

reinvestment of the proceeds of redemption, or both.⁸ The section was designed to forestall the ability of a depositor to present holders of interest in a unit investment trust with situations in which a holder's only choice would be to continue an investment in an unsuitable underlying security, or to elect a costly and, in effect, forced redemption.

4. Applicants represent that each Contract and its prospectus reserves NLIC's right to substitute shares of one portfolio for shares of another.

5. Applicants contend that based on a comparison of the basic characteristics of the Replacement Portfolio and the Substituted Portfolio, the Substitution will provide Contract owners with substantially the same investment vehicle.

6. Applicants believe that the Replacement Portfolio and the Substituted Portfolio have substantially the same investment objectives and principal investment strategies, thus making the Replacement Portfolio an appropriate candidate for the Substitution. Both the Replacement Portfolio and the Substituted Portfolio seek a high level of current income as is consistent with stable principal values and liquidity. However, while both the Replacement Portfolio and the Substituted Portfolio pursue their investment objective by investing in U.S. dollar-denominated money market securities of domestic issuers as well as repurchase agreements, only the Replacement Portfolio invests in instruments issued by foreign issuers. Both the Replacement Portfolio and the Substituted Portfolio seek to maintain a net asset value of \$1.00 per share as well as liquidity. Most significantly, both the Replacement Portfolio and the Substituted Portfolio must comply with the diversification and risk-limiting conditions of Rule 2a-7 under the Act. Notwithstanding one difference in the investment strategies, both the Replacement Portfolio and the Substituted Portfolio emphasize the same investment objective and follow substantially the same investment strategies to pursue those objectives. Thus, the Applicants believe that the money market investment option available to Contract owners will not change in any material respect as a result of the Substitution.

7. Applicants represent that the Replacement Portfolio entails substantially the same investment risks

as does the Substituted Portfolio. In particular, given the diversification and risk-limiting conditions of Rule 2a-7 under the Act, the Replacement Portfolio cannot have a materially different risk profile than the Substituted Portfolio.

8. Applicants assert that the Substitution will result in a reduction in overall expenses of the Replacement Portfolio as compared to the Substituted Portfolio. Although the Service Class shares of the Replacement Portfolio are subject to a modest Rule 12b-1 distribution and shareholder service plan expense that the Substituted Portfolio does not bear, the total annual operating expenses for the Replacement Portfolio have been significantly less than the total annual operating expenses for the Substituted Portfolio in recent years.

9. The Applicants believe that Contract owners would benefit from the significantly larger size of the Replacement Portfolio and the somewhat higher yields that the Replacement Portfolio can be expected to provide, as contrasted with the size and recent yields of the Substituted Portfolio.

10. Applicants represent that for three years from the Effective Date, NLIC and persons under common control with NLIC will not receive in the aggregate any direct or indirect benefits from the Replacement Portfolio, its investment adviser, or its principal underwriter (or their affiliates) in connection with assets representing contract values (at the time of the substitution) of the Contracts, at a higher rate than they had received from the Substituted Portfolio, its investment adviser, or its principal underwriter (or their affiliates) including, without limitation: Rule 12b-1 fees, shareholder service fees, administrative fees or other service fees, revenue-sharing payments, or payments from other arrangements in connection with such assets.

11. Applicants submit that the Substitution meets the standards set forth in Section 26(c) and that, if implemented, the Substitution would not raise any of the aforementioned concerns that Congress intended to address when the 1940 Act was amended to include this provision. Further, Applicants submit that the replacement of the Substituted Portfolio with the Replacement Portfolio is consistent with the protection of Contract owners and the purposes fairly intended by the policy and provisions of the 1940 Act and, thus, meets the standards necessary to support an order pursuant to Section 26(c) of the 1940 Act.

Conclusion

Applicants submit that for the reasons summarized above the proposed Substitution meets the standards of Section 26(c) of the 1940 Act and request that the Commission issue an order of approval pursuant to Section 26(c) of the 1940 Act.

For the Commission, by the Division of Investment Management pursuant to delegated authority.

Cathy H. Ahn,
Deputy Secretary.

[FR Doc. 2011-8731 Filed 4-12-11; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[File No. 500-1]

RINO International Corporation; Order of Suspension of Trading

April 11, 2011.

It appears to the Securities and Exchange Commission that there is a lack of current and accurate information concerning the securities of RINO International Corporation, because the company has failed to disclose that: (i) The outside law firm and forensic accountants hired by the audit committee to investigate allegations of financial fraud at the company resigned on or about March 31, 2011, after reporting the results of their investigation to management and the board; (ii) the chairman of its audit committee resigned on March 31, 2011; and (iii) the company's remaining independent directors have also resigned. Further, questions have arisen regarding, among other things: (i) The size of the company's operations and number of employees; (ii) the existence of certain material customer contracts; and (iii) the existence of two separate and materially different sets of corporate books and accounts. RINO is a Nevada corporation with its headquarters and operations in the People's Republic of China, which trades on OTC Link under the symbol "RINO."

The Commission is of the opinion that the public interest and the protection of investors require a suspension of trading in the securities of the above-listed company.

Therefore, *it is ordered*, pursuant to Section 12(k) of the Securities Exchange Act of 1934, that trading in the above-listed company is suspended for the period from 9:30 a.m. EDT, April 11, 2011, through 11:59 p.m. EDT, on April 25, 2011.

⁸House Comm. Interstate Commerce, Report of the Securities and Exchange Commission on the Public Policy Implications of Investment Company Growth, H.R. Rep. No. 2337, 89th Cong. 2d Session 337 (1966).

By the Commission.

Elizabeth M. Murphy,
Secretary.

[FR Doc. 2011-9060 Filed 4-11-11; 11:15 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-64240; File No. SR-BX-
2011-019]

Self-Regulatory Organizations; NASDAQ OMX BX, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Extend the Pilot Period of Amendments to the Clearly Erroneous Rule

April 7, 2011.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on March 31, 2011, NASDAQ OMX BX, Inc.

(“Exchange”), 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 extend the pilot period of recent amendments to Rule 11890, concerning clearly erroneous transactions, so that the pilot will now expire on the earlier of August 11, 2011 or the date on which a limit up/limit down mechanism to address extraordinary market volatility, if adopted, applies.

The text of the proposed rule change is below. Proposed new language is italicized; proposed deletions are in brackets.

* * * * *

11890. Clearly Erroneous Transactions

The provisions of paragraphs (C), (c)(1), (b)(i), and (b)(ii) of this Rule, as amended on September 10, 2010, shall be in effect during a pilot period set to end on *the earlier of August 11, 2011 or the date on which a limit up/limit down mechanism to address extraordinary market volatility, if adopted, applies* [April 11, 2011]. If the pilot is not either extended or approved permanent by *the earlier of August 11, 2011 or the date on which a limit up/limit down mechanism*

to address extraordinary market volatility, if adopted, applies [April 11, 2011], the prior versions of paragraphs (C), (c)(1), and (b) shall be in effect.

(a)-(f) No change.

* * * * *

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 Statutory Basis for, the Proposed Rule Change

1. Purpose

On September 10, 2010, the Commission approved, for a pilot period to end December 10, 2010, a proposed rule change submitted by the Exchange, together with related rule changes of the BATS Exchange, Inc., Chicago Board Options Exchange, Incorporated, Chicago Stock Exchange, Inc., EDGA Exchange, Inc., EDGX Exchange, Inc., International Securities Exchange LLC, The NASDAQ Stock Market LLC, New York Stock Exchange LLC, NYSE Amex LLC, NYSE Arca, Inc., and National Stock Exchange, Inc., to amend certain of their respective rules to set forth clearer standards and curtail discretion with respect to breaking erroneous trades.³

The changes were adopted to address concerns that the lack of clear guidelines for dealing with clearly erroneous transactions may have added to the confusion and uncertainty faced by investors on May 6, 2010. On December 7, 2010, the Exchange filed an immediately effective filing to extend the existing pilot program for four months, so that the pilot would expire on April 11, 2011.⁴

The Exchange believes that the pilot program has been successful in providing greater transparency and certainty to the process of breaking

³ Securities Exchange Act Release No. 62886 (September 10, 2010), 75 FR 56613 (September 16, 2010).

⁴ Securities Exchange Act Release No. 63490; (December 9, 2010), 75 FR 78299 (December 15, 2010).

erroneous trades. The Exchange also believes that a four month extension of the pilot is warranted so that it may continue to monitor the effects of the pilot on the markets and investors, and consider appropriate adjustments, as necessary. The Exchange notes, however, that the Exchanges are developing a “limit up/limit down” mechanism to reduce the negative impacts of sudden, unanticipated price movements in securities traded on the Exchanges. Under such a mechanism, trades in a security outside a price band would not be allowed, thus eliminating clearly erroneous transactions from occurring altogether. As such, the proposed extension may be shorter in duration should the Exchange adopt a limit up/limit down mechanism to address extraordinary market volatility. Accordingly, the Exchange is filing to further extend the pilot program until the earlier of August 11, 2011 or the date on which a limit up/limit down mechanism to address extraordinary market volatility, if adopted, applies.

2. Statutory Basis

The statutory basis for the proposed rule change is Section 6(b)(5) of the Securities Exchange Act of 1934 (the “Act”),⁵ which requires the rules of an exchange to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest. The proposed rule change also is designed to support the principles of Section 11A(a)(1)⁶ of the Act in that it seeks to assure fair competition among brokers and dealers and among exchange markets. The Exchange believes that the proposed rule meets these requirements in that it promotes transparency and uniformity across markets concerning decisions to break erroneous trades.

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

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.

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

Written comments were neither solicited nor received.

⁵ 15 U.S.C. 78f(b)(5).

⁶ 15 U.S.C. 78k-1(a)(1).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.