

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-72332 ; File No. SR-FINRA-2014-020)

June 5, 2014

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Designation of a Longer Period for Commission Action on Proposed Rule Change to Adopt FINRA Rule 2081, Prohibited Conditions Relating to Expungement of Customer Dispute Information

On April 14, 2014, the Financial Industry Regulatory Authority, Inc. (“FINRA”) filed with the Securities and Exchange Commission (“Commission”), 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> a proposed rule change to adopt FINRA Rule 2081 to prohibit member firms and associated persons from conditioning or seeking to condition settlement of a dispute with a customer on, or to otherwise compensate the customer for, the customer’s agreement to consent to, or not to oppose, the firm’s or associated person’s request to expunge the customer dispute information which was the subject of the settlement from the Central Registration Depository (CRD<sup>®</sup>). The proposal was published for comment in the Federal Register on April 23, 2014.<sup>3</sup> The Commission received 15 comments on the proposal.<sup>4</sup>

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

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

<sup>3</sup> See Securities Exchange Act Release No. 71959 (April 17, 2014), 79 FR 22734 (SR-FINRA-2014-020).

<sup>4</sup> See Letter from Steven B. Caruso, Maddox Hargett Caruso, P.C., dated April 21, 2014; Letter from Nicole G. Iannarone, Assistant Clinical Professor, Tim Guilmette, Student Intern, and Nataliya Obikhod, Student Intern, Georgia State University College of Law, dated May 1, 2014; Letter from Ryan K. Bakhtiari, Aidikoff, Uhl and Bakhtiari, dated May 5, 2014; Letter from Richard P. Ryder, dated May 5, 2014; Letter from Barry D. Estell, dated May 7, 2014; Letter from Leonard Steiner, Steiner & Libo, PC, dated May 7, 2014; Letter from Philip M. Aidikoff, Aidikoff, Uhl and Bakhtiari, dated May 1, 2014; Letter from George H. Friedman, George H. Friedman Consulting, LLC, dated May 13, 2014; Letter from Jason Doss, President, Public Investors Arbitration Bar Association, dated May 13, 2014; Letter from David T. Bellaire, Executive Vice President and General Counsel, Financial Services Institute, dated May 14, 2014; Letter from Andrea

Section 19(b)(2) of the Act<sup>5</sup> provides that, within 45 days of the publication of notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The 45<sup>th</sup> day for this filing is June 7, 2014. The Commission is extending this 45-day time period.

The Commission finds it appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the proposed rule change and the comment letters received.

Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,<sup>6</sup> designates July 22, 2014 as the date by which the Commission should either approve or disapprove, or

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Seidt, Ohio Securities Commissioner and North American Securities Administrators Association (“NASAA”) President, NASAA, dated May 14, 2014; Letter from Jill Gross, Director, Elissa Germaine, Supervising Attorney, and Michelle Robinson, Student Intern, John Jay Legal Services, Inc., Pace University School of Law, dated May 14, 2014; Letter from Kevin M. Carroll, Managing Director and Associate General Counsel, Securities Industry and Financial Markets Association Small Firms Committee, dated May 14, 2014; Letter from Ronald M. Amato, Amato Law Firm, LLC, dated May 15, 2014; and Letter from Harry A. Jacobwitz, Database Manager, Securities Arbitration Commentator, Inc., dated May 16, 2014.

<sup>5</sup> 15 U.S.C. 78s(b)(2).

<sup>6</sup> 15 U.S.C. 78s(b)(2).

institute proceedings to determine whether to disapprove, the proposed rule change (File No. SR-FINRA-2014-020).

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

Kevin M. O'Neill  
Deputy Secretary

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<sup>7</sup> 17 CFR 200.30-3(a)(31).