



SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-68934; File No. TP 13-06)

February 14, 2013

Order Extending Temporary Exemptions From Certain Rules Of Regulation SHO Related To Hurricane Sandy

On December 12, 2012, the Commission issued an order (the “Order”) pursuant to Section 36 of the Securities Exchange Act of 1934 (“Exchange Act”) granting exemptions from certain requirements of Regulation SHO under the Exchange Act¹ in response to the impact of Hurricane Sandy on the Depository Trust & Clearing Corporation vault at 55 Water Street in Manhattan (the “Vault”).² Specifically, the Order granted exemptions from the “locate,” short sale price test, and close-out requirements of Regulation SHO for sales of Vault Securities.³ The Order specified that, absent further action by the Commission, these exemptions would expire on February 1, 2013.

SIFMA has requested an extension until May 5, 2013, because the process for restoring Vault Securities is not complete at the present time.⁴ As a result, SIFMA states that sales of Vault Securities continue to experience settlement delays that have implications for compliance with Regulation SHO. For this reason and the reasons stated in the Order, the Commission finds that extending the Order, pursuant to our authority under Section 36 of the Exchange Act,⁵ is

¹ 17 CFR 242.200 *et seq.*

² Order Granting Exemptions from Certain Rules of Regulation SHO Related to Hurricane Sandy, Exchange Act Release No. 68419 (Dec. 12, 2012), 77 FR 74891 (Dec. 18, 2012).

³ The Order defines “Vault Securities” as owned securities, represented by physical certificates held in the Vault at the time Hurricane Sandy made landfall and whose settlement depends on the delivery of such physical certificates (or documentation with equivalent effect).

⁴ See Letter from Theodore R. Lazo, Managing Director and Associate General Counsel, Securities Industry and Financial Markets Association, dated February 14, 2013. SIFMA informally contacted Commission staff on January 31, 2013, to discuss the possibility of extending the temporary exemptions.

⁵ Subject to certain exceptions, Section 36 of the Exchange Act authorizes the Commission, by rule, regulation, or order, to conditionally or unconditionally exempt any person, security, or transaction, or any class or classes of persons, securities, or transactions, from any provision or provisions of the Exchange Act or any rule or regulation thereunder, to the extent that such exemption is necessary or appropriate in the public interest, and is consistent with the protection of investors. 15 U.S.C. 78mm.

appropriate in the public interest, and is consistent with the protection of investors.

THEREFORE, IT IS ORDERED, pursuant to Section 36 of the Exchange Act, that the Order is extended until 11:59 p.m. E.D.T. on May 5, 2013.

The temporary exemptions granted in the Order and extended herein are subject to modification or revocation if at any time the Commission determines that such action is necessary or appropriate in furtherance of the purposes of the Exchange Act. In addition, persons relying on this order are directed to the anti-fraud and anti-manipulation provisions of the federal securities laws, particularly Section 10(b) of the Exchange Act,⁶ and Rule 10b-5 thereunder.⁷ Responsibility for compliance with these and any other applicable provisions of the federal securities laws must rest with the persons relying on this exemption.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁸

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Deputy Secretary

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⁶ 15 U.S.C. 78j(b).

⁷ 17 CFR 240.10b-5.

⁸ See 17 CFR 200.30-3(a)(11).