

regardless of the amount of their holdings of municipal securities.<sup>18</sup> For example, the MSRB's Electronic Municipal Market Access system ("EMMA") public Web site is a free on-line source for primary market disclosures, continuing disclosures, transaction data, variable rate security information, market statistics and investor education. Also, as noted by the MSRB, the Restated SMMP Notice would be consistent with FINRA's new rule on suitability obligations for an institutional account, which will be implemented on July 9, 2012. The Commission agrees with the MSRB that such consistency is desirable from the standpoint of reducing the cost of dealer compliance, absent clear reasons for treating transactions in municipal securities differently. The Commission, however, notes that under the Restated SMMP Notice, to meet the revised definition of an SMMP, a dealer must have a reasonable basis to believe the institutional customer is capable of evaluating investment risks and market value independently, both in general and with regard to particular transactions in municipal securities. As the MSRB has emphasized, a representation from an institutional customer would not, by itself, satisfy the dealer's reasonable basis obligation under this clause of the revised SMMP definition.

In light of the increase in access to material information about municipal securities, the Commission believes that it is consistent with the Act to expand the disclosure exclusion for material information to all transactions with SMMPs, whether recommended or self-directed. Accordingly, when a dealer has reasonable grounds for concluding that the customer is an SMMP, the dealer's obligation to ensure disclosure of material information available from established industry sources is fulfilled. In addition, the Commission believes that the proposal to amend the application of Rule G-17 to SMMPs to reflect developments in the MSRB's interpretations of Rule G-17 since 2002 is consistent with the Act, because it will help to ensure consistency between MSRB's rules. Further, the Commission believes that the proposal to remove endnote 9 to the Existing SMMP Notice

is consistent with the Act, because it will help to clarify the duties of broker's brokers under MSRB rules. Lastly, the Commission believes that the proposal to remove the language that suggests that transactions on alternative trading systems are done on an agency basis is consistent with the Act, because it will help to ensure the accuracy of the Restated SMMP Notice. As noted above, according to the MSRB, at least one major alternative trading system engages only in principal transactions.

## V. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>19</sup> that the proposed rule change (SR-MSRB-2012-05) be, and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>20</sup>

**Kevin M. O'Neill,**

*Deputy Secretary.*

[FR Doc. 2012-13255 Filed 5-31-12; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-67065; File No. SR-CBOE-2012-047]

### Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Fees Schedule

May 25, 2012.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on May 17, 2012 the Chicago Board Options Exchange, Incorporated (the "Exchange" or "CBOE") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend the Fees Schedule. The text of the proposed rule change is available on the Exchange's Web site (<http://www.cboe.com>).

<sup>19</sup> 15 U.S.C. 78s(b)(2).

<sup>20</sup> 17 CFR 200.30-3(a)(12).

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

<sup>2</sup> 17 CFR 240.19b-4.

[com/AboutCBOE/CBOELegalRegulatoryHome.aspx](http://www.cboe.com/AboutCBOE/CBOELegalRegulatoryHome.aspx)), at the Exchange's Office of the Secretary, and at the Commission.

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

###### 1. Purpose

The Exchange proposes to amend its Customer Large Trade Discount (the "Discount"), which is intended to cap fees on large customer trades. Currently, regular customer transaction fees are charged up to the first 10,000 VIX options contracts in a customer order, regardless of how many contracts a Trading Permit Holder ("TPH") executes in a given month. The Exchange hereby proposes to amend the Discount to state that, for any TPH that executes 750,000 or more customer VIX options contracts in a month, regular customer transaction fees will only be charged up to the first 7,500 VIX options contracts per order in that month (the "Amendment").

The Exchange offers the Discount in order to encourage growth of new products, including VIX options, which the Exchange spent considerable time and resources developing. CBOE proposes the Amendment in order to incentivize TPHs to bring more customer VIX options orders to the Exchange. The greater liquidity and trading volume that the Amendment encourages would benefit all market participants trading VIX options.

The proposed change is to take effect on June 1, 2012.

###### 2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.<sup>3</sup> Specifically,

<sup>3</sup> 15 U.S.C. 78f(b).

<sup>18</sup> As noted above, although the Restated SMMP Notice would not require that an institutional customer own or manage a specified amount of municipal securities in order to fall within the definition of SMMP, the Restated SMMP Notice does provide that a dealer should consider the amount and type of municipal securities owned or under management by the institutional customer in establishing a reasonable basis to believe that the customer is capable of evaluating investment risks and market value independently.

the Exchange believes the proposed rule change is consistent with Section 6(b)(4) of the Act,<sup>4</sup> which provides that Exchange rules may provide for the equitable allocation of reasonable dues, fees, and other charges among its TPHs and other persons using its facilities. The Amendment is reasonable because it will allow qualifying TPHs to pay lower transaction fees for large customer VIX options transactions. The Amendment is equitable and not unfairly discriminatory because it is intended to encourage TPHs to bring more customer VIX options orders to the Exchange, and the resulting increased volume and liquidity will benefit all market participants trading VIX options.

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

CBOE does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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

The Exchange neither solicited nor received comments on the proposed rule change.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)<sup>5</sup> of the Act and paragraph (f) of Rule 19b-4<sup>6</sup> thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

### **IV. Solicitation of Comments**

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

#### *Electronic Comments*

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or

- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-CBOE-2012-047 on the subject line.

#### *Paper Comments*

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-CBOE-2012-047. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street NE., Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal offices of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-CBOE-2012-047, and should be submitted on or before June 22, 2012.

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

**Kevin M. O'Neill,**  
*Deputy Secretary.*

[FR Doc. 2012-13256 Filed 5-31-12; 8:45 am]

**BILLING CODE 8011-01-P**

### **SMALL BUSINESS ADMINISTRATION**

#### **[Disaster Declaration #13080 and #13081]**

#### **Kansas Disaster #KS-00064**

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

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

#### **ACTION:** Notice.

**SUMMARY:** This is a Notice of the Presidential declaration of a major disaster for Public Assistance Only for the State of Kansas (FEMA-4063-DR), dated 05/24/2012.

*Incident:* Severe storms, tornadoes, straight-line winds, and flooding.

*Incident Period:* 04/14/2012 through 04/15/2012.

*Effective Date:* 05/24/2012.

*Physical Loan Application Deadline Date:* 07/23/2012.

*Economic Injury (EIDL) Loan Application Deadline Date:* 02/25/2013.

**ADDRESSES:** Submit completed loan applications to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

**FOR FURTHER INFORMATION CONTACT:** A. Escobar, Office of Disaster Assistance, U.S. Small Business Administration, 409 3rd Street SW., Suite 6050, Washington, DC 20416.

**SUPPLEMENTARY INFORMATION:** Notice is hereby given that as a result of the President's major disaster declaration on 05/24/2012, Private Non-Profit organizations that provide essential services of governmental nature may file disaster loan applications at the address listed above or other locally announced locations.

The following areas have been determined to be adversely affected by the disaster:

*Primary Counties:* Edwards, Ellsworth, Harper, Hodgeman, Jewell, Kiowa, Mitchell, Osborne, Rice, Rush, Russell, Sedgwick, Stafford, Sumner.

The Interest Rates are:

	Percent
For Physical Damage:	
Non-Profit Organizations With Credit Available Elsewhere .....	3.125
Non-Profit Organizations Without Credit Available Elsewhere .....	3.000
For Economic Injury:	
Non-Profit Organizations Without Credit Available Elsewhere .....	3.000

The number assigned to this disaster for physical damage is 13080B and for economic injury is 13081B.

(Catalog of Federal Domestic Assistance Numbers 59002 and 59008)

**James E. Rivera,**  
*Associate Administrator*

for Disaster Assistance.

[FR Doc. 2012-13326 Filed 5-31-12; 8:45 am]

**BILLING CODE 8025-01-P**

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

<sup>5</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>6</sup> 17 CFR 240.19b-4(f).