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. Please include File Number SR–ChoeBZX–2020–001 on the subject line.

Paper Comments
- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to File Number SR–ChoeBZX–2020–001. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission’s internet website (http://www.sec.gov/rules/sro.shtml). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission’s Public Reference Room, 100 F Street NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–ChoeBZX–2020–001 and should be submitted on or before February 7, 2020.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.19
J. Matthew DeLesDernier, Assistant Secretary.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.19
J. Matthew DeLesDernier, Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Order Instituting Proceedings To Determine Whether To Approve or Disapprove a Proposed Rule Change, as Modified by Amendment No. 1, To List and Trade Shares of the Clearbridge Small Cap Value ETF Under BZX Rule 14.11(k)


On September 26, 2019, Cboe BZX Exchange, Inc. ("Exchange" or "BZX") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Exchange Act")1 and Rule 19b–4 thereunder,2 a proposed rule change to list and trade shares ("Shares") of the Clearbridge Small Cap Value ETF ("Fund") under BZX Rule 14.11(k) (Managed Portfolio Shares). On October 9, 2019, the Exchange filed Amendment No. 1 to the proposed rule change, which amended and replaced the rule change in its entirety. The proposed rule change, as modified by Amendment No. 1, was published for comment in the Federal Register on October 17, 2019.3 On November 21, 2019, pursuant to Section 19(b)(2) of the Exchange Act,4 the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change.5 The Commission has received no comments on the proposed rule change. This order institutes proceedings under Section 19(b)(2)(B) of the Exchange Act6 to determine whether to approve or disapprove the proposed rule change, as modified by Amendment No. 1.

I. Summary of the Exchange’s Description of the Proposed Rule Change, as Modified by Amendment No. 1

The Exchange proposes to list and trade Shares of the Fund under BZX Rule 14.11(k).8 The Shares will be issued by Precidian ETF Trust II ("Trust"), a statutory trust organized under the laws of the State of Delaware and registered with the Commission as an open-end management investment company.9 The investment adviser to the Trust will be Precidian Funds LLC ("Adviser") and the sub-adviser to the Fund will be ClearBridge Investments, LLC ("Sub-Adviser").10 Legg Mason Investor Services, LLC will serve as the distributor of the Shares.

A. Description of the Fund

The Exchange states that the Fund seeks long-term capital growth. The Exchange states that Fund’s holdings will be limited to and consistent with what is permissible under the Exemptive Order and described in the Notice. Under Normal Market Conditions,11 the Fund will invest at

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1 For a complete description of the Exchange’s proposal, see the Notice, supra.
10 The Exchange designated January 15, 2020, as the date by which the Commission shall approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change.
11 The term “Normal Market Conditions” includes, but is not limited to, the absence of

Continued
least 80% of its net assets, plus borrowings for investment purposes, in U.S. exchange-listed common stocks and other equity securities of small capitalization U.S. companies or in other U.S. exchange-listed investments with similar economic characteristics, including only the following U.S. exchange-listed securities: Common stocks, preferred securities, securities of other investment companies and of real estate investment companies (“REITs”), and warrants and rights.

In addition, the Fund may also invest up to 20% of its net assets, plus borrowings for investment purposes, in common stocks, preferred securities, and warrants and rights of U.S. exchange-listed companies with larger market capitalizations, U.S. ETFs, U.S. exchange-listed equity futures contracts, and U.S. exchange-listed equity index futures contracts. The Fund may also hold cash without limitation.

B. Investment Restrictions

The Fund may hold up to an aggregate amount of 15% of its net assets in illiquid assets. Illiquid securities and other illiquid assets include those subject to contractual or other restrictions on resale and other instruments or assets that lack readily available markets as determined in accordance with Commission staff guidance. The Exchange states that the Fund will monitor its portfolio liquidity on an ongoing basis to determine whether, in light of current circumstances, an adequate level of liquidity is being maintained, and will consider taking appropriate steps in order to maintain adequate liquidity. In any event, the Fund will not purchase any securities that are illiquid investments at the time of purchase.

The Shares will conform to the initial and continued listing criteria under BZX Rule 14.11(k). The Fund’s investments will be consistent with its investment objective and will not be used to enhance leverage. While the Fund may invest in inverse ETFs, the Fund will not invest in leveraged (e.g., 2X, –2X, 3X or –3X) ETFs.

The Exchange states that the Fund’s holdings will also meet the generic listing standards applicable to series of Managed Fund Shares under BZX Rule 14.11(i)(4)(C). While such standards do not apply directly to series of Managed Portfolio Shares, the Exchange believes that the overarching policy issues related to liquidity, market capitalization, diversity, and concentration of portfolio holdings that BZX Rule 14.11(i)(4)(C) is intended to address are equally applicable to series of Managed Portfolio Shares.

II. Proceedings To Determine Whether To Approve or Disapprove SR–CboeBZX–2019–076 and Grounds for Disapproval Under Consideration

The Commission is instituting proceedings pursuant to Section 19(b)(2)(B) of the Exchange Act to determine whether the proposed rule change, as modified by Amendment No. 1, should be approved or disapproved. The Commission asks that interested persons provide written comments on the proposed rule change.

Pursuant to Section 19(b)(2)(B) of the Exchange Act, the Commission is providing notice of the grounds for disapproval of this proposed rule change. The Commission is instituting proceedings to allow for additional analysis of the proposed rule change’s consistency with Section 6(b)(5) of the Exchange Act, which requires, among other things, that the rules of a national securities exchange be “designed to prevent fraudulent and manipulative acts and practices, 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.”

III. Procedure: Request for Written Comments

The Commission requests that interested persons provide written submissions of their views, data, and arguments with respect to the issues identified above, as well as any other concerns they may have with the proposal. In particular, the Commission invites the written views of interested persons concerning whether the proposal is consistent with Section 6(b)(5) or any other provision of the Exchange Act, or the rules and regulations thereunder. Although there do not appear to be any issues relevant to approval or disapproval that would be facilitated by an oral presentation of views, data, and arguments, the Commission will consider, pursuant to Rule 19b–4, any request for an opportunity to make an oral presentation. Interested persons are invited to submit written data, views, and arguments regarding whether the proposal should be approved or disapproved by February 7, 2020. Any person who wishes to file a rebuttal to any other person’s submission must file that rebuttal by February 21, 2020.

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. Please include File Number SR–CboeBZX–2019–076 on the subject line.

12 For purposes of describing the holdings of the Fund, ETFs include Portfolio Depository Receipts (as described in BZX Rule 14.11(b)); Index Fund Shares (as described in BZX Rule 14.11(c)); and Managed Fund Shares (as described in BZX Rule 14.11(l)). The ETFs in which the Fund may invest will all be listed and traded on U.S. national securities exchanges. While the Fund may invest in inverse ETFs, the Fund will not invest in leveraged (e.g., 2X, –2X, 3X or –3X) ETFs.


14 Id.

Surrender of License of Small Business Investment Company

Pursuant to the authority granted to the United States Small Business Administration under the Small Business Investment Act of 1958, as amended, under Section 309 of the Act and Section 107.1900 of the Small Business Administration Rules and Regulations (13 CFR 107.1900) to function as a small business investment company under the Small Business Investment Company License No. 01/71–0393 issued to Champlain Capital Partners, L.P. said license is hereby declared null and void.

United States Small Business Administration.

A. Joseph Shepard, Associate Administrator, Office of Investment and Innovation.

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SMALL BUSINESS ADMINISTRATION

Surrender of License of Small Business Investment Company

Pursuant to the authority granted to the United States Small Business Administration under the Small Business Investment Act of 1958, as amended, under Section 309 of the Act and Section 107.1900 of the Small Business Administration Rules and Regulations (13 CFR 107.1900) to function as a small business investment company under the Small Business Investment Company License No. 09/09–0484 issued to Trinity Capital Fund Partners, L.P. said license is hereby declared null and void.

United States Small Business Administration.


A. Joseph Shepard, Associate Administrator, Office of Investment and Innovation.

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SMALL BUSINESS ADMINISTRATION

Surrender of License of Small Business Investment Company

Pursuant to the authority granted to the United States Small Business Administration under the Small Business Investment Act of 1958, as amended, under Section 309 of the Act and Section 107.1900 of the Small Business Administration Rules and Regulations (13 CFR 107.1900) to function as a small business investment company under the Small Business Investment Company License No. 09/09–0484 issued to Trinity Capital Fund III, L.P. said license is hereby declared null and void.

United States Small Business Administration.


A. Joseph Shepard, Associate Administrator, Office of Investment and Innovation.

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SMALL BUSINESS ADMINISTRATION

Surrender of License of Small Business Investment Company

Pursuant to the authority granted to the United States Small Business Administration under the Small Business Investment Act of 1958, as amended, under Section 309 of the Act and Section 107.1900 of the Small Business Administration Rules and Regulations (13 CFR 107.1900) to function as a small business investment company under the Small Business Investment Company License No. 09/09–0468 issued to Trinity Capital Fund II, L.P. said license is hereby declared null and void.

United States Small Business Administration.


A. Joseph Shepard, Associate Administrator, Office of Investment and Innovation.

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SMALL BUSINESS ADMINISTRATION

[Disaster Declaration #16202 and #16203; SOUTH DAKOTA Disaster Number SD–00098]

Presidential Declaration Amendment of a Major Disaster for the State of South Dakota

AGENCY: U.S. Small Business Administration.

ACTION: Amendment 2.

SUMMARY: This is an amendment of the Presidential declaration of a major disaster for the State of South Dakota (FEMA–4469–DR), dated 11/18/2019.

Incident: Severe Storms, Tornadoes, and Flooding.


DATES: Issued on 01/10/2020.

Physical Loan Application Deadline Date: 01/31/2020.

Economic Injury (EIDL) Loan Application Deadline Date: 08/18/2020.

ADDRESSES: Submit completed loan applications to: U.S. Small Business Administration, Processing and Disbursement Center, 14923 Kingsport Road, Fort Worth, TX 76155.


SUPPLEMENTARY INFORMATION: The notice of the President’s major disaster declaration for the State of South Dakota, dated 11/18/2019, is hereby amended to extend the deadline for filing applications for physical damages as a result of this disaster to 01/31/2020.

All other information in the original declaration remains unchanged.

(Catalog of Federal Domestic Assistance Number 59008)

James Rivera, Associate Administrator for Disaster Assistance.

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