA) (44 U.S.C. Chapter 35), which requires agencies to submit proposed reporting and recordkeeping requirements to OMB for review and approval, and to publish a notice in the **Federal Register** notifying the public that the agency has made such a submission. This notice also allows an additional 30 days for public comments.

DATES: Submit comments on or before July 2, 2014.

ADDRESSES: Comments should refer to the information collection by name and/or OMB Control Number and should be sent to: *Agency Clearance Officer*, Curtis Rich, Small Business Administration, 409 3rd Street SW., 5th Floor, Washington, DC 20416; and *SBA Desk Officer*, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Washington, DC 20503.

FOR FURTHER INFORMATION CONTACT: Curtis Rich, Agency Clearance Officer, (202) 205-7030, curtis.rich@sba.gov.

Copies: A copy of the Form OMB 83-1, supporting statement, and other documents submitted to OMB for review may be obtained from the Agency Clearance Officer.

SUPPLEMENTARY INFORMATION: Pursuant to 5(h)(i)(c) The Small Business Market Improvement Act the seller of a loan or pool certificate must disclose the information on this form to the

purchaser, constant annual prepayment rate based upon the seller's analysis of the prepayment histories of SBA guaranteed loans with similar maturities and additional disclosure information on the terms, conditions and yield of the securities.

(1) **Title:** Form of Detached Assignment for U.S. Small Business Administration Loan Pool or Guaranteed Interest Certificate.

Description of Respondents: Collected information is used by investors and SBA.

Estimated Annual Responses: 856.

Estimated Annual Hour Burden: 733.

Curtis B. Rich,

Management Analyst.

[FR Doc. 2014-12610 Filed 5-30-14; 8:45 am]

BILLING CODE 8025-01-P

SOCIAL SECURITY ADMINISTRATION

[Docket No. SSA-2013-0047]

Social Security Ruling, SSR 14-2p; Titles II and XVI: Evaluating Diabetes Mellitus

AGENCY: Social Security Administration.

ACTION: Notice of Social Security Ruling (SSR).

SUMMARY: We are giving notice of SSR 14-2p. This SSR provides information about the types of impairments and limitations that result from diabetes mellitus (DM). It also provides guidance on how we evaluate DM in disability claims under titles II and XVI of the Social Security Act.

DATES: *Effective Date:* June 2, 2014.

FOR FURTHER INFORMATION CONTACT:

Cheryl A. Williams, Office of Medical Policy, Social Security Administration, 6401 Security Boulevard, Baltimore, Maryland 21235-6401, (410) 965-1020.

SUPPLEMENTARY INFORMATION: Although 5 U.S.C. 552(a)(1) and (a)(2) do not require us to publish this SSR, we are doing so under 20 CFR 402.35(b)(1).

SSRs make available to the public precedential decisions relating to the Federal old-age, survivors, disability, supplemental security income, and special veterans benefits programs. We may base SSRs on determinations or decisions made at all levels of administrative adjudication, Federal court decisions, Commissioner's decisions, opinions of the Office of the General Counsel, or other interpretations of the law and regulations.

Although SSRs do not have the same force and effect as statutes or regulations, they are binding on all of our components. 20 CFR 402.35(b)(1).

This SSR will be in effect until we publish a notice in the **Federal Register** that rescinds it, or until we publish a new SSR that replaces or modifies it.

(Catalog of Federal Domestic Assistance, Program Nos. 96.001, Social Security—Disability Insurance; 96.002, Social Security—Retirement Insurance; 96.004—Social Security—Survivors Insurance; 96.006, Supplemental Security Income.)

Dated: May 22, 2014.

Carolyn W. Colvin,

Acting Commissioner of Social Security.

Policy Interpretation Ruling

Titles II and XVI: Evaluating Diabetes Mellitus

Purpose: This SSR provides information about the types of impairments and limitations that result from diabetes mellitus (DM). It also provides guidance on how we evaluate DM in disability claims under titles II and XVI of the Social Security Act (Act).¹ We provide information about endocrine disorders other than DM, explain the types of impairments and limitations that result from them, and provide guidance on how we evaluate endocrine disorders in disability claims under titles II and XVI of the Act in SSR 14-3p.

Citations (Authority): Sections 216(i), 223(d), 223(f), 1614(a)(3), and 1614(a)(4) of the Social Security Act, as amended; Regulations No. 4, subpart P, sections 404.1505, 404.1508, 404.1509, 404.1512-404.1513, 404.1520-404.1520a, 404.1521, 404.1522, 404.1523, 404.1525-404.1530, 404.1545, 404.1546, 404.1560-404.1569a, appendix 1, and appendix 2; and Regulations No. 16, subpart I, sections 416.905, 416.906, 416.908, 416.909, 416.912-416.913, 416.920, 416.920a, 416.921, 416.922, 416.923, 416.924, 416.924a, 416.924b, 416.925, 416.926, 416.926a, 416.927, 416.928, 416.930, 416.945, 416.946, 416.960-416.969a, 416.987, and 416.994-416.994a.

Introduction

On April 8, 2011, we published final rules in the **Federal Register** in which we removed the listings for evaluating DM in adults and in children from the Listing of Impairments (listings) because they no longer accurately identified

¹ For simplicity, we refer in this SSR only to initial claims for benefits. However, the policy interpretations in this SSR also apply to continuing disability reviews of adults and children under sections 223(f) and 1614(a)(4) of the Act, and to redeterminations of eligibility for benefits we make in accordance with section 1614(a)(3)(H) of the Act when a child who is receiving title XVI payments based on disability attains age 18.

¹⁰ 17 CFR 200.30-3(a)(12).