

days prior to each meeting so that appropriate arrangements can be made.

Ted Wackler,

Deputy Chief of Staff and Assistant Director.

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SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Public Law 94-409, that the Securities and Exchange Commission will hold an Open Meeting on September 17, 2013, at 3:00 p.m., in Room 10800 at the Commission's headquarters building, to hear oral argument in an appeal by Montford and Company, Inc., d/b/a Montford Associates, and Earnest V. Montford from an initial decision of an administrative law judge.

The law judge found that Montford Associates, a former investment adviser, and Montford, its president and sole owner, violated Sections 206(1) and (2) of the Investment Advisers Act of 1940 by failing to disclose a material conflict of interest: That they were receiving substantial payments from an investment manager they were also recommending. The law judge further found that they made materially false and misleading statements in Forms ADV in violation of Advisers Act Section 207 and that the firm failed to amend its Forms ADV in violation of Advisers Act Section 204 and Rule 204-1(a)(2), misconduct that Montford aided and abetted and caused. The law judge imposed an industry-wide bar against Montford, entered a cease-and-desist order against both Respondents, and ordered them to pay disgorgement and civil penalties totaling \$860,000.

The issues likely to be considered at oral argument include whether the proceeding should be dismissed under Section 4E of the Securities Exchange Act of 1934, which provides a "deadline for completing enforcement investigations . . . not later than 180 days after" issuance of a Wells notice; whether Respondents violated the Advisers Act and its rule by failing to disclose their receipt of \$210,000 from an investment manager that they recommended to clients and, if so, the extent to which sanctions are warranted under the circumstances.

For further information, please contact the Office of the Secretary at (202) 551-5400.

Dated: September 10, 2013.

Elizabeth M. Murphy,

Secretary.

[FR Doc. 2013-22508 Filed 9-12-13; 11:15 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-70366; File No. SR-OCC-2013-805]

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing of an Advance Notice To Amend an Existing Interpretation and Policy To Give OCC Discretion Not To Grant a Particular Clearing Member Margin Credit for an Otherwise Eligible Security

September 10, 2013.

Pursuant to Section 806(e)(1) of the Payment, Clearing, and Settlement Supervision Act of 2010 ("Clearing Supervision Act")¹ and Rule 19b-4(n)(1)(i)² of the Securities Exchange Act of 1934 ("Act"), notice is hereby given that on August 15, 2013, The Options Clearing Corporation ("OCC") filed with the Securities and Exchange Commission ("Commission") the advance notice as described in Items I, II and III below, which Items have been prepared by OCC.³ The Commission is publishing this notice to solicit comments on the advance notice from interested persons.

I. Clearing Agency's Statement of the Terms of Substance of the Proposed Advance Notice

OCC proposes to amend an existing Interpretation and Policy so that OCC has discretion to disapprove as margin collateral for a particular clearing member, shares of an otherwise eligible security held as margin.

II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Advance Notice

In its filing with the Commission, OCC included statements concerning the purpose of and basis for the proposed advance notice and discussed any comments it received on the proposed advance notice. The text of

these statements may be examined at the places specified in Item IV below. OCC has prepared summaries, set forth in sections (A) and (B) below, of the most significant aspects of these statements.

(A) Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Advance Notice

The purpose of the proposed advance notice is to provide OCC with discretion with regard to granting or not granting margin credit to a clearing member. OCC currently may withhold margin credit from all clearing members with respect to a specific security. OCC proposes to address the risk presented by concentrated positions of securities posted as margin by particular clearing members by withholding margin credit from such clearing member's accounts. OCC proposes to enhance its ability to limit its risk exposure to a concentrated position of equity securities posted as margin by a specific clearing member by providing OCC with the discretion to disregard, for the purposes of granting margin credit, some or all of the otherwise eligible equity securities posted as margin. In addition, the proposed advance notice is designed to provide OCC with discretion to make exceptions to proposed Interpretation and Policy .14 with respect to a specific clearing member. Accordingly, OCC may allow margin credit for an otherwise ineligible security for a specific clearing member in situations in which OCC determines that such security serves as a hedge to positions in cleared contracts in the same account of such clearing member.

Rule 604 lists the acceptable types of assets that clearing members may post with OCC to satisfy their margin requirements under Rule 601, including equity securities, and establishes the eligibility criteria for such assets. Equity securities are the most common form of margin assets posted by clearing members and, under Rule 601, are included in OCC's STANS margining system for the purposes of valuing such equity securities and determining on a portfolio basis a clearing member's margin obligation to OCC. Interpretation and Policy .14 to Rule 604 allows OCC to disapprove a security as margin collateral for all clearing members based on a consideration of the factors set forth in the interpretation, including number of outstanding shares, number of outstanding shareholders and overall trading volume. The STANS system currently takes into account the risk to a portfolio presented by fluctuations in the market price of concentrated security positions by identifying the two

¹ 12 U.S.C. 5465(e)(1).

² 17 CFR 240.19b-4(n)(1)(i).

³ OCC is a designated financial market utility and is required to file advance notices with the Commission. See 12 U.S.C. 5465(e). OCC also filed the proposal contained in this advance notice as a proposed rule change under Section 19(b)(1) of the Exchange Act and Rule 19b-4 thereunder. 15 U.S.C. 78s(b)(1) and 17 CFR 240.19b-4, respectively. See SR-OCC-2013-14.