

**Title:** Recreation Visitor Use Surveys  
**Frequency:** Varies by survey.  
**Respondents:** Respondents to the surveys will be members of the public engaged in recreational activities on our lands. Several surveys target people engaged in various activities such as boating on a specific lake, or people

camping at a developed campground. Visitors will primarily consist of local residents, people from large metropolitan areas in the vicinity of the lake/reservoir, and people from out of state.

**Estimated Total Number of Respondents:** 7,531

**Estimated Number of Responses per Respondent:** 1.0

**Estimated Total of Annual Responses:** 7,531

**Estimated Total Annual Burden Hours on Respondents:** 2,043

#### ESTIMATE OF BURDEN FOR EACH FORM

Survey instrument	Burden estimate per survey (in minutes)	Number of surveys (times/yr.)	Number of respondents per survey	Total estimated number of respondents	Total annual hour burden
Marina Survey .....	10	2	278	556	93
Campground Survey .....	25	2	278	556	232
River Instream Flow Survey .....	20	2	278	556	185
Reservoir Preferred Water Level Survey .....	15	2	278	556	139
Lake/River Visit Expenditure Survey .....	15	2	278	556	139
Recreation Activities Survey .....	15	2	278	556	139
Recreation Management Survey .....	15	2	278	556	139
Recreation Fee Survey .....	10	1	581	581	97
Recreation Development Survey .....	15	2	278	556	139
Water Level Impacts on Recreation Boating Use .....	10	2	278	556	93
River Recreation Quality Survey .....	20	2	278	556	185
Customized Surveys .....	20	5	278	1,390	463
<b>Totals .....</b>				<b>7,531</b>	<b>2,043</b>

#### Comments

Comments are invited on:

(a) Whether the proposed collection of information is necessary for the proper performance of our functions, including whether the information will have practical use;

(b) The accuracy of our estimated time and cost burdens of the proposed new collection of information, including the validity of the methodology and assumptions used;

(c) Ways to enhance the quality, use, and clarity of the information to be collected; and

(d) Ways to minimize the burden of the collection of information on respondents, including increased use of automated collection techniques or other forms of information technology.

We will summarize all comments received regarding this notice. We will publish that summary in the **Federal Register** when the information collection is submitted to OMB for review and approval.

Before including your address, phone number, email address, or other personal identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time. While you can ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

Dated: August 6, 2014.

**Karl Stock,**

*Acting Director, Policy and Administration.*

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**BILLING CODE 4310-MN-P**

#### DEPARTMENT OF LABOR

##### Employee Benefits Security Administration

[Application No. D-11730]

##### Notice of Proposed Amendment to PTE 2012-10, Involving Renaissance Technologies, LLC (Renaissance or the Applicant) Located in New York, New York

**AGENCY:** Employee Benefits Security Administration, U.S. Department of Labor.

**ACTION:** Proposed amendment to exemption.

**SUMMARY:** This document contains a notice of pendency before the Department of Labor (the Department) of a proposed amendment to an individual exemption from certain prohibited transaction restrictions of the Employee Retirement Income Security Act of 1974, as amended (ERISA or the Act), and the Internal Revenue Code of 1986, as amended (the Code). The proposed amendment, if granted, would amend Prohibited Transaction Exemption (PTE) 2012-10 in order to allow for the investment by employees of

Renaissance participating in the Renaissance Technologies, LLC 401(k) Plan, through such employees' 401(k) plan accounts, in certain proprietary funds managed by Renaissance.

**DATES:** *Effective Date:* This proposed amendment, if granted, would be effective as of the earlier of the date of publication in the **Federal Register** of such grant of amendment or October 1, 2014.

**DATES:** Written comments and hearing requests are due within 33 days of the publication of the notice of proposed amendment in the **Federal Register**. All comments will be made available to the public.

**ADDRESSES:** Comments and requests for a hearing should state: (1) The name, address, and telephone number of the person making the comment or request, and (2) the nature of the person's interest in the proposed exemption and the manner in which the person would be adversely affected by the exemption, if granted. A request for a hearing must also state the issues to be addressed and include a general description of the evidence to be presented at the hearing. All written comments and requests for a public hearing concerning the proposed exemption should be sent to the Office of Exemption Determinations, Employee Benefits Security Administration, Room N-5700, U.S. Department of Labor, 200 Constitution Avenue NW., Washington DC 20210, Attention: Application No. D-11730.

Interested persons are also invited to submit comments and/or hearing requests to EBSA via email or FAX. Any such comments or requests should be sent either by email to: [moffitt.betty@dol.gov](mailto:moffitt.betty@dol.gov), or by FAX to (202) 219-0204 by the end of the scheduled comment period. The application for exemption and the comments received will be available for public inspection in the Public Documents Room of the Employee Benefits Security Administration, U.S. Department of Labor, Room N-1515, 200 Constitution Avenue NW., Washington, DC 20210. Comments and hearing requests will also be available online at [www.regulations.gov](http://www.regulations.gov) and [www.dol.gov/ebsa](http://www.dol.gov/ebsa), at no charge.

**Warning:** If you submit written comments or hearing requests, do not include any personally identifiable information (such as name, address, or other contact information) or confidential business information that you do not want publicly disclosed. All comments and hearing requests may be posted on the Internet and can be retrieved by most Internet search engines.

**FOR FURTHER INFORMATION CONTACT:**

Jennifer Erin Brown, Office of Exemption Determinations, Employee Benefits Security Administration, U.S. Department of Labor, telephone (202) 693-8352. (This is not a toll-free number).

**SUPPLEMENTARY INFORMATION:**

Renaissance is seeking to amend PTE 2012-10 (77 FR 23756, April 20, 2012) in order to allow for the investment in certain proprietary funds managed by Renaissance (the Medallion Funds), through certain feeder funds (the New Medallion Vehicles), by employees of Renaissance participating in the Renaissance Technologies, LLC 401(k) Plan (the 401(k) Plan), through such employees' 401(k) plan accounts (the 401(k) Accounts). PTE 2012-10 provides exemptive relief from sections 406(a)(1)(A) and 406(a)(1)(D) of the Act and sections 4975(c)(1)(A) and (D) of the Code for (1) the direct or indirect acquisition by the IRA of an employee or an owner permitted to invest in the Medallion Funds following the termination of their Renaissance employment (each, a Participant) or the spouse (Spouse) of such Participant, of an interest in a Medallion Fund through such IRA's acquisition of an interest in a New Medallion Vehicle; (2) the acquisition of an additional interest by the IRA in a New Medallion Vehicle; and (3) the redemption of all or a portion of a Participant's or Spouse's

IRA's interest in a New Medallion Vehicle.

The proposed amendment to PTE 2012-10 has been requested by Renaissance pursuant to section 408(a) of the Act and section 4975(c)(2) of the Code, and in accordance with the procedures set forth in 29 CFR Part 2570, Subpart B (76 FR 66637, 66644, October 27, 2011). Effective December 31, 1978, section 102 of the Reorganization Plan No. 4 of 1978, 5 U.S.C. App. 1 (1996), transferred the authority of the Secretary of the Treasury to issue administrative exemptions under section 4975(c)(2) of the Code to the Secretary of Labor. Accordingly, this notice of proposed amendment is being issued solely by the Department.

**Summary of Facts and Representations<sup>1</sup>**

*Background*

1. Renaissance Technologies, LLC (together with its affiliates is referred to as Renaissance, or the Applicant) submitted a request that Prohibited Transaction Exemption (PTE) 2012-10 (77 FR 23756, April 20, 2012) be amended. As described in further detail below, PTE 2012-10 is an exemption previously granted to Renaissance that provides relief from certain prohibited transaction provisions of ERISA for transactions arising in connection with the investment by individual retirement accounts (IRAs) owned by Renaissance's employees, certain Renaissance owners, and the spouses of such employees and owners (IRA Holders), in six privately offered collective investment vehicles managed by Renaissance. Unless otherwise noted, the facts and representations of PTE 2012-10 are incorporated herein.<sup>2</sup>

2. Renaissance is an investment adviser registered with the SEC and a commodity pool operator and commodity trading advisor registered with the CFTC. The firm was founded in 1982 and is headquartered in New York City, and its research and trading activities are conducted from its office in East Setauket, New York. Renaissance implements quantitative investment strategies on behalf of its clients, employing quantitative analysis, specifically, mathematical and statistical methods, to uncover technical indicators with predictive value. This

<sup>1</sup> The Summary of Facts and Representations (the Summary) is based on the Applicant's representations and does not reflect the views of the Department, unless indicated otherwise.

<sup>2</sup> The Applicant represents that, to the best of its knowledge, Renaissance has complied with all applicable conditions of PTE 2012-10.

analysis is used to construct proprietary computer models which use publicly available financial data to identify and implement trading decisions electronically. Renaissance's quantitative analysis and trading activities are applied to mature, highly liquid, publicly-traded instruments in both U.S. and foreign markets.

3. The Applicant represents that it has approximately 295 employees, about 100 of whom are owners of Renaissance. According to the Applicant, many of Renaissance's employees are specialists with non-financial backgrounds, including mathematicians, physicists, astrophysicists, and statisticians. Additionally, Renaissance represents that over one third of its 200 employees at its main office have Ph.D.s.

4. Renaissance is the investment manager of fifteen privately offered U.S. and non-U.S. collective investment vehicles (the Funds) with aggregate net assets under management as of March 31, 2013, of approximately \$24 billion, comprised of nine proprietary funds (the Proprietary Funds) and six non-proprietary funds (the non-Proprietary Funds). The Proprietary Funds are comprised almost exclusively of assets of Renaissance and its owners and employees, and include, among others, six privately offered collective investment vehicles called the "Medallion Funds" and the feeder fund known as "Kaleidoscope." According to the Applicant, none of the assets of any Proprietary Fund qualify as "plan assets" of any "benefit plan investor," as those terms are defined in section 3(42) of the Act and 29 CFR 2510.3-101.

5. Renaissance's non-Proprietary Funds consist primarily of assets of clients, such as foundations, private and public-sector pension funds, financial institutions, and high net worth individuals, as well as a small amount of proprietary assets. As of March 31, 2013, the breakdown of aggregate assets under management between the Proprietary Funds and the non-Proprietary Funds is \$12.7 billion and \$11.3 billion, respectively. With respect to the Proprietary Funds, the Applicant states that the Medallion Funds represent approximately \$10.3 billion of the Proprietary Funds' \$12.7 billion in assets under management, as of March 31, 2013.

6. Renaissance explains that the Medallion Funds are organized in a "master-feeder" structure, with investors owning shares of a "feeder fund" that invests directly in one or more "master funds," generally organized as such for tax or other regulatory reasons. There are six Medallion feeder funds (the Medallion

FFs), each of which is intended for investors who meet certain criteria specific to that Medallion FF concerning that investor's residency (U.S. or non-U.S.) and regulatory status under the U.S. federal securities laws. All equity interests in each Medallion FF are owned by the investors in that Medallion FF, and, as described below, also by Renaissance (in certain Medallion FFs).

7. The Applicant states that the Medallion FFs all have the same investment objectives and trading strategies and currently do, and will, invest and trade together through the same master trading vehicles that were formed solely for that purpose, known as the "Medallion Master Funds." All investment capital in each Medallion FF (minus a small amount necessary to pay expenses at the Medallion FF level) is re-invested in the Medallion Master Funds where all investment and trading activities occur. The Medallion Master Funds and the Medallion FFs are organized as either limited partnerships or corporations, and all equity interests in the Medallion Master Funds are owned collectively and directly by one or more of the Medallion FFs, and indirectly, primarily by Renaissance, owners of Renaissance, and Renaissance's employees. All investors in the Medallion FFs (as well as the other Proprietary Funds and non-Proprietary Funds) must, among other things, meet the entry requirements established under the U.S. federal securities laws for admission.<sup>3</sup> Further, the Medallion Funds are audited annually by a nationally-recognized accounting firm.

8. According to the Applicant, the Medallion Funds invest and trade in various types of financial instruments as determined by Renaissance, including, without limitation: (a) equity securities and related instruments, such as common and preferred stocks, ADRs, options, warrants, convertible securities and swaps and other derivatives relating to equity securities, (b) futures contracts (and options thereon) and forward contract transactions, and (c) fixed income securities and related derivatives, including U.S. and non-U.S. government issued (and U.S. government agency guaranteed) securities, mortgage-related securities and derivatives and credit default swaps.

9. The Applicant states that the risk of investing in the Medallion Funds

results from a variety of factors, including the volatility in the various markets for financial instruments that the Funds trade in, the use of leverage (which can exacerbate both profits and losses), and the uncertainty of governmental actions around the world and their impact on the interconnected global financial markets (e.g., actions of central banks that affect interest rates in various currencies). However, the Applicant observes that these risks are mitigated by several factors, including the Medallion Funds' broad investment diversification, the liquidity of most of the instruments the Funds trade, the quarterly liquidity afforded to each investor, and the success that Renaissance has achieved in trading the various Medallion Funds that have resulted in average annual returns (before management fees and performance allocations) of 71.88% over the twenty year period from January 1994 to December 2013.

10. One of the nine Proprietary Funds maintained by Renaissance is Kaleidoscope, a Delaware limited liability company, established exclusively as a "perk" to Renaissance's employees who do not meet the financial qualification requirements under the U.S. federal securities laws for eligibility to invest in any of the other eight Proprietary Funds.<sup>4</sup> Kaleidoscope is a "fund-of-funds" that currently invests in the Medallion Funds through one of the Medallion FFs, known as "Medallion RMP," in addition to the other Proprietary Funds. Further, as Kaleidoscope only invests in the Proprietary Funds, it invests indirectly in the instruments and transactions that such Funds invest in directly. Kaleidoscope is also audited annually by a nationally-recognized accounting firm.

#### *PTE 2012-10*

11. In seeking PTE 2012-10, Renaissance represented that many of its employees were unhappy with the investment options offered under the 401(k) defined contribution plan previously maintained by Renaissance (the Old 401(k) Plan), and they expressed an interest in investing their retirement assets in the Medallion Funds or in another investment vehicle managed by Renaissance in order to take advantage of such Funds' record of investment performance.

12. According to the Applicant, Renaissance determined that the best

opportunity for its employees and certain owners of Renaissance (Participants) to invest their retirement assets in the Medallion Funds was by terminating the Old 401(k) Plan and permitting such investment through the IRAs of such individuals. Furthermore, Renaissance determined that spouses of Participants (Spouses) would be allowed to invest through their IRAs to the extent such investment is allowed under investment guidelines governing the Medallion Funds.

13. Therefore, in order to facilitate investment by Participants and their Spouses in the Medallion Funds, Renaissance created a group of new feeder funds that would only accept investment from the IRAs of such individuals. Specifically, Renaissance created "New Medallion FF," "New Medallion FF RMPRF," and "New Kaleidoscope," referred to collectively as the "New Medallion Vehicles," designed solely to channel the investment of Participants' and Spouses' IRAs into the Medallion Funds. Renaissance also created two other feeder funds designed to facilitate the investment by IRAs into other of Renaissance's Proprietary Funds (the non-Medallion Funds).

14. New Medallion FF is organized as a Bermuda Limited Partnership that elects to be treated as a corporation for US Federal Income Tax purposes, and invests directly in the Medallion Funds. New Medallion FF is available only to IRAs maintained by IRA Holders who meet the same investor qualifications as those investing in the Medallion Funds. New Kaleidoscope is a new fund-of-funds that is available only to IRAs maintained by IRA Holders that do not meet the investor qualifications to invest directly in the New Medallion FF. New Kaleidoscope is organized as a Delaware limited liability company, and invests in the Medallion Funds through New Medallion FF RMPRF, a Bermuda Limited Partnership that will elect to be treated as a corporation for US Federal Income Tax purposes.<sup>5</sup> In addition, New Kaleidoscope will invest in the two other newly established feeder funds which are designed to facilitate investment in the non-Medallion Funds.

In connection with the investment by IRA Holders in the Medallion Funds, through the New Medallion Vehicles, absolutely no management fees or other

<sup>3</sup> The Medallion FFs currently operate under the exemptions set forth in sections 3(c)(7), 3(c)(1), or 6(b) of the 1940 Act, and Rule 506 of Regulation D under the Securities Act of 1933, as amended (the 1933 Act).

<sup>4</sup> Kaleidoscope currently operates under the exemption set forth in section 3(c)(1) of the 1940 Act and Rule 506 of Regulation D under the 1933 Act.

<sup>5</sup> New Medallion FF and New Medallion FF RMPRF are structurally identical, save for the securities law qualifications for investors' admittance. Furthermore, New Medallion FF accepts direct IRA investment, whereas New Medallion FF RMPRF only accepts investment by New Kaleidoscope, and thus has no direct investment by IRAs.

fees or profit participations in the form of performance allocations or otherwise, direct or indirect, are charged to or imposed on the IRAs of such Participants and Spouses.<sup>6</sup>

15. Effective January 1, 2012, PTE 2012–10 provides relief from section 406(a)(1)(A) and (D) of the Act and the sanctions resulting from the application of section 4975 of the Code, by reason of section 4975(c)(1)(A) and (D) of the Code, for the direct or indirect acquisition by a Participant's IRA of an interest in a Medallion Fund through such IRA's acquisition of an interest in a New Medallion Vehicle, the acquisition of an additional interest by a Participant's IRA in a New Medallion Vehicle, and the redemption of all or a portion of a Participant's IRA's interest in a New Medallion Vehicle. PTE 2012–10 also provides relief from the sanctions resulting from the application of section 4975 of the Code, by reason of section 4975(c)(1)(A) and (D) of the Code, for the direct or indirect acquisition by a Spouse's IRA of an interest in a Medallion Fund through such IRA's acquisition of an interest in a New Medallion Vehicle, the acquisition of an additional interest by a Spouse's IRA in a New Medallion Vehicle, and the redemption of all or a portion of a Spouse's IRA's interest in a New Medallion Vehicle.

16. The Applicant is seeking to amend PTE 2012–10 in order to allow for the investment in the New Medallion Vehicles by employees of Renaissance participating in the new Renaissance Technologies, LLC 401(k) Plan (the 401(k) Plan), through such employees' 401(k) plan accounts (the 401(k) Accounts). In addition, such amendment, if granted, would modify certain definitional terms to more accurately incorporate the broadened scope of relief now sought by the Applicant.

#### *The New 401(k) Plan*

17. Renaissance represents that it established the 401(k) Plan, effective December 16, 2011, in order to replace the Old 401(k) Plan.<sup>7</sup> The Applicant states that the 401(k) Plan is a preapproved volume submitter 401(k) profit sharing plan sponsored by the Lincoln Trust Company (Lincoln, or the Trustee) that received a favorable

opinion letter dated July 1, 2011.<sup>8</sup> The 401(k) Plan is administered by a five-person committee (the Committee), appointed by the Board of Directors of Renaissance, that has authority to designate investment alternatives under the 401(k) Plan. Renaissance has, pursuant to the terms of the 401(k) Plan, the duty and responsibility to appoint, monitor and remove the Trustee, the Committee, and any investment manager performing services to the 401(k) Plan.

18. According to the Applicant, the 401(k) Plan currently offers the following designated investment alternatives: Thirty-five mutual funds representing six different asset classes, each of which is registered under the 1940 Act, as well as investments in the non-Medallion Funds, which are neither parties in interest nor disqualified persons to the IRAs or the 401(k) Plan.<sup>9</sup> The Applicant states that employees of Renaissance participating in the 401(k) Plan (401(k) Account Holders) have access to internet Web sites describing the various mutual fund alternatives and receive disclosure materials from Renaissance regarding the non-Medallion Funds. The Applicant represents that the 401(k) Plan is structured and administered so that it is intended to comply with Section 404(c) of ERISA and the regulations thereunder.

19. The Applicant represents that each 401(k) Account Holder has sole and complete investment discretion over his or her account balances in the 401(k) Plan. If a 401(k) Account Holder fails to provide an investment direction, the default investment fund for his/her account is the Gabelli U.S. Treasury Money Market Fund, an open-end fund with the investment objective of high current income consistent with the preservation of principal and liquidity which it seeks to achieve by investing exclusively in U.S. Treasury obligations that have remaining maturities of 397 days or less. All investments are held in trust in an "omnibus account"

maintained by the Trustee for interests of each investment alternative available under the 401(k) Plan. 401(k) Account Holders' purchase and sale directions are aggregated so that the Trustee may make a single transaction in that investment alternative that reflects all outstanding 401(k) Account Holder directions with respect to that investment alternative. 401(k) Account Holders' individual holdings in the investment alternatives are reflected through 401(k) Account Holder-level accounting by the Trustee, and communicated through 401(k) Account Holders' statements which are available online at all times and mailed or emailed to 401(k) Account Holders on a quarterly basis.

#### *Making New Medallion Vehicles Available to 401(k) Account Holders*

20. The Applicant represents that subsequent to the establishment of the 401(k) Plan in December, 2011, numerous 401(k) Account Holders expressed an interest in investing in New Medallion Vehicles through the 401(k) Plan alongside their IRA investments. According to the Applicant, 401(k) Account Holders desired the ability to invest in the New Medallion Vehicles for three main reasons. First, since 401(k) Account Holders may contribute to the 401(k) Plan through periodic compensation deferrals, they are able to "dollar-cost average" into investment alternatives by making investments at different prices. Second, and unlike IRAs, the 401(k) Plan permits 401(k) Account Holders to access amounts in their accounts in certain prescribed circumstances through loans or hardship withdrawals. Finally, newly hired, younger 401(k) Account Holders may not have IRAs attributable to personal savings or a rollover from a prior employer's plan, so the 401(k) Plan may represent their only opportunity to invest in New Medallion Vehicles through a tax-advantaged retirement vehicle.

21. The Applicant states that purchases by 401(k) Accounts of interests in the Funds will be allowed quarterly and are purchased and redeemed at net asset value in accordance with Renaissance's valuation policy and pursuant to the definition of fair market value provided in the proposed amendment, if granted. Interests in New Medallion Vehicles are purchased at net asset value as of the first business day of each calendar quarter and held by the Trustee of the 401(k) Plan in an "omnibus account," as described above. As such, the Trustee aggregates Participants' purchase and sale directions so that it makes a single

<sup>6</sup> The Applicant notes further that no management fees or profit participations of any kind are charged to IRAs investing in the two new feeder funds designed to facilitate the investment into the non-Medallion Funds.

<sup>7</sup> Renaissance terminated the Old 401(k) Plan in late 2010 and distributed its assets to participants by December 31, 2010.

<sup>8</sup> The Applicant states that the 401(k) Plan provides for compensation deferrals, matching contributions, and discretionary profit-sharing contributions. In addition, the 401(k) Plan provides that compensation deferrals may be made as "traditional" pre-tax 401(k) contributions, Roth 401(k) contributions or a combination of both. Separate accounts are maintained for each Participant with respect to his or her traditional 401(k) contributions, Roth 401(k) contributions, allocated employer matching and non-elective contributions, and rollover contributions.

<sup>9</sup> No exemptive relief was provided in PTE 2012–10 for the IRAs' acquisition of interests in the non-Medallion Funds, because the Applicant represented that neither of such Funds were a party in interest and/or disqualified person with respect to the IRAs.

transaction in that investment alternative that reflects all outstanding Participant directions with respect to that investment alternative.

22. According to Renaissance, because 401(k) Account Holders' compensation deferrals are withheld and transferred to the 401(k) Plan for each payroll period, but investments in New Medallion Vehicles may only be made as of the first day of each calendar quarter, the 401(k) Plan will provide a procedure under which compensation deferrals will be held in a "waiting fund" invested in the money market default investment fund maintained under the 401(k) Plan (presently the Gabelli U.S. Treasury Money Market Fund) pending investment in a New Medallion Vehicle pursuant to a 401(k) Account Holder's investment direction. Approximately 2 or 3 days before the end of the month preceding each calendar quarter end, the amounts in the waiting fund are submitted to Renaissance for the purchase of interests in the Funds, and such purchases will close as of the first business day of the new quarter.

23. Redemptions are also allowed quarterly. The Applicant states that 401(k) Account Holders must request redemptions on the Lincoln Trust Web site as of the 47th day before the quarter end. Redemptions of interests in New Medallion Vehicles are always made in cash. Upon redemption of an interest, the cash proceeds will be credited to the Participant's 401(k) Account, and invested in whichever of the 401(k) Plan's other investment alternatives that the Participant directs. Redemptions are closed as of the final day of each calendar quarter.

24. If the New Medallion Vehicles were designated investment alternatives of the 401(k) Plan, the Trustee would, pursuant to Participants' directions, acquire, hold and dispose of interests in New Medallion Vehicles, through an "omnibus account" as described above.<sup>10</sup>

<sup>10</sup> In PTE 2012–10, Renaissance stated that it did not choose to offer the New Medallion Vehicles as investment options to the Old 401(k) Plan, in part because there may have been issues under section 404(c) of the Act in connection with Participants' ability to reallocate their investments among the different investment options in the Old 401(k) Plan and section 401(a)(4) of the Code in connection with Participant's financial qualifications and the exclusion of certain Plan participants as a result of those restrictions. Finally, the Applicant stated that they wanted to give Participants the opportunity to take advantage of certain tax rules in 2010 applicable to Roth IRA conversions. However, the Applicant states that these concerns have been addressed through legal analysis and pro forma testing, and it can now offer investments in the New Medallion Vehicles to 401(k) Account Holders and remain in compliance with these statutory provisions and the regulations thereunder. The Department expresses no opinion herein regarding

#### *Requested Amendment of PTE 2012–10*

25. The Applicant states that Renaissance's ownership interests in the Medallion Master Funds are in excess of 50%, which causes the Medallion Master Funds to be parties in interest with respect to the 401(k) Plan within the meaning of Section 3(14)(G) of the Act.

26. Furthermore, because the only permitted investors in the New Medallion Vehicles are "benefit plan investors," as defined in section 3(42) of the Act, 25% or more of the equity interests in each New Medallion Vehicle will be held by such benefit plan investors. Thus, investment by benefit plan investors in a New Medallion Vehicle would be deemed "significant" for purposes of section 3(42) of the Act and 29 CFR 2510.3–101. Each New Medallion Vehicle would be deemed to hold "plan assets" under the Act, and each investor therein would own an undivided interest in the assets of each New Medallion Vehicle in which it invests. Additionally, because the assets of the New Medallion Vehicles consist solely of (or in the case of New Kaleidoscope, include) interests in the Medallion Master Funds, once the Trustee acquires an interest in a New Medallion Vehicle on behalf of the 401(k) Plan, the Medallion Master Funds, and, possibly, any employees, officers, directors, and 10% owners of such Funds will become parties in interest under section 3(14)(G) and (H) of the Act with respect to the 401(k) Plan.<sup>11</sup>

27. As a result, according to the Applicant, the indirect acquisition by the 401(k) Plan of an interest in a Medallion Master Fund through the acquisition of an interest in a New Medallion Vehicle would be a prohibited transaction, pursuant to Section 406(a)(1)(A) and (D) of ERISA. Redemptions of interests in a New Medallion Vehicle by the 401(k) Plan would constitute additional prohibited transactions pursuant to Sections 406(a)(1)(A) and (D) of ERISA.

28. Accordingly, the Applicant requests that PTE 2012–10 be amended to provide additional exemptive relief from the restrictions of section 406(a)(1)(A) and (D) of the Act and the sanctions resulting from the application of section 4975 of the Code, by reason of section 4975(c)(1)(A) and (D) of the Code, for the (a) direct or indirect acquisition by a 401(k) Account of an

the applicant's compliance under section 404(c) of the Act or section 401(a) of the Code.

<sup>11</sup> As the sponsor of the 401(k) Plan, Renaissance is already a party in interest under section 3(14)(A) and (C) of the Act.

interest in a Medallion Fund through such 401(k) Account's acquisition of an interest in a New Medallion Vehicle, and (b) redemption of all or a portion of a 401(k) Account's interest in a New Medallion Vehicle.<sup>12</sup>

#### *The Other Renaissance Managed RF Funds*

29. The Applicant requests that this proposed amendment to PTE 2012–10, if granted, contain terms that are defined differently than such terms are defined in PTE 2012–10. Specifically, the Applicant states that Renaissance desires to modify the definition of New Kaleidoscope in Section IV(k) of PTE 2012–10 in order to describe additional Proprietary Funds available as investments to IRA Holders and 401(k) Account Holders. The Applicant states further that New Kaleidoscope is defined as an investment vehicle that invests in three specific funds: New Medallion FF and "New RIEF/RIFF."<sup>13</sup>

30. Renaissance now desires a broader definition of New Kaleidoscope to include other Renaissance-managed collective investment vehicles (together with New RIEF/RIFF, the "Other Renaissance Managed RF Funds"). The Applicant represents further that the Other Renaissance Managed RF Funds would: (i) Offer a fee-free series of interests for investments by IRA Holders and 401(k) Account Holders (similarly

<sup>12</sup> The Applicant does not believe relief from section 406(b)(1) or (2) of the Act and/or section 4975(c)(1)(E) or (F) of the Code is necessary in connection with the covered transactions, because, according to Renaissance, neither it nor any 401(k) Holder will be using any of its authority, control or responsibility as a fiduciary to benefit itself or a person in which it has an interest which may affect the exercise of its best judgment as a fiduciary. The Department notes that regulation 29 CFR 2550.408b-2(e)(2) provides that a fiduciary does not engage in an act described in section 406(b)(1) of the Act if the fiduciary does not use any of the authority, control, or responsibility that makes him a fiduciary to cause a plan to pay additional fees for a service furnished by such fiduciary or to pay a fee for a service furnished by a person in which the fiduciary has an interest that may affect the exercise of his judgment as a fiduciary. It is also the Department's view that, generally, a fiduciary's decision to retain itself or an affiliate service provider who does not charge fees of any kind for the provision of services will not involve an adversity of interests as contemplated by section 406(b)(2) of the Act. As described in PTE 2012–10, absolutely no management fees or other fees or profit participations in the form of performance allocations or otherwise, direct or indirect, are charged to IRAs or 401(k) Accounts that invest in the New Medallion Vehicles. Accordingly, the decision to offer the Medallion Funds as investments under the 401(k) Plan to 401(k) Account Holders, or to invest the 401(k) Plan's assets in the Medallion Funds, which are managed by Renaissance, through the New Medallion Vehicles would not appear, in itself, to raise issues under section 406(b)(1) or (b)(2) of the Act.

<sup>13</sup> New RIEF/RIFF were created by Renaissance to facilitate investment by IRA Holders in the non-Medallion Funds.

to New RIEF/RIFF); (ii) be exempt from registration under federal securities laws and fully compliant with the various federal securities laws and other applicable regulatory requirements; and (iii) not constitute parties in interest or disqualified persons with respect to any IRA Holder or 401(k) Plan.

31. Therefore, the Applicant requests that the definition of New Kaleidoscope found in Section IV(k) of PTE 2012–10 be amended and re-designated as Section V(k), and a definition of “Other Renaissance Managed RF Fund” be added in Section V(n), as follows:

(k) The term “New Kaleidoscope” means Renaissance Kaleidoscope RF Fund LLC, the Delaware limited liability company established by Renaissance in order to facilitate investment by IRA Holders and 401(k) Plan participants who are not “Accredited Investors” under the 1933 Act in the Medallion Fund RF L.P. and Other Renaissance Managed RF Funds that are not parties in interest or disqualified persons, as applicable, to the IRA Holders’ IRAs or to the New 401(k) Plan.

(n) The term “Other Renaissance Managed RF Fund” means an RF Series of any Renaissance-sponsored Fund, other than a Medallion Fund or Kaleidoscope Fund, that is a private investment vehicle established in compliance with the various federal securities laws and other applicable regulatory requirements and for which Renaissance is the investment manager, as well as the investment manager of any master trading vehicles that may be utilized by such a fund to invest and trade its assets.

32. According to the Applicant, because the Other Renaissance Managed RF Funds will not constitute parties in interest or disqualified persons to the IRAs or the 401(k) Plan, Renaissance is not requesting an extension of the exemptive relief provided in PTE 2012–10 to such entities. However, the Applicant desires to more accurately define “New Kaleidoscope” so that the proposed amendment, if granted, provides relief for investments made in the Medallion Funds indirectly through New Kaleidoscope.

#### *Valuation Policies*

33. The Applicant represents that the valuation of all interests in New Medallion Vehicles and the Other Renaissance Managed RF Funds will be made under the same Renaissance valuation policy as has been used to value interests in the New Medallion Vehicles pursuant to PTE 2012–10, with certain non-substantive clarifying changes designed for the sake of more accuracy in the description of the rules.<sup>14</sup> Accordingly, the Applicant

represents that an acquisition or redemption of an IRA’s or 401(k) Account’s interest in a New Medallion Vehicle is made for fair market value, determined as follows:

(1) Equity securities are valued at the consolidated or composite closing price, or, in the case of over-the-counter equity securities, the last sale price provided by unaffiliated, third-party market data providers. If no price of such equity security was reported on that date, the market value will be the last reported price on the most recent date for which a price is available, and will reflect a discount if such date occurred more than 30 days before;

(2) Fixed income securities are valued at the “bid” price of such securities at the close of business on the relevant valuation date. These prices are determined (i) where available, on the basis of prices provided by independent pricing services that determine valuations based on market transactions for comparable securities; and (ii) in certain cases where independent pricing services are not available, on the basis of quotes obtained from multiple independent providers that are either U.S.-registered or foreign broker-dealers, which are registered and subject to the laws of their respective jurisdiction, or banks;

(3) Options are valued at the mean between the current independent best “bid” price and the current independent best “asked” price from the exchanges on which they are listed or, where such prices are not available, are valued on the basis of pricing data obtained from unaffiliated, third-party market data providers at their fair value in accordance with Fair Value Pricing Practices by the Renaissance Valuation Committee, which utilizes a set of defined rules and an independent review process; and

(4) If current market quotations are not readily available for any investments, such investments are valued at their fair value by the Renaissance Valuation Committee in accordance with Fair Value Pricing Practices.<sup>15</sup>

#### *Statutory Findings*

34. According to the Applicant, the proposed amendment to PTE 2012–10 is administratively feasible because the Applicant has already been granted relief under PTE 2012–10 for the acquisition and redemption of interests in the New Medallion Vehicles by the IRAs of Participants and their Spouses, and the acquisition of interests in the New Medallion Vehicles by 401(k) Accounts would similarly be consummated at the discretion of the 401(k) Account Holders and regulated

provided in PTE 2012–10 and, accordingly, only made changes that did not alter the substantive provisions of such policy.

<sup>15</sup> The Applicant represents that, at present, a maximum of 0.006% of Medallion’s assets may be characterized as “hard to value” so as to require valuation by the Renaissance Valuation Committee, which is in line with the Medallion Funds’ historical experience.

by certain provisions of the 1940 Act and the 1933 Act, as described above.

35. The Applicant represents that the proposed amendment is in the interest of the 401(k) Plan and 401(k) Account Holders and their beneficiaries because 401(k) Account Holders would have the ability to invest retirement assets in the New Medallion Vehicles in the event that they do not otherwise have IRAs, and increase the value of their retirement assets in a meaningful way through investment of tax-advantaged 401(k) deferrals in the Medallion Funds.

36. The Applicant represents that the proposed amendment is protective of the interests of the 401(k) Account Holders because all transactions would be required to be effected at the sole direction of 401(k) Account Holders. Moreover, the Applicant represents that Renaissance will not endorse or recommend that 401(k) Account Holders direct any of their 401(k) Account’s investments into the New Medallion Vehicles, nor provide any financial or employment-related incentive for doing so.

37. In addition, Renaissance represents that prior to and during an investment in the New Medallion Vehicles, 401(k) Account Holders will receive written disclosures allowing them to make informed decisions regarding any determination to invest in (or redeem) Interests in the Funds. These disclosures consist of the Fund’s Private Placement Memorandum and Exhibits thereto and periodic and annual reports. Renaissance points out that 401(k) Account Holders are generally comprised of a highly educated cadre of professionals, approximately 90 of whom have Ph.D.’s in disciplines such as mathematics, physics, and statistics.

38. Renaissance represents also that no management fees or other compensation or profit participations in the form of performance allocations or otherwise, direct or indirect, will be charged to or imposed on the 401(k) Plan or any 401(k) Account with respect to investments in the New Medallion Vehicles.<sup>16</sup> In addition, no affiliate of

<sup>16</sup> Renaissance notes that certain operating expenses of the New Medallion Vehicles payable to third parties will be paid from the assets of the New Medallion Vehicles, but nothing in the manner of management fees or performance allocations, direct or indirect, will accrue to the Renaissance or any affiliate or Renaissance. Additionally, the underlying Funds in which the New Medallion Vehicles invest will incur substantial obligations to pay third party brokerage commissions, option premiums, and other transaction costs, regardless of whether the Funds realize any profits. Such expenses, as noted in certain of the Funds’ “Private Offering Memoranda,” are significantly higher than those incurred by most other investment programs.

Continued

<sup>14</sup> The Applicant maintains that, when these changes were made, Renaissance specifically took into account the determination of fair market value

Renaissance will receive any consideration, direct or indirect, as a result of such investments made through the 401(k) Plan and there will be no compensatory benefit to any owner, director, officer or employee of Renaissance by reason of a 401(k) Account Holder directing an investment in the New Medallion Vehicles through their 401(k) Account.

39. The Applicant states that the only permitted investors in the New Medallion Vehicles are (A) IRA Holders and (B) the 401(k) Plan.<sup>17</sup> Moreover, the Applicant notes that each 401(k) Account Holder who wishes to direct investment of any amounts in his or her 401(k) Account into a New Medallion Vehicle must satisfy the Federal securities law and other regulatory-based investor qualifications applicable to all investors in such New Medallion Vehicle.

40. Finally, the Applicant emphasizes that allowing investment in the New Medallion Vehicles through the 401(k) Plan would not increase any 401(k) Account Holder's aggregate exposure to the Medallion Funds. According to the Applicant, the Medallion Funds have for a number of years imposed an aggregate limit on the amount of capital that the Medallion Funds can accept. As a result, each Renaissance employee from the President to the lowest-paid employee, has a permitted "Investment Allocation" in the Medallion Funds that is based on his or her compensation level, and, if applicable, an employee's ownership interest in Renaissance itself, and is adjusted at the beginning of each semi-annual period (January 1 and July 1 of each year).<sup>18</sup>

The Applicant explains that, if the proposed amendment is granted, each Participant's "Investment Allocation" would limit the combined amount he or she is permitted to invest in the Medallion Funds via his or her personal account, IRA (including his or her Spouse's IRA), and 401(k) Account (in

the case of the latter two, via the New Medallion Vehicles).

The Applicant states that, assuming that a 401(k) Account Holder has fully utilized his or her current Investment Allocation, he or she would have to reduce the amount of his or her direct investments or IRA investments in the foregoing funds in order to direct any investment in a New Medallion Vehicle through the 401(k) Plan.

#### Notice to Interested Persons

Notice of the proposed amendment will be given to interested persons within three days of the publication of the notice of proposed amendment in the **Federal Register**. The notice will be given to interested persons who are current employees by electronic mail, with receipt of delivery requested (or its equivalent), and to other interested persons by overnight mail with proof of delivery required. Such notice will contain a copy of the notice of proposed exemption published in the **Federal Register** at 77 FR 3038 (January 20, 2012) and notice of final grant of Prohibited Transaction Exemption (PTE) 2012-10 published in the **Federal Register** at 77 FR 23756 (April 20, 2012), this notice of proposed amendment, as published in the **Federal Register**, and a supplemental statement, as required pursuant to 29 CFR 2570.43(a)(2). The supplemental statement will inform interested persons of their right to comment on and/or to request a hearing with respect to the pending amendment. Written comments and hearing requests are due within 33 days of the publication of the notice of proposed amendment in the **Federal Register**. All comments will be made available to the public.

**Warning:** Do not include any personally identifiable information (such as name, address, or other contact information) or confidential business information that you do not want publicly disclosed. All comments may be posted on the Internet and can be retrieved by most Internet search engines.

#### General Information

The attention of interested persons is directed to the following:

(1) The fact that a transaction is the subject of an exemption under section 408(a) of the Act and/or section 4975(c)(2) of the Code does not relieve a fiduciary or other party in interest or disqualified person from certain other provisions of the Act and/or the Code, including any prohibited transaction provisions to which the exemption does not apply and the general fiduciary responsibility provisions of section 404

of the Act, which, among other things, require a fiduciary to discharge his duties respecting the plan solely in the interest of the participants and beneficiaries of the plan and in a prudent fashion in accordance with section 404(a)(1)(B) of the Act; nor does it affect the requirement of section 401(a) of the Code that the plan must operate for the exclusive benefit of the employees of the employer maintaining the plan and their beneficiaries;

(2) Before an exemption may be granted under section 408(a) of the Act and/or section 4975(c)(2) of the Code, the Department must find that the exemption is administratively feasible, in the interests of the plan and of its participants and beneficiaries, and protective of the rights of participants and beneficiaries of the plan;

(3) The proposed amendment to exemption, if granted, will be supplemental to, and not in derogation of, any other provisions of the Act and/or the Code, including statutory or administrative exemptions and transitional rules. Furthermore, the fact that a transaction is subject to an administrative or statutory exemption is not dispositive of whether the transaction is in fact a prohibited transaction; and

(4) The proposed amendment to exemption, if granted, will be subject to the express condition that the material facts and representations contained in the application are true and complete, and that the application accurately describes all material terms of the transaction which is the subject of the amendment to exemption.

#### Proposed Amendment to Exemption

Based on the facts and representations set forth in the application, the Department is considering granting the following amendment to Prohibited Transaction Exemption 2012-10 (77 FR 23756) under the authority of section 408(a) of the Employee Retirement Income Security Act of 1974, as amended, (ERISA) and section 4975(c)(2) of the Internal Revenue Code of 1986, as amended (the Code), and in accordance with the procedures set forth in 29 CFR Part 2570, Subpart B (76 FR 66637, 66644, October 27, 2011).<sup>19</sup>

#### Section I. Covered Transactions Involving Certain IRAs Subject to Title I and Title II of ERISA

The restrictions of section 406(a)(1)(A) and (D) of the Act and the sanctions resulting from the application

due to the highly active nature of Renaissance's trading programs.

<sup>17</sup> The Applicant notes that, in limited circumstances, Renaissance may invest in Series RF of each New Medallion Vehicle in order to comply with rule 3(c)(7) of the 1940 Act, which requires each New Medallion Vehicle to have at least \$25 million in capital. Thus, in the event that a New Medallion Vehicle is unable to meet its \$25 million minimum capital requirement, Renaissance would invest its own capital to the extent necessary to make up any difference between that Fund's investor contributions and \$25 million.

<sup>18</sup> Renaissance also permits an employee to share his or her Investment Allocation with certain family members. Thus, a Spouse could invest his or her IRA in New Medallion FF or in New Kaleidoscope to the extent of the remainder of such IRA Holder's Investment Allocation.

<sup>19</sup> For purposes of this proposed amendment, references to the provisions of Title I of the Act, unless otherwise specified, refer also to the corresponding provisions of the Code.



of section 4975 of the Code, by reason of section 4975(c)(1)(A) and (D) of the Code, shall not apply to:

(a) The direct or indirect acquisition by a Participant's IRA of an interest in a Medallion Fund through such IRA's acquisition of an interest in a New Medallion Vehicle;

(b) The acquisition of an additional interest by a Participant's IRA in a New Medallion Vehicle; and

(c) The redemption of all or a portion of a Participant's IRA's interest in a New Medallion Vehicle.

This proposed amendment, if granted, is subject to the general conditions set forth below in Section IV.

#### *Section II. Covered Transactions Involving Certain IRAs Subject to Title II of ERISA Only*

The sanctions resulting from the application of section 4975 of the Code, by reason of section 4975(c)(1)(A) and (D) of the Code, shall not apply to:

(a) The direct or indirect acquisition by a Spouse's IRA of an interest in a Medallion Fund through such IRA's acquisition of an interest in a New Medallion Vehicle;<sup>20</sup>

(b) The acquisition of an additional interest by a Spouse's IRA in a New Medallion Vehicle; and

(c) The redemption of all or a portion of a Spouse's IRA's interest in a New Medallion Vehicle.

This proposed amendment, if granted, is subject to the general conditions set forth below in Section IV.

#### *Section III. Covered Transactions Involving Certain 401(k) Accounts*

The restrictions of section 406(a)(1)(A) and (D) of the Act and the sanctions resulting from the application of section 4975 of the Code, by reason of section 4975(c)(1)(A) and (D) of the Code, shall not apply to:

(a) The direct or indirect acquisition by a 401(k) Account of an interest in a Medallion Fund through such 401(k) Account's acquisition of an interest in a New Medallion Vehicle; and

(b) The redemption of all or a portion of a 401(k) Account's interest in a New Medallion Vehicle.

This proposed amendment, if granted, is subject to the general conditions set forth below in Section IV.

#### *Section IV. General Conditions*

(a) An IRA's acquisition of an interest in a New Medallion Vehicle is made at the specific direction of its IRA Holder, and a 401(k) Account's acquisition of an

interest in a New Medallion Vehicle is made at the specific direction of its 401(k) Account Holder.

(b) Renaissance renders no investment advice (within the meaning of 29 CFR 2510.3-21(c)) to IRA Holders or 401(k) Account Holders concerning a potential acquisition or redemption of an interest in a New Medallion Vehicle and does not engage in marketing activities or offer employment-related incentives of any kind intended to cause IRA Holders or 401(k) Account Holders to consider such acquisition or redemption.

(c) An interest in a New Medallion Vehicle is only available to IRA Holders or 401(k) Account Holders who satisfy the securities-based laws, and other regulatory-based investor qualifications, applicable to all investors in such New Medallion Vehicle.

(d) No commissions, sales charges, or other fees (including management fees) or profit participations in the form of performance allocations or otherwise, direct or indirect, are assessed against an IRA or 401(k) Account in connection with its acquisition and holding of an interest in a New Medallion Vehicle.

(e) An IRA or 401(k) Account pays no more and receives no less for its particular interest in any of the New Medallion Vehicles than it would in an arm's length transaction with an unrelated party.

(f) An IRA's or 401(k) Account's interest in a New Medallion Vehicle is redeemable, in whole or in part, without the payment of any redemption fee or penalty, no less frequently than on a quarterly basis upon no less than 10 days advance written notice by the IRA or 401(k) account, except in the case of New Kaleidoscope, for which 45 days' notice is required.

(g) An acquisition or redemption of an IRA's or 401(k) Account's interest in a New Medallion Vehicle is made for fair market value, determined as follows:

(1) Equity securities are valued at the consolidated or composite closing price, or, in the case of over-the-counter equity securities, the last sale price provided by unaffiliated, third-party market data providers. If no price of such equity security was reported on that date, the market value will be the last reported price on the most recent date for which a price is available, and will reflect a discount if such date occurred more than thirty days before;

(2) Fixed income securities are valued at the "bid" price of such securities at the close of business on the relevant valuation date. These prices are determined (i) where available, on the basis of prices provided by independent pricing services that determine valuations based on market transactions

for comparable securities; and (ii) in certain cases where independent pricing services are not available, on the basis of quotes obtained from multiple independent providers that are either U.S.-registered or foreign broker-dealers, which are registered and subject to the laws of their respective jurisdiction, or banks;

(3) Options are valued at the mean between the current independent best "bid" price and the current independent best "asked" price from the exchanges on which they are listed or, where such prices are not available, are valued on the basis of pricing data obtained from unaffiliated, third-party market data providers at their fair value in accordance with Fair Value Pricing Practices by the Renaissance Valuation Committee, which utilizes a set of defined rules and an independent review process; and

(4) If current market quotations are not readily available for any investments, such investments are valued at their fair value by the Renaissance Valuation Committee in accordance with Fair Value Pricing Practices.

(h) Redemption of an IRA's or 401(k) Account's interest in a New Medallion Vehicle, in whole or in part, is made for cash.

(i) In the event that a redemption of any portion of an interest in a New Medallion Vehicle held by an IRA or 401(k) Account becomes necessary as the result of a reduction of the Investment Allocation applicable to a Participant, then, at such IRA Holder's or 401(k) Account Holder's election, the redemption may first be made of such individual's taxable investments in the Medallion Funds (if any) prior to his or her IRA's or 401(k) Account's interest in a New Medallion Vehicle.

(j) With respect to the investment by Participants in the New Medallion Vehicles through IRAs, Renaissance acknowledges that such investments may constitute investments by a "pension plan" within the meaning of section 3(2) of the Act, and the Applicant represents that, with respect to such investments, it will comply with all applicable requirements of Title I of the Act.

(k) Renaissance does not use the IRAs' or 401(k) Accounts' investments in the Funds in any of their marketing activities or publicity materials for the Funds.

(l) In advance of the initial investment by an IRA or 401(k) Account in a New Medallion Vehicle, the IRA Holder or 401(k) Account Holder receives:

(1) A copy of the notice of proposed exemption published in the **Federal**

<sup>20</sup> Pursuant to 29 CFR 2510.3-2(d), the Spouses' IRAs are not within the jurisdiction of Title I of the Act. However, there is jurisdiction under Title II of the Act pursuant to section 4975 of the Code.



**Register** at 77 FR 3038 (January 20, 2012) and notice of final grant of Prohibited Transaction Exemption (PTE) 2012-10 published in the **Federal Register** at 77 FR 23756 (April 20, 2012), this proposed amendment and the final amendment, if granted, following the publication of such final amendment in the **Federal Register**;

(2) A private offering memorandum (with all related exhibits) describing the relevant investment vehicles, including its investment objectives, risks, conflicts, operating expenses and redemption and valuation policies, and any IRA Holder or 401(k) Account Holder whose IRA or 401(k) Account owns an interest in a New Medallion Vehicle receives the same disclosures and information provided to other investors with respect to the Fund in which he or she invests; and

(3) Following receipt of the information described in (1) and (2), above, an IRA Holder or 401(k) Account Holder will receive, in a timely manner, all reasonably available relevant information as such IRA Holder or 401(k) Account Holder may request.

(m) On an on-going basis, Renaissance provides each IRA Holder or 401(k) Account Holder whose IRA or 401(k) Account owns an interest in a New Medallion Vehicle with the following information:

(1) Unaudited performance reports at the end of each month; and

(2) Audited annual financial statements following the end of each calendar year.

(n) Prior to the acquisition by an IRA or 401(k) Account of an interest in a New Medallion Vehicle, and the corresponding indirect acquisition of an interest in a Medallion Master Fund, Other Renaissance Managed RF Fund, or any other Fund made through such acquisition of an interest in a New Medallion Vehicle, Renaissance or the applicable New Medallion Vehicle manager (the New Medallion Vehicle Manager) with respect to any such acquisition:

(1) Agrees to submit to the jurisdiction of the federal and state courts located in the State of New York;

(2) Agrees to appoint an agent for service of process for the New Medallion Vehicle, the Other Renaissance Managed RF Fund, and any other Funds described in this Section IV(n), in the United States (the Process Agent);

(3) Consents to service of process on the Process Agent; and

(4) Agrees that any enforcement by an IRA Holder or 401(k) Account Holder of his or her rights pursuant to this proposed amendment, if granted, will at

the option of such IRA Holder or 401(k) Account Holder, occur exclusively in the United States courts.

(o) Renaissance maintains, or causes to be maintained, for a period of six years from the date of any covered transaction, such records as are necessary to enable the persons described in paragraph (p)(1) below to determine whether the conditions of this proposed amendment, if granted, have been met, provided that (1) a separate prohibited transaction will not be considered to have occurred if, due to circumstances beyond the control of Renaissance, the records are lost or destroyed prior to the end of the six-year period, and (2) no party in interest or disqualified person other than Renaissance shall be subject to a civil penalty under section 502(i) of the Act or the taxes imposed by section 4975(a) and (b) of the Code, if such records are not maintained, or are not available for examination as required by paragraph (p)(1) below.

(p)(1) Except as provided below in paragraph (p)(2), and notwithstanding any provisions of subsections (a)(2) and (b) of section 504 of the Act, the records referred to above in paragraph (o) are unconditionally available at their customary location for examination during normal business hours by:

(A) Any duly authorized employee or representative of the Department, the Internal Revenue Service, the Commodity Futures Trading Commission (CFTC), or the U.S. Securities and Exchange Commission (SEC), and

(B) Any IRA Holder or 401(k) Account Holder or any duly authorized representative or beneficiary of an IRA or 401(k) Account; and

(2) None of the persons described above in paragraph (p)(1)(B) shall be authorized to examine trade secrets of Renaissance, or commercial or financial information which is privileged or confidential, and should Renaissance refuse to disclose information on the basis that such information is exempt from disclosure, Renaissance shall, by the close of the thirtieth (30th) day following the request, provide a written notice advising that person of the reasons for the refusal and that the Department may request such information.

#### *Section V. Definitions*

For purposes of this proposed amendment:

(a) The term “Renaissance” means Renaissance Technologies, LLC, and its affiliates.

(b) An “affiliate” of a person includes—

(1) Any person directly or indirectly through one or more intermediaries, controlling, controlled by, or under common control with such entity (for purposes of this paragraph, the term “control” means the power to exercise a controlling influence over the management or policies of a person other than an individual); and

(2) Any officer of, director of, or partner in such person.

(c) The term “Fair Value Pricing Policies” means the Official Pricing Policy established in good faith by the Renaissance Valuation Committee for valuing an instrument, which is subject to the approval of the Renaissance Technologies LLC Board of Directors.

(d) The term “Fund” or “Funds” means, individually or collectively, the nine privately offered U.S. and non-U.S. collective investment vehicles managed by Renaissance, comprised almost exclusively of assets of Renaissance and its owners and employees (the Proprietary Funds) and the six privately offered U.S. and non-U.S. collective investment vehicles, consisting primarily of assets of clients of Renaissance (the non-Proprietary Funds).

(e) The term “Investment Allocation” means the permitted investment allocation limit in the Medallion Funds applicable to a Renaissance employee, which such employee and his or her Spouse may utilize to make investments in a Medallion FF or Kaleidoscope, or in an applicable New Medallion Vehicle.

(f) The term “IRA” means an “individual retirement account” as defined under section 408(a) of the Code that is beneficially owned by an IRA Holder or a “Roth IRA” as defined under section 408A of the Code that is beneficially owned by an IRA Holder.

(g) The term “IRA Holder” means a Participant, or the Spouse of a Participant, who is eligible to invest in a New Medallion Vehicle through his or her IRA.

(h) The term “Kaleidoscope” means Renaissance Kaleidoscope Fund LLC, a Delaware limited liability company established by Renaissance to facilitate the investment in the Proprietary Funds by employees of Renaissance who are not Accredited Investors under the Securities Act of 1933, as amended (the 1933 Act) or otherwise do not meet the financial requirements to invest in such Proprietary Funds.

(i) The term “Medallion Funds” means the six Proprietary Funds of Renaissance that are organized in a “master-feeder” investment structure. The Medallion Funds are comprised of six feeder funds (Medallion FFs), each

designed for a different type of investor, that engage in their investment and trading activities only through certain master funds and their subsidiaries (the Medallion Master Funds).

(j) The term “New Medallion Vehicle” or “New Medallion Vehicles” means, individually or collectively, New Medallion FF, New Medallion FF RMPRF, and New Kaleidoscope.

(k) The term “New Kaleidoscope” means Renaissance Kaleidoscope RF Fund LLC, the Delaware limited liability company established by Renaissance in order to facilitate investment, by IRA Holders and 401(k) Plan participants who are not “Accredited Investors” under the 1933 Act, in the Medallion Fund RF L.P. and Other Renaissance Managed RF Funds that are not parties in interest, or other disqualified persons, as applicable, to the IRA Holders’ IRAs or to the New 401(k) Plan.

(l) The term “New Medallion FF” means Medallion Fund RF LP, the Bermuda Limited Partnership that is treated as a corporation for US Federal Income Tax purposes, established by Renaissance in order to facilitate an investment by an IRA Holder who is a “Qualified Purchaser” or “Knowledgeable Employee” under the Investment Company Act of 1940, as amended (the 1940 Act) in the Medallion Master Funds, through his or her IRA.

(m) The term “New Medallion FF RMPRF” means Medallion RMPRF Fund LP, the Bermuda Limited Partnership that is treated as a corporation for US Federal Income Tax purposes established by Renaissance in order to facilitate the investment by IRA Holders who are neither Qualified Purchasers nor “Knowledgeable Employees” as defined in the 1940 Act, but who are Accredited Investors, in the Medallion Master Funds, through their IRAs.

(n) The term “Other Renaissance Managed RF Fund” means an RF Series of any Renaissance-sponsored Fund, other than a Medallion Fund or Kaleidoscope Fund, that is a private investment vehicle established in compliance with the various federal securities laws and other applicable regulatory requirements and for which Renaissance is the investment manager, as well as the investment manager of any master trading vehicles that may be utilized by such a fund to invest and trade its assets.

(o) The term “Participant” means a person who is either an employee or a Permitted Owner of Renaissance at the time of such individual’s investment in the New Medallion Vehicles.

(p) The term “Permitted Owners” means the eight individuals permitted to invest in the Medallion Funds following the termination of their Renaissance employment, comprised of three Renaissance “founders,” and five former employees who are current owners of Renaissance.

(q) The term “Renaissance Valuation Committee,” or “RVC,” means the committee, established by Renaissance in 2008, that oversees and monitors the valuation process, and establishes the methods of, and procedures for, valuing various instruments traded by Renaissance, composed of high-level Renaissance employees who also may be Fund investors.

(r) The term “Spouse” means a person who is (1) married to a Participant, or (2) to the extent not prohibited by applicable law, in a civil union or similar marriage-equivalent institution established pursuant to State law of the State where the Participant resides (or otherwise recognized by the State where the Participant resides) with a Participant.

(s) The term “401(k) Account” means the plan account established and maintained for the benefit of a participant in the Renaissance Technologies LLC 401(k) Plan.

(t) The term “401(k) Account Holder” means a participant in the Renaissance Technologies LLC 401(k) Plan who is eligible to invest in a New Medallion Vehicle through his or her 401(k) Account.

#### Section VI. Effective Date

This proposed amendment, if granted, would be effective as of the earlier of the date of publication in the **Federal Register** of such grant of amendment or October 1, 2014.

Signed at Washington, DC, this 8th day of August, 2014.

**Lyssa Hall,**

*Director of Exemption Determinations,  
Employee Benefits Security Administration,  
U.S. Department of Labor.*

[FR Doc. 2014–19212 Filed 8–13–14; 8:45 am]

**BILLING CODE 4510–29–P**

## MERIT SYSTEMS PROTECTION BOARD

### Sunshine Act Meeting

**AGENCY:** Merit Systems Protection Board.

**ACTION:** Notice.

**SUMMARY:** Notice is hereby given of the scheduling of a Sunshine Act Meeting on the proposed 2015–2018 research

agenda of the Merit System Protection Board’s Office of Policy and Evaluation.

**DATE AND TIME:** Tuesday, September 16, 2014, at 10 a.m.

**PLACE:** National Courts Building, Room 203, 717 Madison Place NW., Washington, DC 20439.

**STATUS:** Open.

#### FOR FURTHER INFORMATION CONTACT:

Tanya Page at (202) 254–4503; or James Tsugawa at (202) 254–4506; or email [research.agenda@mspb.gov](mailto:research.agenda@mspb.gov).

**SUPPLEMENTARY INFORMATION:** Pursuant to the Government in the Sunshine Act (5 U.S.C. 552(b)), and in accordance with the Merit Systems Protection Board’s (MSPB) regulations at 5 CFR 1206.1–12, MSPB will hold a meeting on the research activities proposed for inclusion in the next cycle of studies to be conducted by MSPB’s Office of Policy and Evaluation. MSPB has statutory responsibility to conduct objective, nonpartisan studies that assess and evaluate Federal merit systems policies, operations, and practices (see 5 U.S.C. 1204(a)(3)).

Earlier this year, MSPB stakeholders and the public were invited to provide feedback and ideas for the research agenda. During this meeting, the proposed research agenda will be discussed and several key stakeholders have been invited to present their views on the proposed research topics.

The public may attend this meeting for the sole purpose of observation. To facilitate entry to the National Courts Building, persons who wish to attend must provide their names to Tanya Page (at [tanya.page@mspb.gov](mailto:tanya.page@mspb.gov)) by September 10, 2014. Persons with disabilities who require reasonable accommodation should direct the request to the MSPB Director of Equal Employment Opportunity at (202) 254–4405 or V/TDD 1–800–877–8339 (Federal Relay Service). All such requests should be made at least one week in advance of the meeting. A recording of the meeting will be made available on MSPB’s Web site.

The research topics, organized into six broad areas of related research, are listed below. Further description of these topics is available on MSPB’s Web site ([www.mspb.gov](http://www.mspb.gov)). The public can provide comments on the proposed research agenda by emailing [research.agenda@mspb.gov](mailto:research.agenda@mspb.gov). Comments will be accepted through October 16, 2014.

#### Defending Merit

1. Adverse Action Rules, Regulations, and Practices