

Portfolio, and quotation and last sale information for the Shares.

The proposed rule change is designed to perfect the mechanism of a free and open market and, in general, to protect investors and the public interest in that it will facilitate the listing and trading of an additional type of actively-managed exchange-traded product that will enhance competition among market participants, to the benefit of investors and the marketplace. As noted above, the Exchange has in place surveillance procedures relating to trading in the Shares and may obtain information via ISG from other exchanges that are members of ISG or with which the Exchange has entered into a comprehensive surveillance sharing agreement. In addition, as noted above, investors will have ready access to information regarding the Fund's holdings, the Portfolio Indicative Value, the Disclosed Portfolio, and quotation and last sale information for the Shares.

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

The Exchange 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.

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

No written comments were solicited or received with respect to 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 (i) as the Commission may designate up to 90 days of such date 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 shall:

- (A) By order approve or disapprove the 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 e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-NYSEArca-2011-31 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-NYSEArca-2011-31. This file number should be included on the subject line if e-mail 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 website 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 a.m. and 3 p.m. Copies of the filing will also 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 No. SR-NYSEArca-2011-31 and should be submitted on or before July 1, 2011.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>28</sup>

**Cathy H. Ahn,**

*Deputy Secretary.*

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<sup>28</sup> 17 CFR 200.30-3(a)(12).

## **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-64605; File No. SR-DTC-2011-05]

### **Self-Regulatory Organizations; The Depository Trust Company; Order Granting Approval of a Proposed Rule Change To Amend Rules Relating to the Memo Segregation Function**

June 6, 2011.

#### **I. Introduction**

On April 15, 2011, The Depository Trust Company ("DTC") filed with the Securities and Exchange Commission ("Commission") proposed rule change SR-DTC-2011-05 pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act").<sup>1</sup> Notice of the proposal was published in the **Federal Register** on May 4, 2011.<sup>2</sup> The Commission received no comment letters. For the reasons discussed below, the Commission is granting approval of the proposed rule change.

#### **II. Description**

DTC's Memo Segregation Service ("MSEG") is an optional service which offers a mechanism for broker-dealer participants to protect fully-paid or excess margin securities by allowing the participant to shield from unintended delivery a designated quantity of securities that are in the participant's DTC free account or that may be received during the daily processing cycle. Currently, a participant may set a "counter" for a specified minimum quantity of each security to be held in its account as a threshold to any intraday redelivery. When the counter for a security is greater than the inventory of the participant, MSEG will prevent the delivery of any quantity of the security out of the participant's account unless: (1) The delivery is a permitted delivery (e.g., a free of value ACATS delivery or a "turnaround" as described below) or (2) the participant provides DTC with new instructions to reduce the MSEG counter.

The MSEG procedures currently support two optional "turnaround" MSEG indicators which enable participants to make deliveries for certain transaction types (including, but not limited to, stock loans and stock loan returns) from certain positions received intraday regardless of any MSEG-related deficit. Recently, DTC was advised by the Regulatory and Clearance Committee of the Securities

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

<sup>2</sup> Securities Exchange Act Release No. 64360 (April 28, 2011), 76 FR 25389 (May 4, 2011).

Operations Section of SIFMA that several broker-dealer participants had expressed concern that their practices for turnaround of stock loans and stock loan returns (*i.e.*, MSEG overrides) may be deemed by FINRA to be contrary to the Commission's Rule 15c3-3 ("Customer Protection Rule").<sup>3</sup> DTC also communicated directly with participants affected through their use of this functionality, and they expressed similar concerns. In order to accommodate its participants in this regard, DTC is revising its procedures so that MSEG will no longer permit stock loan or stock loan return-related turnaround deliveries for a security when there is an MSEG deficit in the account.

In order to effect the rule change described above, DTC is amending its Settlement Service Guide ("Service Guide"), which is incorporated into DTC's procedures, to make existing indicators that allow for the turnaround of stock loans and stock loan returns more restrictive. As a result, the procedures will no longer permit deliveries for stock loans, stock loan returns, The Options Clearing Corporation ("OCC") stock loans, OCC stock loan returns, American Depository Receipt ("ADR") stock loans, and ADR stock loan returns to be completed from turnaround shares when an MSEG deficit exists.<sup>4</sup>

### III. Discussion

Section 17A(b)(3)(F) of the Act requires, among other things, that the rules of a clearing agency be designed to assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible.<sup>5</sup> The Commission finds that DTC's rule change, which should reduce the risk of unintended deliveries by broker-dealer participants of customer fully paid and excess margin securities in violation of the Customer Protection Rule, is consistent with this obligation under the Exchange Act because it should help DTC participants to better protect and have possession of customer fully-paid and excess margin securities that are held at DTC and in general, because it helps protect investors and the public interest.

Accordingly, for the reasons stated above the Commission believes that the

proposed rule change is consistent with DTC's obligation under Section 17A of the Exchange Act, as amended, and the rules and regulations thereunder.<sup>6</sup>

### IV. Conclusion

On the basis of the foregoing, the Commission finds that the proposed rule change is consistent with the requirements of the Act, particularly with the requirements of Section 17A of the Act, and the rules and regulations thereunder.

*It Is Therefore Ordered*, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR-DTC-2011-05) be and hereby is approved.

For the Commission by the Division of Trading and Markets, pursuant to delegated authority.<sup>7</sup>

**Cathy H. Ahn,**

*Deputy Secretary.*

[FR Doc. 2011-14389 Filed 6-9-11; 8:45 am]

**BILLING CODE 8011-01-P**

## SMALL BUSINESS ADMINISTRATION

### Action Subject to Intergovernmental Review

**AGENCY:** U.S. Small Business Administration.

**ACTION:** Notice.

**SUMMARY:** Under Executive Order 12372, the Small Business Administration (SBA) is notifying the public that it intends to grant the pending applications of 22 existing Small Business Development Centers (SBDCs) for refunding on October 1, 2011, subject to the availability of funds. Nine states do not participate in the EO 12372 process; therefore, their addresses are not included. A short description of the SBDC program follows in the **SUPPLEMENTARY INFORMATION** section below.

The SBA is publishing this notice at least 90 days before the expected refunding date. The SBDCs and their mailing addresses are listed below in the address section. A copy of this notice also is being furnished to the respective State single points of contact designated under the Executive Order. Each SBDC application must be consistent with any area-wide small business assistance plan adopted by a State-authorized agency.

**DATES:** A State single point of contact and other interested State or local

entities may submit written comments regarding an SBDC refunding within 30 days from the date of publication of this notice to the SBDC.

### ADDRESSES: Addresses of Relevant SBDC State Directors:

Mr. Al Salgado, Region Director, Univ. of Texas at San Antonio, 501 West Durango Blvd., San Antonio, TX 78207, (210) 458-2450.

Ms. Kristina Oliver, State Director, West Virginia Development Office, 1900 Kanawha Blvd., East, Bldg. 6, Rm. 504, Charleston, WV 25305, (304) 558-2960.

Mr. Clinton Tymes, State Director, University of Delaware, One Innovation Way, Suite 301, Newark, DE 19711, (302) 831-2747.

Ms. Carmen Marti, SBDC Director, Inter American University of Puerto Rico, Ponce de Leon Avenue, #416, Edificio Union Plaza, Seventh Floor, Hato Rey, PR 00918, (787) 763-6811.

Mr. Michael Young, Region Director, University of Houston, 2302 Fannin, Suite 200, Houston, TX 77002, (713) 752-8425.

Ms. Becky Naugle, State Director, University of Kentucky, One Quality Street, Lexington, KY 40507, (859) 257-7668.

Ms. Liz Klimback, Region Director, Dallas Community College, 1402 Corinth Street, Dallas, TX 75212, (214) 860-5835.

Ms. Rene Sprow, State Director, Univ. of Maryland at College Park, 7100 Baltimore Avenue, Suite 401, Baltimore, MD 20742-1815, (301) 403-8300.

Mr. Craig Bean, Region Director, Texas Tech University, 2579 South Loop 289, Suite 114, Lubbock, TX 79423-1637, (806) 745-3973.

Ms. Leonor Dottin, SBDC Director, University of the Virgin Islands, 8000 Nisky Center, Suite 720, St. Thomas, USVI 00802-5804, (340) 776-3206.

Mr. Max Summers, State Director, University of Missouri, 410 South Sixth Street, 200, Engineering North, Columbia, MO 65211, (573) 882-1348.

Mr. Jim Heckman, State Director, Iowa State University, 2321 North Loop Drive, Suite 202, Ames, IA 50011, (515) 294-2037.

Ms. Lenae Quillen-Blume, State Director, Vermont Technical College, P.O. Box 188, Randolph Center, VT 05061-0188, (802) 728-9101.

**FOR FURTHER INFORMATION CONTACT:** Antonio Doss, Associate Administrator for SBDCs, U.S. Small Business Administration, 409 Third Street, SW., Sixth Floor, Washington, D.C. 20416.

### SUPPLEMENTARY INFORMATION:

#### Description of the SBDC Program

A partnership exists between SBA and an SBDC. SBDCs offer training,

<sup>3</sup> 17 CFR 204.15c3-3.

<sup>4</sup> The proposed change will also eliminate references in the Settlement Service Guide that MSEG-related functions are processed through the Participant Terminal System (PTS), as participants may currently use various platforms to communicate with DTC.

<sup>5</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>6</sup> In approving this proposal, the Commission has considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>7</sup> 17 CFR 200.30-3(a)(12).