interest. In particular, the proposal is designed to increase the consistency and transparency in the handling of erroneous options transactions among those options exchanges that allow complex order or stock-option order transactions.

In its order approving the initial harmonized rule of BATS Exchange, Inc., the Commission noted that the options exchanges intended to work together to further develop additional objectivity with respect to their processes for the adjustment and nullification of erroneous options transactions. The Commission believes that the proposed rule change to specifically delineate the treatment of erroneous complex order or stock-option order transactions constitutes an additional step towards this goal. Based on the foregoing, the Commission believes that the proposed rule change is consistent with Section 6(b)(5) of the Act. The proposed Rule 6.25 will foster cooperation and coordination with persons engaged in regulating and facilitating transactions.

The Commission notes that the proposed rule change will become operative on April 17, 2017. This delayed implementation is to ensure that other options exchanges that permit transactions in complex orders or stock-option orders will have sufficient time to put in place similar rules consistent with this proposed rule change and to coordinate the date of implementation of such harmonized rules.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change, as modified by Amendment No. 1 (SR-CBOE-2016-088), be, and hereby is, approved.

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

Eduardo A. Aleman,
Assistant Secretary.

February 14, 2017.

AGENCY: Securities and Exchange Commission ("Commission").

ACTION: Notice of an application for an order under section 12(d)(1)(J) of the Investment Company Act of 1940 (the “Act”) for an exemption from sections 12(d)(1)(A), (B), and (C) of the Act and under sections 6(c) and 17(b) of the Act for an exemption from sections 17(a)(1) and (2) of the Act. The requested order would permit certain registered open-end investment companies to acquire shares of certain registered open-end investment companies, registered closed-end investment companies, business development companies, as defined in section 2(a)(48) of the Act, and unit investment trusts (collectively, “Underlying Funds”) that are within and outside the same group of investment companies as the acquiring investment companies, in excess of the limits in section 12(d)(1) of the Act.

APPLICANTS: Brinker Capital Destinations Trust, a Delaware statutory trust that is registered under the Act as an open-end management investment company with multiple series, and Brinker Capital, Inc., a Delaware Corporation registered as an investment adviser under the Investment Advisers Act of 1940.

DATES: Filing Dates: The application was filed on December 8, 2016 and amended on February 1, 2017.

HEARING OR NOTIFICATION OF HEARING: An order granting the requested relief will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission’s Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on March 14, 2017 and should be accompanied by proof of service on the applicants, in the form of an affidavit, or, for lawyers, a certificate of service. Pursuant to Rule 0–5 under the Act, hearing requests should state the nature of the writer’s interest, any facts bearing upon the desirability of a hearing on the matter, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the Commission’s Secretary.

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 32478; File No. 812–14724]

Brinker Capital Destinations Trust, et al.; Notice of Application

February 14, 2017.

AGENCY: Securities and Exchange Commission ("Commission").

ACTION: Notice of an application for an order under section 12(d)(1)(J) of the Investment Company Act of 1940 (the “Act”) for an exemption from sections 12(d)(1)(A), (B), and (C) of the Act and under sections 6(c) and 17(b) of the Act for an exemption from sections 17(a)(1) and (2) of the Act. The requested order would permit certain registered open-end investment companies to acquire shares of certain registered open-end investment companies, registered closed-end investment companies, business development companies, as defined in section 2(a)(48) of the Act, and unit investment trusts (collectively, “Underlying Funds”) that are within and outside the same group of investment companies as the acquiring investment companies, in excess of the limits in section 12(d)(1) of the Act.

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APPLICATIONS: Brinker Capital Destinations Trust, a Delaware statutory trust that is registered under the Act as an open-end management investment company with multiple series, and Brinker Capital, Inc., a Delaware Corporation registered as an investment adviser under the Investment Advisers Act of 1940.

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FURTHER INFORMATION CONTACT: Jennifer O. Palmer, Senior Counsel, at (202) 551–5786, or Nadya Roytblat, Assistant Chief Counsel, at (202) 551–6621 (Division of Investment Management, Chief Counsel’s Office).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained via the Commission’s Web site by searching for the file number, or for an applicant using the Company name box, at http://www.sec.gov/search/search.htm, or by calling (202) 551–8090.

Summary of the Application

1. Applicants request an order to permit (a) a Fund 1 (each a “Fund of Funds”) to acquire shares of Underlying Funds in excess of the limits in sections 12(d)(1)(A) and (C) of the Act and (b) the Underlying Funds that are registered open-end investment companies or series thereof, their principal underwriters and any broker or dealer registered under the Securities Exchange Act of 1934 to sell shares of the Underlying Funds to the Fund of Funds in excess of the limits in section 12(d)(1)(B) of the Act. Applicants also request an order of exemption under

1 Applicants request that the order apply to each existing and future series of Brinker Capital Destinations Trust and to each existing and future registered open-end investment company or series thereof that is advised by Brinker Capital, Inc. or its successor or by any other investment adviser controlling, controlled by or under common control with Brinker Capital, Inc. or its successor and is part of the same “group of investment companies” as Brinker Capital Destinations Trust (each, a “Fund”). For purposes of the requested order, “successor” is limited to an entity that results from a reorganization into another jurisdiction or a change in the type of business organization. For purposes of the request for relief, the term “group of investment companies” means any two or more registered investment companies, including closed-end investment companies and business development companies, that hold themselves out to investors as related companies for purposes of investment and investor services.

2 Certain of the Underlying Funds have obtained exemptions from the Commission necessary to permit their shares to be listed and traded on a national securities exchange at negotiated prices and, accordingly, to operate as an exchange-traded fund (“ETF”).

Applicants do not request relief for Funds of Funds to invest in reliance on the order in business development companies and registered closed-end investment companies that are not listed and traded on a national securities exchange.
sections 6(c) and 17(b) of the Act from
the prohibition on certain affiliated
transactions in section 17(a) of the Act
to the extent necessary to permit the
Underlying Funds to sell their shares to,
and redeem their shares from, the Funds
of Funds. Applicants state that such
transactions will be consistent with
the policies of each Fund of Funds and each
Underlying Fund and with the general
purposes of the Act and will be based
on the net asset values of the
Underlying Funds.
2. Applicants agree that any order
granting the requested relief will be
subject to the terms and conditions
stated in the application. Such terms
and conditions are designed to, among
other things, help prevent any potential
(i) undue influence over an Underlying
Fund that is not in the same "group of
investment companies" as the Fund of
Funds through control or voting power,
or in connection with certain services,
transactions, and underwritings, (ii)
excessive layering of fees, and (iii)
overly complex fund structures, which
are the concerns underlying the limits
in sections 12(d)(1)(A), (B), and (C) of
the Act.
3. Section 12(d)(1)(J) of the Act
provides that the Commission may
exempt any person, security, or
transaction, or any class or classes of
persons, securities, or transactions, from
any provision of section 12(d)(1) if the
exemption is consistent with the public
interest and the protection of investors.
Section 17(b) of the Act authorizes the
Commission to grant an order permitting
a transaction otherwise prohibited by
section 17(a) if it finds that (a) the terms of the
proposed transaction are fair and reasonable and
do not involve overreaching on the part
of any person concerned; (b) the
proposed transaction is consistent with
the policies of each registered
investment company involved; and (c) the
proposed transaction is consistent with
the general purposes of the Act.
Section 6(c) of the Act permits the
Commission to exempt any persons or
transactions from any provision of
the Act if such exemption is necessary or
appropriate in the public interest and
SECURITIES AND EXCHANGE
COMMISSION
[Release No. 34–80041; File No. SR–CHX–
2017–04]
Self-Regulatory Organizations;
Chicag Stock Exchange, Inc.; Notice of Filing of Proposed Rule Change To
Adopt the CHX Liquidity Enhancing
Access Delay
February 14, 2017.
Pursuant to Section 19(b)(1) of the
Securities Exchange Act of 1934
(“Act”) and Rule 19b–4 thereunder,
notice is hereby given that on February
10, 2017, the Chicago Stock Exchange,
Inc. (“CHX” or “Exchange”) filed with
the Securities and Exchange
Commission the (the “Commission”) the
proposed rule change as described in
Items I, II and III below, which Items
have been prepared by the self-
regulatory organization. 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
CHX proposes to amend the Rules of the
Exchange (“CHX Rules”) to adopt
the CHX Liquidity Enhancing Access
Delay. The text of this proposed rule
change is available on the Exchange’s
Web site at http://www.chx.com/
regulatory-operations/rule-filings/, at
the principal office of the Exchange, 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
self-regulatory organization 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 those statements may be examined at
the places specified in Item IV below.

4 A Fund of Funds generally would purchase and
sell shares of an Underlying Fund that operates as
an ETF through secondary market transactions
rather than through principal transactions with the
Underlying Fund. Applicants nevertheless request
relief from section 17(a) to permit a Fund of Funds
to purchase or redeem shares from the ETF. A Fund
of Funds will purchase and sell shares of an
Underlying Fund that is a closed-end fund through
secondary market transactions at market prices
rather than through principal transactions with the
closed-end fund. Accordingly, applicants are not
requesting section 17(a) relief with respect to
transactions in shares of closed-end funds
(including business development companies).

5 As used herein, “latency arbitrage” means the practice of exploiting

6 New incoming orders” are orders received by the Matching System for the first time. As discussed
below, LEAD will not apply to other situations
where existing orders or portions thereof are treated
as incoming orders, such as (1) resting orders that
are price slid into a new price point pursuant to the
CHX Only Price Sliding or Limit Up-Limit Down
Price Sliding Processes and (2) unexecuted
remainers of routed orders released into the
Matching System. See CHX Article 1, Rule
2(b)(1)(C); see also CHX Article 20, Rule 2A(b); see
also CHX Article 20, Rule 8(b)(7). Incidentally, the
Exchange is proposing to amend CHX Article 20,
Rule 8(a)(7) to delete the word “new” from the last
sentence, so that the rule provides, in pertinent
part, that if no balance exists at the time a part of
an unexecuted remainder of a routed order is
returned to the Matching System, it shall be treated
as an incoming order.

7 Each day trading is divided into four trading
sessions: Early session, regular trading session, late
trading session and late crossing session. See CHX
Article 20, Rule 1(b)(1)(B). The Exchange only accepts
cross orders during the late crossing session and
thus does not accept or rank any single-sided orders
during the late crossing session. See CHX Article 1,
Rule 2(a)(2) defining “cross order.”