

*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 written comments from members or other interested parties.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>20</sup> and paragraph (f)(2) of Rule 19b-4 thereunder.<sup>21</sup> 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](mailto:rule-comments@sec.gov). Please include File No. SR-BatsEDGX-2016-15 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 No. SR-BatsEDGX-2016-15. 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 the 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 No. SR-BatsEDGX-2016-15, and should be submitted on or before June 7, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>22</sup>

**Robert W. Errett,**

*Deputy Secretary.*

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**SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-77814; File No. SR-NYSEMKT-2016-50]**

**Self-Regulatory Organizations; NYSE MKT LLC; Notice of Filing and Immediate Effectiveness of Proposed Change Modifying the NYSE Amex Options Fee Schedule**

May 11, 2016.

Pursuant to section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (the "Act")<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that, on April 28, 2016, NYSE MKT LLC (the "Exchange" or "NYSE MKT") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. 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 modify the NYSE Amex Options Fee Schedule

("Fee Schedule"). The Exchange proposes to implement the fee change effective May 2, 2016. The proposed change is available on the Exchange's Web site at [www.nyse.com](http://www.nyse.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 self-regulatory organization 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 those 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 parts of such statements.

*A. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change*

**1. Purpose**

The purpose of this filing is to modify the definition of a Firm Facilitation trade to include Broker-Dealers, which would be consistent with the treatment of such transactions on another options market. The Exchange proposes to implement the change effective on May 2, 2016.

The current Fee Schedule defines a "Firm Facilitation" trade as "a Manual trade that is executed in open outcry, in which one counterparty clears in the Firm range at the OCC, the other counterparty clears in the Customer range at the OCC, and both counterparties have the same Clearing Member symbol or identification."<sup>4</sup> Firm Facilitation trades are not subject to transaction charges and are only subject to Royalty Fees.<sup>5</sup>

The Exchange proposes to modify the definition of Firm Facilitation to include Manual trades clearing in the

<sup>4</sup> See Fee Schedule, Terms and Definitions, available here, [https://www.nyse.com/publicdocs/nyse/markets/amex-options/NYSE\\_Amex\\_Options\\_Fee\\_Schedule.pdf](https://www.nyse.com/publicdocs/nyse/markets/amex-options/NYSE_Amex_Options_Fee_Schedule.pdf).

<sup>5</sup> See *id.*, Fee Schedule, sections I. A. and B. (providing that Firm Facilitation trades are executed at the rate of \$0.00 per contract) and K. (providing that Firm Facilitation trades are subject to Royalty Fees). The Exchange notes that Royalty Fees (or license fees) apply to certain classes of options and such fees are passed-on by the Exchange to the actual participants executing the trade.

<sup>22</sup> 15 CFR 200.30-3(a)(12).

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

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

<sup>20</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>21</sup> 17 CFR 240.19b-4(f).

Broker-Dealer range at the OCC.<sup>6</sup> The Exchange notes that this proposal would align its definition of a Firm Facilitation trade with that of another options exchange. Specifically, the fee schedule for NYSE Arca provides that firm facilitation trades are manual trades that apply to “any transaction involving a Firm proprietary trading account that has a customer of that same Firm on the contra side of the transaction, or a broker dealer facilitating a Customer order, where the broker dealer and the Customer both clear through the same clearing firm and the broker dealer clears in the customer range.”<sup>7</sup>

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with section 6(b) of the Act,<sup>8</sup> in general, and furthers the objectives of sections 6(b)(4) and (5) of the Act,<sup>9</sup> in particular, because it provides for the equitable allocation of reasonable dues, fees, and other charges among its members, issuers and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers or dealers.

The Exchange believes that the proposed modification to the definition of Firm Facilitation trades is reasonable, equitable and not unfairly discriminatory because it would align the scope of such trades with how trades are characterized on at least one other options exchange, thereby encouraging greater harmonization across exchange. Additionally, the Exchange believes the proposed change is consistent with the Act because they it attract greater volume and liquidity to the Exchange, which would benefit all market participants by providing tighter quoting and better prices, all of which perfects the mechanism for a free and open market and national market system.

For these reasons, the Exchange believes that the proposal is consistent with the Act.

<sup>6</sup> See proposed Fee Schedule. Per the Fee Schedule, a “Firm” means a Broker-Dealer that is not registered as a dealer-specialist or Market Maker that is an ATP Holder on the Exchange, per Rule 900.2NY(28) and a “Broker-Dealer” is an entity registered pursuant to section 15 of the Exchange Act, per Rule 990NY(3). See Fee Schedule, *supra* n. 4.

<sup>7</sup> See NYSE Arca fee schedule, Endnote 7, available here, [https://www.nyse.com/publicdocs/nyse/markets/arca-options/NYSE\\_Arca\\_Options\\_Fee\\_Schedule.pdf](https://www.nyse.com/publicdocs/nyse/markets/arca-options/NYSE_Arca_Options_Fee_Schedule.pdf) (describing Firm Facilitation and Broker Dealer facilitating a Customer—Manual). NYSE Arca likewise does not charge transaction fees for firm facilitation trades.

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

<sup>9</sup> 15 U.S.C. 78f(b)(4) and (5).

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

In accordance with section 6(b)(8) of the Act,<sup>10</sup> the Exchange does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes the proposed amendment is pro-competitive as expanding the definition of Firm Facilitation trades consistent with other markets may encourage additional order flow to be direction to the Exchange and any resulting increase in volume and liquidity to the Exchange would benefit all Exchange participants through increased opportunities to trade as well as enhancing price discovery.

The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues. In such an environment, the Exchange must continually review, and consider adjusting, its fees and credits to remain competitive with other exchanges. For the reasons described above, the Exchange believes that the proposed rule change reflects this competitive environment.

## 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

The foregoing rule change is effective upon filing pursuant to section 19(b)(3)(A)<sup>11</sup> of the Act and subparagraph (f)(2) of Rule 19b-4<sup>12</sup> thereunder, because it establishes a due, fee, or other charge imposed by the Exchange.

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. If the Commission takes such action, the Commission shall institute proceedings under section 19(b)(2)(B)<sup>13</sup> of the Act to determine whether the proposed rule

change should be approved or 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](mailto:rule-comments@sec.gov). Please include File Number SR-NYSEMKT-2016-50 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-2016-50. 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 the 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-NYSEMKT-2016-50, and should be submitted on or before June 7, 2016.

<sup>10</sup> 15 U.S.C. 78f(b)(8).

<sup>11</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>12</sup> 17 CFR 240.19b-4(f)(2).

<sup>13</sup> 15 U.S.C. 78s(b)(2)(B).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>14</sup>

**Robert W. Errett,**

*Deputy Secretary.*

[FR Doc. 2016-11544 Filed 5-16-16; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 32113; File No. 812-14561]

### TCW Alternative Funds, et al.; Notice of Application

May 11, 2016.

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

**ACTION:** Notice of an application for an order pursuant to: (a) Section 6(c) of the Investment Company Act of 1940 ("Act") granting an exemption from sections 18(f) and 21(b) of the Act; (b) section 12(d)(1)(J) of the Act granting an exemption from section 12(d)(1) of the Act; (c) sections 6(c) and 17(b) of the Act granting an exemption from sections 17(a)(1), 17(a)(2) and 17(a)(3) of the Act; and (d) section 17(d) of the Act and rule 17d-1 under the Act to permit certain joint arrangements and transactions.

*Summary of the Application:* Applicants request an order that would permit certain registered open-end management investment companies to participate in a joint lending and borrowing facility.

*Applicants:* TCW Alternative Funds and Metropolitan West Funds (each a "Trust" and collectively the "Trusts"), TCW Funds, Inc. (the "Corporation"); TCW Investment Management Company ("TCWIMC") and Metropolitan West Asset Management, LLC ("MWAM") (each, an "Adviser," and such entities together, the "Advisers").

*Filing Dates:* The application was filed on October 5, 2015, and amended on January 28, 2016 and May 10, 2016.

*Hearing or Notification of Hearing:* An order granting the requested relief will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission's Secretary and serving applicants with a copy of the request, personally or by mail.

Hearing requests should be received by the Commission by 5:30 p.m. on June 6, 2016, and should be accompanied by proof of service on the applicants, in the form of an affidavit, or, for lawyers, a certificate of service. Pursuant to Rule 0-5 under the 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 who wish to be notified of a hearing may request notification by writing to the Commission's Secretary.

**ADDRESSES:** Secretary, U.S. Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090; Applicants: 865 S. Figueroa Street, Suite 1800, Los Angeles, CA 90017.

**FOR FURTHER INFORMATION CONTACT:** Mark N. Zaruba, Senior Counsel, at (202) 551-6878 or Mary Kay Frech, Branch Chief, at (202) 551-6821 (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 by searching for the file number, or an applicant using the Company name box, at <http://www.sec.gov/search/search.htm> or by calling (202) 551-8090.

### Applicants' Representations

1. Each Trust is organized as a Delaware statutory trust and is registered under the Act as an open-end management investment company. The Corporation is a Maryland corporation and is registered as an open-end management investment company. Each Trust and the Corporation has issued one or more series, each of which has its own investment objective and its own investment policies.<sup>1</sup> TCWIMC is a California corporation and MWAM is a California limited liability company, and each of TCWIMC and MWAM is registered as an investment adviser under the Investment Advisers Act of 1940 ("Advisers Act"). Both are wholly-owned subsidiaries (direct or indirect) of the TCW Group, Inc., which, in turn, is owned indirectly by two investment funds that are controlled by The Carlyle Group, L.P. In the future, the Advisers may advise Funds that are money market funds that comply with rule 2a-

<sup>1</sup> Applicants request that the order apply to any registered open-end management investment company or series thereof for which TCWIMC, MWAM or any successor thereto or an investment adviser controlling, controlled by, or under common control (within the meaning of section 2(a)(9) of the Act) with TCWIMC or MWAM or any successor thereto serves as investment adviser (each a "Fund" and collectively the "Funds" or each such investment adviser an "Adviser"). For purposes of the requested order, "successor" is limited to any entity that results from a reorganization into another jurisdiction or a change in the type of a business organization.

7 under the Act (collectively, the "Money Market Funds").<sup>2</sup>

2. The Funds may lend cash to banks or other entities by entering into repurchase agreements or purchasing short-term instruments. The Funds may also need to borrow money for temporary purposes. In order to meet an unexpected volume of redemptions or to cover unanticipated cash shortfalls, the Metropolitan West Funds have contracted for a revolving credit facility with the Bank of New York Mellon Corporation, and other lenders that may be added in the future to the lending syndicate ("Bank Borrowing"). The TCW Alternative Funds and TCW Funds, Inc. may in the future join this credit facility or enter into other arrangements with other bank lenders (each also a "Bank Borrowing"). The amount of borrowing under each of these lines of credit is limited to the amount specified by fundamental investment restrictions, the terms specified in the agreements, and/or other policies of the applicable Fund and section 18 of the Act.

3. If Funds that experience a cash shortfall were to draw down on their Bank Borrowing, they would pay interest at a rate that is likely to be higher than the rate that could be earned by non-borrowing Funds on investments in repurchase agreements and other short-term money market instruments of the same maturity as the Bank Borrowing ("Short-Term Instruments"). Applicants assert the difference between the higher rate paid on Bank Borrowing and what the bank pays to borrow under repurchase agreements or other arrangements represents the bank's profit for serving as the middleperson between a borrower and lender and is not attributable to any material difference in the credit quality or risk of such transactions.

4. The Funds seek to enter into master interfund lending agreements with each other (the "InterFund Program") that would permit each Fund whose policies permit it to do so to lend money directly to and borrow money directly from other Funds for temporary purposes through the InterFund Program (an "Interfund Loan"). The Money Market Funds will not participate as borrowers. Applicants state that the requested will relief enable the Funds to access an available source of money and reduce costs incurred by the Funds that need to obtain loans for temporary purposes and permit those Funds that have cash

<sup>2</sup> All Funds that currently intend to rely on the requested order have been named as applicants. Any other Fund that relies on the requested order in the future will comply with the terms and conditions of the application.

<sup>14</sup> 17 CFR 200.30-3(a)(12).