

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>19</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>20</sup> in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest. In addition, the Exchange believes that the proposal furthers the objectives of Section 6(b)(7) of the Act,<sup>21</sup> in particular, in that these changes will continue to provide for fair procedures for the disciplining of members and persons associated with members, the denial of membership to any person seeking membership therein, the barring of any person from becoming associated with a member thereof, and the prohibition or limitation by the Exchange of any person with respect to access to services offered by the Exchange or a member thereof.

The Exchange believes that this proposal is in keeping with those principles because it will ensure that certain contested matters retained by BX Regulation are handled effectively, efficiently and with immediacy. The ability to assume responsibility for the handling of certain contested matters will ensure that contested cases are handled promptly when, for example, FINRA's litigation resources are strained or when it is otherwise unable or unwilling to handle a particular matter. This will enable the Exchange to take timely action when appropriate to enforce its rules, hold bad actors accountable, and protect investors and market integrity. This proposal, however, would not change or alter in any way the disciplinary processes around how contested matters are handled. Rather, it will result in more effective regulation because it will facilitate timely and more efficient action. Internalizing the litigation function in certain contested matters will also facilitate effective regulation because the Exchange will continue to bring to bear its overall market and surveillance expertise throughout the disciplinary proceedings.

### *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 not necessary or appropriate in furtherance

of the purposes of the Act. The proposed rule change is not intended to address competitive issues but rather to enable the Exchange to have the option to litigate certain contested matters when FINRA is unable or unwilling to do so through the RSA.

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

No written comments were either solicited or received.

## 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 Exchange consents, the Commission shall: (a) By order approve or disapprove such 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, as modified by Amendment No. 1, 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-BX-2020-007 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-BX-2020-007. 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 website (<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 10:00 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. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-BX-2020-007 and should be submitted on or before May 21, 2020.

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

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

[FR Doc. 2020-09124 Filed 4-29-20; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 33855]

### Notice of Applications for Deregistration Under Section 8(f) of the Investment Company Act of 1940

April 24, 2020.

The following is a notice of applications for deregistration under section 8(f) of the Investment Company Act of 1940 for the month of April 2020. A copy of each application may be obtained via the Commission's website by searching for the file number, or for an applicant using the Company name box, at <http://www.sec.gov/search/search.htm> or by calling (202) 551-8090. An order granting each application will be issued unless the SEC orders a hearing. Interested persons may request a hearing on any application by emailing the SEC's Secretary at [Secretaries-Office@sec.gov](mailto:Secretaries-Office@sec.gov) and serving the relevant applicant with a copy of the request by email, if an email address is listed for the relevant applicant below, or personally or by mail, if a physical address is listed for

<sup>19</sup> 15 U.S.C. 78f(b).

<sup>20</sup> 15 U.S.C. 78f(b)(5).

<sup>21</sup> 15 U.S.C. 78f(b)(7).

<sup>22</sup> 17 CFR 200.30-3(a)(12).

the relevant applicant below. Hearing requests should be received by the SEC by 5:30 p.m. on May 19, 2020, and should be accompanied by proof of service on 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 at Secretaries-Office@sec.gov.

**ADDRESSES:** The Commission:  
Secretaries-Office@sec.gov.

**FOR FURTHER INFORMATION CONTACT:** Shawn Davis, Assistant Director, at (202) 551–6413 or Chief Counsel's Office at (202) 551–6821; SEC, Division of Investment Management, Chief Counsel's Office, 100 F Street NE, Washington, DC 20549–8010.

**AB Pooling Portfolios [File No. 811–21673]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. Expenses of \$9,000 incurred in connection with the liquidation were paid by the applicant.

*Filing Date:* The application was filed on September 18, 2019, and amended on April 7, 2020.

*Applicant's Address:* king@sewkis.com.

**Capital Appreciation Variable Account/MA [File No. 811–03561]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. On December 2, 2011, the applicant transferred its assets to MFS Massachusetts Investors Growth Stock Portfolio, a series of MFS Variable Insurance Trust II. Expenses of \$62,998.71 incurred in connection with the reorganization were paid by the applicant's investment adviser.

*Filing Dates:* The application was filed on October 17, 2019, and amended on March 10, 2020.

*Applicant's Address:* Legal@mfs.com.

**Churchill Cash Reserves Trust [File No. 811–04229]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. On December 20, 2019, applicant made liquidating distributions to its shareholders based on net asset value. No expenses were incurred in connection with the liquidation.

*Filing Dates:* The application was filed on December 24, 2019.

*Applicant's Address:* info@aquilafunds.com.

**Eaton Vance New York Municipal Bond Fund II [File No. 811–21218]**

*Summary:* Applicant, a closed-end investment company, seeks an order declaring that it has ceased to be an investment company. The applicant has transferred its assets to Eaton Vance New York Municipal Bond Fund and, on December 14, 2018, made a final distribution to its shareholders based on net asset value. Expenses of approximately \$45,123 incurred in connection with the reorganization were paid by the applicant.

*Filing Date:* The application was filed on March 6, 2020.

*Applicant's Address:* jdamon@eatonvance.com.

**Fairholme VP Series Fund, Inc. [File No. 811–22490]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. Applicant has never made a public offering of its securities and does not propose to make a public offering or engage in business of any kind.

*Filing Dates:* The application was filed on November 14, 2019, and amended on March 6, 2020.

*Applicant's Address:* fcminfo@fairholme.net.

**FS Variable Annuity Account Two [File No. 811–08624]**

*Summary:* Applicant, a unit investment trust, seeks an order declaring that it has ceased to be an investment company. The applicant has transferred its assets to FS Variable Separate Account. Expenses of less than \$10,000 incurred in connection with the reorganization were paid by The United States Life Insurance Company in the City of New York.

*Filing Date:* The application was filed on December 19, 2019.

*Applicant's Address:* Lucia.Williams@aig.com.

**Grosvenor Registered Multi-Strategy Fund (W), LLC [File No. 811–22857]**

*Summary:* Applicant, a closed-end investment company, seeks an order declaring that it has ceased to be an investment company. The applicant has transferred its assets to Grosvenor Registered Multi-Strategy Fund (TI 1), LLC and, on November 30, 2019, made a final distribution to its shareholders based on net asset value. Expenses of \$181,616.43 incurred in connection with the reorganization were paid by the applicant and Grosvenor Registered

Multi-Strategy Fund (TI 1), LLC, the acquiring fund.

*Filing Dates:* The application was filed on January 23, 2020.

*Applicant's Address:* Abigail.Hemnes@klgates.com.

**Steben Select Multi-Strategy Fund [File No. 811–22824]**

*Summary:* Applicant, a closed-end investment company, seeks an order declaring that it has ceased to be an investment company. On March 31, 2019, applicant made liquidating distributions to its shareholders based on net asset value. No expenses were incurred in connection with the liquidation.

*Filing Dates:* The application was filed on August 19, 2019, and amended on December 17, 2019.

*Applicant's Address:* jessen@LoCorrFunds.com.

**Steben Select Multi-Strategy Master Fund [File No. 811–22872]**

*Summary:* Applicant, a closed-end investment company, seeks an order declaring that it has ceased to be an investment company. On April 30, 2019, applicant made liquidating distributions to its shareholders based on net asset value. No expenses were incurred in connection with the liquidation.

*Filing Dates:* The application was filed on August 16, 2019, and amended on December 17, 2019.

*Applicant's Address:* jessen@LoCorrFunds.com.

**Variable Annuity Account One [File No. 811–04296]**

*Summary:* Applicant, a unit investment trust, seeks an order declaring that it has ceased to be an investment company. The applicant has transferred its assets to Variable Separate Account. Expenses of less than \$10,000 incurred in connection with the reorganization were paid by American General Life Insurance Company.

*Filing Date:* The application was filed on December 19, 2019.

*Applicant's Address:* Lucia.Williams@aig.com.

**Variable Annuity Account Four [File No. 811–08874]**

*Summary:* Applicant, a unit investment trust, seeks an order declaring that it has ceased to be an investment company. The applicant has transferred its assets to Variable Separate Account. Expenses of less than \$10,000 incurred in connection with the reorganization were paid by American General Life Insurance Company.

*Filing Date:* The application was filed on December 19, 2019.

*Applicant's Address: Lucia.Williams@aig.com.*

#### **Variable Annuity Account Two [File No. 811-08626]**

**Summary:** Applicant, a unit investment trust, seeks an order declaring that it has ceased to be an investment company. The applicant has transferred its assets to Variable Separate Account. Expenses of less than \$10,000 incurred in connection with the reorganization were paid by American General Life Insurance Company.

**Filing Date:** The application was filed on December 19, 2019.

*Applicant's Address: Lucia.Williams@aig.com.*

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

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**BILLING CODE 8011-01-P**

## **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-88743; File No. SR-NASDAQ-2020-011]

### **Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Order Approving Proposed Rule Change To Amend Rules 4702(b)(14) and (b)(15) To Shorten the Holding Period Requirements for Midpoint Extended Life Orders and Midpoint Extended Life Orders Plus Continuous Book**

April 24, 2020.

#### **I. Introduction**

On February 26, 2020, The Nasdaq Stock Market LLC ("Exchange" or "Nasdaq") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to amend Nasdaq Rules 4702(b)(14) and (b)(15) to shorten the holding period requirements for Midpoint Extended Life Orders ("M-ELOs") and Midpoint Extended Life Orders Plus Continuous Book ("M-ELO+CBs"). The proposed rule change was published for comment in the **Federal Register** on March 10, 2020.<sup>3</sup>

This order approves the proposed rule change.

#### **II. Description of the Proposal**

M-ELO is an order type with a non-display order attribute that is priced at the midpoint between the national best bid and national best offer ("NBBO") and that will not be eligible to execute until a holding period of one-half second ("Holding Period") has passed after acceptance of the order by the system.<sup>4</sup> Once a M-ELO becomes eligible to execute, the order may only execute against other eligible M-ELOs and M-ELO+CBs.<sup>5</sup>

M-ELO+CB is an order type that has all of the characteristics and attributes of a M-ELO, except that after satisfying its Holding Period, in addition to executing against other eligible M-ELO+CBs and M-ELOs, it may also execute against certain orders on the Exchange's continuous book.<sup>6</sup> Specifically, a M-ELO+CB may execute against non-displayed orders with midpoint pegging and midpoint peg post-only orders (collectively, "Midpoint Orders") resting on the Exchange's continuous book, if: (1) The Midpoint Order has the midpoint trade now order attribute enabled; (2) the Midpoint Order has rested on the continuous book for at least one-half second ("Resting Period") after the NBBO midpoint falls within the limit price set by the participant; (3) no other order is resting on the continuous book that has a more aggressive price than the current NBBO midpoint; and (4) the Midpoint Order satisfies any minimum quantity requirement of the M-ELO+CB.<sup>7</sup>

The Exchange now proposes to shorten the Holding Period for M-ELOs and M-ELO+CBs from one-half second to ten milliseconds.<sup>8</sup> The Exchange also proposes to shorten the corresponding Resting Period for Midpoint Orders from one-half second to ten milliseconds.<sup>9</sup> According to the Exchange, after observing M-ELO and M-ELO+CB trading over the past two years and gathering feedback from market participants (in particular, those that trade with a longer time horizon and are concerned with market impact), it has determined that the length of the Holding Period should be recalibrated.<sup>10</sup>

The Exchange states that reducing the Holding Period to ten milliseconds would not compromise the purpose of the M-ELO and M-ELO+CB order types.<sup>11</sup> In particular, the Exchange states that it examined historical M-ELO executions and found that reducing the Holding Period to ten milliseconds would not have a material impact on its protective effect.<sup>12</sup>

The Exchange states that it will continue to conduct real-time surveillance to monitor the use of M-ELOs and M-ELO+CBs to ensure that such usage remains appropriately tied to the intent of the order types.<sup>13</sup> If, as a result of such surveillance, the Exchange determines that the shortened Holding Period does not serve its intended purpose or adversely impacts market quality, the Exchange would seek to make further recalibrations.<sup>14</sup>

The Exchange intends to make the proposed changes effective in the second quarter of 2020 and will publish a trader alert at least 14 days in advance of making the proposed changes effective.<sup>15</sup>

#### **III. Discussion and Commission Findings**

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.<sup>16</sup> In particular, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,<sup>17</sup> which requires, among other things, that the rules of a national securities exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to

symbols that on average have a lower time-to-execution than one-half second, they are reticent to enter M-ELOs and M-ELO+CBs because the Holding Period is too long and presents countervailing risks (*i.e.*, the Holding Period is longer than necessary and participants risk losing out on favorable execution opportunities that would otherwise be available to them had they placed a non-M-ELO or M-ELO+CB order). *See id.* In addition, the Exchange states that many institutional routing strategies recalibrate and will route an order based on where trading activity is occurring, and this recalibration could occur before the completion of the Holding Period. *See id.*

<sup>11</sup> *See id.*

<sup>12</sup> *See id.*

<sup>13</sup> *See id.* at 13964.

<sup>14</sup> *See id.*

<sup>15</sup> *See id.*

<sup>16</sup> In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. *See* 15 U.S.C. 78c(f).

<sup>17</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.

<sup>3</sup> *See* Securities Exchange Act Release No. 88320 (March 4, 2020), 85 FR 13962 ("Notice"). Comments on the proposed rule change can be found at: <https://www.sec.gov/comments/sr-nasdaq-2020-011/srnasdaq2020011.htm>.

<sup>4</sup> *See* Nasdaq Rule 4702(b)(14).

<sup>5</sup> *See id.*

<sup>6</sup> *See* Nasdaq Rule 4702(b)(15).

<sup>7</sup> *See id.*

<sup>8</sup> *See* proposed Nasdaq Rule 4702(b)(14).

<sup>9</sup> *See* proposed Nasdaq Rule 4702(b)(15).

<sup>10</sup> *See* Notice, *supra* note 3, at 13963. The Exchange also states that participants have informed the Exchange that in certain circumstances, such as when they seek to trade