

Research: Underdesigned and Opportunistic Computing Machines”, and to provide advice and recommendations concerning further NSF support for the Center.

#### Agenda

Wednesday, October 31, 2012

7 p.m. to 9 p.m.: Closed  
Site Team and NSF Staff meets to discuss Site Visit materials, review process and charge.

Thursday, November 1, 2012

8 a.m. to 1 p.m.: Open  
Presentations by Awardee Institution, faculty staff and students, to Site Team and NSF Staff. Discussions and question and answer sessions.

1 p.m.–8 p.m.: Closed  
Draft report on education and research activities.

Friday, November 2, 2012

8:30 a.m.–noon: Open  
Response presentations by Awardee Institution faculty staff to Site Team and NSF Staff. Discussions and question and answer sessions.

Noon to 3 p.m.: Closed  
Complete written site visit report with preliminary recommendations.

*Reason for Closing:* The proposals being reviewed include information of a proprietary or confidential nature, including technical information; financial data, such as salaries; and personal information concerning individuals associated with the proposals. These matters are exempt under 5 U.S.C. 552b(c), (4) and (6) of the Government in the Sunshine Act.

Dated: October 2, 2012.

**Susanne Bolton,**

*Committee Management Officer.*

[FR Doc. 2012-24650 Filed 10-4-12; 8:45 am]

**BILLING CODE 7555-01-P**

## NATIONAL SCIENCE FOUNDATION

### Advisory Committee for Education and Human Resources; Notice of Meeting

In accordance with the Federal Advisory Committee Act (Pub. L. 92-463, as amended), the National Science Foundation announces the following meeting:

*Name:* Advisory Committee for Education and Human Resources (#1119).

*Date/Time:* November 7, 2012: 11:00 a.m. to 5:00 p.m., November 8, 2012: 8:30 a.m. to 3:30 p.m.

*Place:* NSF Headquarters, Room 375, 4201 Wilson Boulevard, Arlington, VA 22230.

*Type of Meeting:* Open.

*Contact Person:* Amanda Edelman, National Science Foundation, 4201 Wilson Boulevard, Arlington, VA 22230. Telephone: (703) 292-8600 or email: [aedelman@nsf.gov](mailto:aedelman@nsf.gov).

*Purpose of Meeting:* To provide advice with respect to the Foundation's science technology, engineering, and mathematics (STEM) education and human resources programming.

#### Agenda

November 7, 2012 (Wednesday Morning)

- Welcoming Remarks
- Opening Introductions/Discussion with AC Members
- National Challenges in STEM Education and Strategic Direction of EHR

Working Lunch

November 7, 2012 (Wednesday Afternoon)

- Collaborations Across NSF
- Committee of Visitors Results and Discussion

November 8, 2012 (Thursday Morning)

- Research and Development in EHR
- Evaluation and Monitoring Plan

Working Lunch

November 8, 2012 (Thursday Afternoon)

- Strategic Communication Discussion
  - Dialogue with NSF Director and Deputy Director
  - Next Steps and Future Meeting Topics
- Adjournment

**Susanne Bolton,**

*Committee Management Officer.*

[FR Doc. 2012-24648 Filed 10-4-12; 8:45 am]

**BILLING CODE 7555-01-P**

## NATIONAL SCIENCE FOUNDATION

### Notice of Permit Issued Under the Antarctic Conservation Act of 1978

**AGENCY:** National Science Foundation.

**ACTION:** Notice of permit issued under the Antarctic Conservation Act of 1978, Public Law 95-541.

**SUMMARY:** The National Science Foundation (NSF) is required to publish notice of permits issued under the Antarctic Conservation Act of 1978. This is the required notice.

**FOR FURTHER INFORMATION CONTACT:** Nadene G. Kennedy, Permit Office, Office of Polar Programs, Rm. 755, National Science Foundation, 4201 Wilson Boulevard, Arlington, VA 22230.

**SUPPLEMENTARY INFORMATION:** On July 27, 2012, the National Science Foundation published a notice in the **Federal Register** of a permit application received. A Waste Management Permit was issued on September 24, 2012 to:

Olaf Malver .....	Permit No. 2013 WM-001.
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**Nadene G. Kennedy,**

*Permit Officer.*

[FR Doc. 2012-24596 Filed 10-4-12; 8:45 am]

**BILLING CODE 7555-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-67947; File No. SR-NSCC-2012-06]

### Self-Regulatory Organizations; National Securities Clearing Corporation; Order Approving Proposed Rule Change To Enhance the Default Pricing Methodology Used by NSCC's Automated Customer Account Transfer Service

September 28, 2012.

#### I. Introduction

On August 7, 2012, the National Securities Clearing Corporation (“NSCC”) filed with the Securities and Exchange Commission (“Commission”) proposed rule change SR-NSCC-2012-06. The proposed rule change, which was filed pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”) <sup>1</sup> and Rule 19b-4 thereunder, <sup>2</sup> was published for comment in the **Federal Register** on August 22, 2012. <sup>3</sup> The Commission received no comment letters regarding the proposal. For the reasons discussed below, the Commission is granting approval of the proposed rule change.

#### II. Description

The proposed rule change will amend Rule 50 of NSCC's Rules and Procedures to eliminate the use of a default pricing matrix to assign values to certain items transferred through NSCC's Automated Customer Account Transfer Service (“ACATS”).

ACATS enables NSCC Members to effect automated transfers of customer accounts among themselves. <sup>4</sup> Pursuant to Rule 50, an NSCC Member to whom a customer's full account will be transferred (“Receiving Member”) will initiate the transfer by submitting to NSCC a transfer initiation request, which contains the customer detail information that the NSCC Member in possession of the account (“Delivering Member”) requires in order to transfer the account. Delivering Members that have neither rejected the account transfer request nor sought corrections to the request within the allotted time

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

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

<sup>3</sup> Securities Exchange Act Release No. 67673 (August 15, 2012), 77 FR 50736 (August 22, 2012).

<sup>4</sup> ACATS complements Financial Industry Regulatory Authority (“FINRA”) Rule 11870 regarding Customer Account Transfers, which requires FINRA members to use automated clearing agency customer account transfer services, and to effect customer account transfers within specified time frames.

must submit to NSCC certain detailed customer account asset data.

For items transferred through ACATS that are not eligible to be processed through NSCC's Continuous Net Settlement ("CNS") system<sup>5</sup> (and for CNS-eligible items that are designated to be delivered ex-CNS), NSCC will produce ACATS Receive and Deliver Instructions. These ACATS transfers then settle either outside of NSCC or through a separate service at NSCC.<sup>6</sup> In order to incentivize the timely completion of ACATS transfers, at the start of the day on ACATS settlement date, the Delivering Member's NSCC money settlement account will receive a debit, or an incentive charge ("Incentive Charge"), equal to the aggregate market value of the items the Delivering Member is transferring through ACATS; the Receiving Member's NSCC money settlement account receives a credit in the same amount.<sup>7</sup> Once delivery of an item is complete, the Incentive Charge associated with that item is effectively offset when the Receiving Member pays the Delivering Member for the transferred item. This Incentive Charge is intended to encourage the Delivering Member to make delivery of the item in a timely manner.<sup>8</sup>

Each item transferred through ACATS must be assigned a market value in order to calculate the Incentive Charge. CNS-eligible items being transferred through ACATS are assigned a market value through the CNS system. Non-CNS eligible items, however, are assigned a market value pursuant to NSCC Rule 50, which calls for a market value based on either (i) the price

<sup>5</sup> CNS is an ongoing accounting system that nets each day's Settling Trades with the prior day's Closing Positions, producing net short or long positions per security issue for each Member. NSCC is always contraside for all positions. The positions are then passed against the Member's Designated Depository positions and available securities are allocated by book entry. This allocation of securities is accomplished through an evening cycle followed by a day cycle. Positions that remain open after the evening cycle may be changed as a result of trades accepted for settlement that day. To allocate deliveries in both the night and day cycles, CNS uses an algorithm based on priority groups in descending order, age of position within a priority group, and random numbers within age groups.

<sup>6</sup> For example, non-CNS ACATS transfers may settle at (i) The Depository Trust Company ("DTC"), for DTC-eligible items; (ii) NSCC's automated ACATS-Fund/SERV interface, for eligible mutual fund assets; (iii) NSCC's ACATS-IPS interface, for eligible annuities; and (iv) the Options Clearing Corporation, where transfers in customer-options positions take place, for options.

<sup>7</sup> Incentive Charges are not calculated for the transfer of options or annuities.

<sup>8</sup> It also allows the Receiving Member to record the customer position on its books, regardless whether the item is actually delivered on settlement date. This process supports the requirements of FINRA Rule 11870.

obtained from a pricing source, if available or, if a pricing source is not available, (ii) the greater of (a) the price in U.S. dollars assigned by the Delivering Member ("Submitter's Value"), which, in most cases, must be the current market value of the item,<sup>9</sup> or (b) the value ascribed to such item pursuant to a default pricing matrix, as established from time to time by NSCC. The current default pricing matrix assigns a value to an item based on its "asset category type," as classified by the Delivering Member in the detailed customer account asset data submitted to NSCC. For example, the current default pricing matrix assigns equities a default price of \$1 per share, with a cap of \$20,000, and assigns U.S. government securities and U.S. government agency securities a default price of the face amount. The default pricing matrix was developed in close coordination with industry participants and the National Association of Securities Dealers shortly after the initial development of ACATS.

It has been observed that the default pricing matrix may, in some cases, overvalue items being transferred through ACATS. When this occurs, on ACATS settlement date the Delivering Member will be debited an Incentive Charge based on a higher value than the actual value of the item being transferred. Delivering Members will not receive the offset for this Incentive Charge until they deliver the related ACATS item. Therefore, a Delivering Member that does not deliver the ACATS item on ACATS settlement date will be required to pay the Incentive Charge associated with that item. If the default pricing matrix has overvalued an ACATS Incentive Charge, a Delivering Member that has failed to deliver the item will be faced with an unexpected inflated settlement charge on ACATS settlement date.

In order to reduce the risk of overcharging a Delivering Member, NSCC is proposing a rule change that will require NSCC to assign the Submitter's Value to items when the system cannot otherwise find a price for the security, thereby eliminating the use of the ACATS default pricing matrix altogether. Under the proposed rule change, in the case of non-CNS eligible items transferred through ACATS, NSCC will assign a market value to those items as either (i) the price obtained from a pricing source, if

available or, if a pricing source is not available, the assigned market value will be (ii) the price in U.S. dollars assigned by the Delivering Member (*i.e.*, the Submitter's Value), which, in most cases, must be the current market value of the security.<sup>10</sup>

According to NSCC, this proposed rule change will reduce the risk that a non-CNS eligible item transferred through ACATS is assigned an inflated value based on its asset category, as it will require that the market value of these items be obtained either from a pricing source or from the Delivering Member.

### III. Discussion

Section 19(b)(2)(C) of the Act<sup>11</sup> directs the Commission to approve a self-regulatory organization's proposed rule change if it determines that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to such organization. Section 17A(b)(3)(F) of the Act<sup>12</sup> requires, among other things, that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of security transactions, and to assure the safeguarding of securities and funds that are in the custody or control of such clearing agency, or for which it is responsible.

The Commission concludes that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to NSCC. The proposed rule change should ensure that NSCC members will no longer be surprised with inflated settlement charges in connection with ACATS transfers. By allowing NSCC members to gauge their liabilities more accurately, the proposed rule change will foster the prompt and accurate clearance and settlement of security transactions, and will assure the safeguarding of securities and funds in NSCC's custody or control, or for which NSCC is responsible.

### IV. Conclusion

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of the Act, in particular with the requirements of Section 17A of the Act<sup>13</sup> and the rules and regulations thereunder.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,<sup>14</sup> that the proposed rule change (File No. SR-

<sup>9</sup> See Section (d)(5)(A) of current FINRA Rule 11870, stating that a customer statement delivered in connection with a transfer instruction, "must include a then-current market value for all assets so indicated. If a then-current market value for an asset cannot be determined (*e.g.*, a limited partnership interest), the asset must be valued at original cost."

<sup>10</sup> See note 9, *supra*.

<sup>11</sup> 15 U.S.C. 78s(b)(2)(C).

<sup>12</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>13</sup> 15 U.S.C. 78q-1.

<sup>14</sup> 15 U.S.C. 78s(b)(2).

NSCC–2012–06) be, and hereby is, APPROVED.<sup>15</sup>

For the Commission by the Division of Trading and Markets, pursuant to delegated authority.<sup>16</sup>

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

[FR Doc. 2012–24540 Filed 10–4–12; 8:45 am]

BILLING CODE 8011–01–P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–67957; File No. SR–ISE–2012–74]

### Self-Regulatory Organizations; International Securities Exchange, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend ISE Rule 711 To Provide for the Nullification of Trades by Mutual Agreement of the Parties Thereto

October 1, 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 September 19, 2012, the International Securities Exchange, LLC (the “Exchange” or the “ISE”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II 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 the Substance of the Proposed Rule Change

The Exchange proposes to amend ISE Rule 711 to provide for the nullification of trades by mutual agreement of the parties thereto. The text of the proposed rule change is available on the Exchange’s Web site [www.ise.com](http://www.ise.com), at the principal office of the Exchange, at the Commission’s Web site <http://www.sec.gov>, and at the Commission’s Public Reference Room.

#### 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 self-regulatory organization 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 Statutory Basis for, the Proposed Rule Change

##### 1. Purpose

The purpose of this proposed rule change is to amend ISE Rule 711 to provide for the nullification of trades by mutual agreement of the parties thereto. Under Proposed ISE Rule 711(b), a trade would be nullified if all parties to the trade agree to the nullification.<sup>3</sup> After agreement has been reached between the parties to nullify a trade, one party would be required to notify the Exchange and the Exchange promptly will disseminate the nullification to the Options Price Reporting Authority (“OPRA”). Proposed ISE Rule 711(b) would provide the parties to a trade with the ability to nullify a trade under circumstances where, for example, an obvious or catastrophic error is not deemed to have occurred, but the parties to the trade nonetheless desire that the trade be nullified.

##### 2. Statutory Basis

The Exchange believes that the proposed rule change, which would permit a trade to be nullified upon the mutual agreement of all parties to the trade, is consistent with Section 6(b) of the Securities Exchange Act of 1934 (the “Exchange Act”),<sup>4</sup> in general, and furthers the objectives of Section 6(b)(5) of the Exchange Act,<sup>5</sup> in particular, because it is designed to promote just and equitable principles of trade, remove impediments to and perfect the mechanism for a free and open market and a national market system, and in general, to protect investors and the public interest. The proposed rule change makes clear the contractual rights of the parties to a trade to nullify the trade upon mutual agreement. The Exchange believes that the proposed rule change is consistent with a free and open market and the public interest

because it gives effect to the contractual rights of the parties to a trade.

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

The proposed rule change does not 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 has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any unsolicited written comments from members or other interested parties.

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

Because the foregoing proposed rule change does not: (i) Significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) does not become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)<sup>6</sup> of the Act and Rule 19b–4(f)(6)<sup>7</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

<sup>15</sup> In approving the proposed rule change, the Commission considered the proposal’s impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>16</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.

<sup>3</sup> The changes proposed to ISE Rule 711 are based on NYSE MKT LLC (formerly known as NYSE Amex LLC) Rule 965NY, Commentary .02. The Exchange believes that, though not required, parties generally would need to agree to nullify a trade prior to that trade being settled.

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

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

<sup>6</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>7</sup> 17 CFR 240.19b–4(f)(6). As required under Rule 19b–4(f)(6)(iii), the Exchange provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing the proposed rule change.