

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-72391; File No. SR-DTC-2013-11)

June 13, 2014

Self-Regulatory Organizations; The Depository Trust Company; Notice of Designation of Longer Period for Commission Action on Proceedings to Determine Whether to Approve or Disapprove Proposed Rule Change, as Modified by Amendment Nos. 1 and 2, to Specify Procedures Available to Issuers of Securities Deposited at DTC for Book Entry Services When DTC Imposes or Intends to Impose Restrictions on the Further Deposit and/or Book Entry Transfer of Those Securities

I. Introduction

On December 5, 2013, The Depository Trust Company (“DTC”) filed with the Securities and Exchange Commission (“Commission”) proposed rule change SR-DTC-2013-11 (“Proposed Rules”) pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Exchange Act”)¹ and Rule 19b-4 thereunder.² The Proposed Rules were published in the Federal Register on December 24, 2013.³ The Commission received ten comments from eight commenters to the Proposed Rules⁴ and two letters from DTC responding to those comments.⁵ On February 10,

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Release No. 34-71132 (Dec. 18, 2013); 78 FR 77755 (Dec. 24, 2013).

⁴ See Letters to Elizabeth M. Murphy, Secretary, Commission, from: Suzanne H. Shatto dated December 20, 2013 (“Shatto Letter I”); Simon Kogan dated December 22, 2013 (“Kogan Letter”); DTCC BigBake dated December 27, 2013 (“DTCC BigBake Letter I”) and March 14, 2014 (“DTCC BigBake Letter II”); Brenda Hamilton, Hamilton & Associates Law Group, PA (“Hamilton Letter”); Charles V. Rossi, Chairman, STA Board Advisory Committee, Securities Transfer Association dated January 14, 2014 (“STA Letter I”); Louis A. Brilleman, Louis A. Brilleman, P.C. dated January 14, 2014 (“Brilleman Letter I”); Gary Emmanuel and Harvey Kesner, Sichenzia Ross Friedman Ference LLP dated January 14, 2014 (“Sichenzia Letter I”) and February 24, 2014 (“Sichenzia Letter II”); and Susanne Trimbath, STP Advisory Services, LLC dated March 19, 2014 (“Trimbath Letter”).

⁵ See Letters to Elizabeth M. Murphy, Secretary, Commission, from Isaac Montal, Managing Director and Deputy General Counsel, DTCC dated February 10, 2014 (“DTC Letter I”) and March 3, 2014 (“DTC Letter II”).

2014, DTC filed Amendment No. 1 to the Proposed Rules.⁶ On March 10, 2014, DTC Filed Amendment No 2 to the Proposed Rules.⁷ On March 19, 2014, the Commission published Amendment Nos. 1 and 2 for comment and instituted proceedings to determine whether to approve or disapprove the Proposed Rules, as modified by Amendment Nos. 1 and 2 (“Order Instituting Proceedings”).⁸ During the course of these proceedings, the Commission received six additional comment letters from five commenters⁹ and two letters in response from DTC.¹⁰

Section 19(b)(2) of the Exchange Act¹¹ provides that, after initiating disapproval proceedings, the Commission shall issue an order approving or disapproving the proposed rule change not later than 180 days after the date of publication of notice of filing of the proposed rule change. The Commission may extend the period for issuing an order approving or disapproving the proposed rule change, however, by not more than 60 days if the Commission

⁶ Amendment No. 1 requires DTC to send any Deposit Chill Notice, as defined herein, and Global Lock Notice, as defined herein, sent to an issuer to the issuer’s transfer agent on record with DTC via overnight courier.

⁷ Amendment No. 2 makes a variety of changes to the rule text clarifying the procedures set forth in the Proposed Rules.

⁸ See Release No. 34-71745 (March 19, 2014); 79 FR 16392 (March 25, 2014).

⁹ See Letters to Elizabeth M. Murphy, Secretary, Commission from: Louis A. Brilleman, Louis A. Brilleman, P.C. dated April 10, 2014 (“Brilleman Letter II”); Charles V. Rossi, Chairman, STA Board Advisory Committee, Securities Transfer Association dated April 15, 2014 (“STA Letter II”); Daniel Zwiren, President and CEO, Edward Petraglia, General Counsel, Optigenex Inc. dated May 5, 2014 (“Optigenex Letter I”); and Suzanne H. Shatto dated May 9, 2014 (Shatto Letter II”). See Letter to Elizabeth M. Murphy, Secretary, Commission and Lisa D. Levey, Secretary, the Depository Trust Company from Daniel Zwiren, President and CEO, Edward Petraglia, General Counsel, Optigenex Inc. dated April 15, 2014 (“Optigenex Letter II”). See Letter to Kevin M. O’Neill, Deputy Secretary, Commission from Gary Emmanuel and Harvey Kesner, Sichenzia Ross Friedman Ference LLP dated April 29, 2014 (“Sichenzia Letter III”).

¹⁰ See Letters to Elizabeth M. Murphy, Secretary, Commission, from Isaac Montal, Managing Director and Deputy General Counsel, DTCC dated April 29, 2014 (“DTC Letter III”) and May 6, 2014 (“DTC Letter IV”).

¹¹ 15 U.S.C. 78s(b)(2).

determines that a longer period is appropriate and publishes the reasons for such determination. The Proposed Rules were published for notice and comment in the Federal Register on December 24, 2013; June 22, 2014 is 180 days from that date, and August 21, 2014 is 240 days from that date.

The Commission finds it appropriate to designate a longer period within which to issue an order approving or disapproving the Proposed Rules so that it has sufficient time to consider the amended proposal, the issues raised in the comment letters, including comment letters submitted in response to the Order Instituting Proceedings, and DTC's responses to such comments.

Accordingly, the Commission, pursuant to Section 19(b)(2) of the Exchange Act,¹² designates August 21, 2014, as the date by which the Commission should either approve or disapprove the Proposed Rules (SR-DTC-2013-11).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹³

Kevin M. O'Neill
Deputy Secretary

¹² Id.

¹³ 17 CFR 200.30-3(a)(57).