

public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

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-C2-2020-013 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-C2-2020-013. 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-C2-2020-013 and should be submitted on or before October 8, 2020.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁴

J. Matthew DeLesDernier,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-89836; File No. 4-764]

Self-Regulatory Organizations; MEMX, LLC; Order Declaring Effective a Minor Rule Violation Plan

September 11, 2020.

On August 5, 2020, MEMX, LLC (“MEMX” or the “Exchange”) filed with the Securities and Exchange Commission (“Commission”) a proposed minor rule violation plan (“MRVP” or “Plan”) pursuant to Section 19(d)(1) of the Securities Exchange Act of 1934 (“Act”) ¹ and Rule 19d-1(c)(2) thereunder.² The proposed MRVP was published for public comment on August 11, 2020.³ This order declares the Exchange's proposed MRVP effective.⁴

The Exchange's MRVP specifies the rule violations which will be included in the Plan and will have sanctions not exceeding \$2,500. Any violations which are resolved under the MRVP would not be subject to the provisions of Rule 19d-1(c)(1) of the Act,⁵ which requires that a self-regulatory organization (“SRO”) promptly file notice with the Commission of any final disciplinary action taken with respect to any person or organization.⁶ In accordance with

¹⁴ 17 CFR 200.30-3(a)(12).

¹⁵ U.S.C. 78s(d)(1).

² 17 CFR 240.19d-1(c)(2).

³ See Securities Exchange Act Release No. 89485 (August 5, 2020), 85 FR 48577 (“Notice”). The Commission received one comment letter that was not germane to the proposal. See letter dated August 24, 2020, from Angela N B.

⁴ Terms not otherwise defined herein are defined in the Exchange Rules.

⁵ 17 CFR 240.19d-1(c)(1).

⁶ The Commission adopted amendments to paragraph (c) of Rule 19d-1 to allow SROs to submit for Commission approval plans for the abbreviated reporting of minor disciplinary infractions. See Securities Exchange Act Release No. 21013 (June 1, 1984), 49 FR 23828 (June 8, 1984). Any disciplinary action taken by an SRO against any person for violation of a rule of the SRO which has been designated as a minor rule violation pursuant to such a plan filed with and declared effective by the Commission is not considered “final” for purposes of Section 19(d)(1) of the Act if the sanction imposed consists of a fine not exceeding \$2,500 and the sanctioned person has not

Rule 19d-1(c)(2) under the Act,⁷ the Exchange proposed to designate certain specified rule violations as minor rule violations, and requested that it be relieved of the prompt reporting requirements regarding such violations, provided it gives notice of such violations to the Commission on a quarterly basis.

The Exchange proposed to include in its MRVP the procedures included in Exchange Rule 8.15 (“Imposition of Fines for Minor Violation(s) of Rules”) and the violations included in Rule 8.15.01 (“List of Exchange Rule Violations and Recommended Fine Schedule Pursuant to Rule 8.15”).⁸ According to the Exchange's MRVP, under Rule 8.15(a), the Exchange may impose a fine (not to exceed \$2,500) on any Member, associated person of a Member, or registered or non-registered employee of a Member, for any violation of a Rule of the Exchange which violation the Exchange shall have determined is minor in nature, as set forth in Rule 8.15.01. The Exchange may aggregate similar violations generally if the conduct was unintentional, there was no injury to public investors, or the violations resulted from a single systemic problem or cause that has been corrected. In any action taken by the Exchange pursuant to Rule 8.15, the person against whom a fine is imposed shall be served with a written statement, signed by an authorized officer of the Exchange, setting forth (i) the Rule or Rules alleged to have been violated; (ii) the act or omission constituting each such violation; (iii) the fine imposed for each such violation; and (iv) the date by which such determination becomes final and such fine becomes due and payable to the Exchange. Pursuant to paragraph (c) of Rule 8.15, if the person against whom a fine is imposed pursuant to Rule 8.15 pays such fine, that payment shall be deemed to be a waiver by of such person's right to a disciplinary proceeding under Rules 8.1 through 8.13 and any review of the matter by the Appeals Committee or by the Board. Any person against whom a fine is imposed pursuant to Rule 8.15

sought an adjudication, including a hearing, or otherwise exhausted his administrative remedies.

⁷ 17 CFR 240.19d-1(c)(2).

⁸ The Exchange received its grant of registration on May 4, 2020, which included the rules that govern the Exchange. Contemporaneous with this submission, the Exchange filed with the Commission a rule filing that proposed a minor amendment to Rule 8.15(a) and a proposed change to Rule 8.15.01 to add Rules 4.5 through 4.16 (Consolidated Audit Trail Compliance Rules). This submission proposed the Exchange's MRVP, including those proposed changes to Rules 8.15 and 8.15.01. See Securities Exchange Act Release No. 89509 (August 7, 2020), 85 FR 49407 (August 13, 2020) (SR-MEMX-2020-03).

may contest such a finding pursuant to paragraph (d) of Rule 8.15 by filing with the Exchange not later than the date by which such determination must be contested (such date to be not less than 15 business days after the date of service of the written statement by the Exchange) a written response meeting the requirements provided in Rule 8.5 at which point the matter shall become a disciplinary proceeding subject to the provisions of Rules 8.1 through 8.13.⁹

Once MEMX's MRVP is effective, the Exchange will provide to the Commission a quarterly report for any actions taken on minor rule violations under the MRVP. The quarterly report will include: The Exchange's internal file number for the case, the name of the individual and/or organization, the nature of the violation, the specific rule provision violated, the sanction imposed, the number of times the rule violation occurred, and the date of the disposition.

The Commission finds that the proposal is consistent with the public interest, the protection of investors, and otherwise in furtherance of the purposes of the Act, as required by Rule 19d-1(c)(2) under the Act,¹⁰ because the MRVP will permit the Exchange to carry out its oversight and enforcement responsibilities as an SRO more efficiently in cases where full disciplinary proceedings are not necessary due to the minor nature of the particular violation.

In declaring the Exchange's MRVP effective, the Commission in no way minimizes the importance of compliance with Exchange rules and all other rules subject to the imposition of sanctions under Exchange Rule 8.15. The Commission believes that the violation of an SRO's rules, as well as Commission rules, is a serious matter. However, Exchange Rule 8.15 provides a reasonable means of addressing violations that do not rise to the level of requiring formal disciplinary proceedings, while providing greater flexibility in handling certain violations. The Commission expects that the Exchange will continue to conduct surveillance and make determinations based on its findings, on a case-by-case basis, regarding whether a sanction under the MRVP is appropriate, or whether a violation requires formal disciplinary action.

It is therefore ordered, pursuant to Rule 19d-1(c)(2) under the Act,¹¹ that the proposed MRVP for MEMX LLC,

File No. 4-764, be, and hereby is, declared effective.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹²

J. Matthew DeLesDernier,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 34006; 812-15108]

Rand Capital Corporation, et al.

September 11, 2020.

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

ACTION: Notice.

Notice of application for an order ("Order") under sections 17(d) and 57(i) of the Investment Company Act of 1940 (the "Act") and rule 17d-1 under the Act to permit certain joint transactions otherwise prohibited by sections 17(d) and 57(a)(4) of the Act and rule 17d-1 under the Act.

Summary of Application: Applicants request an order to permit certain business development companies and closed-end management investment companies to co-invest in portfolio companies with each other and with affiliated investment funds and accounts.

Applicants: Rand Capital Corporation (the "Company"), BlueArc Mezzanine Partners I, LP (the "Existing East Proprietary Fund"), Rand Capital SBIC, Inc. (the "Existing Wholly-Owned Subsidiary"), Rand Capital Management, LLC ("BDC Adviser"), East Asset Management, LLC ("East") and Rand Capital Credit, LLC ("RCC Adviser," and, together with the BDC Adviser, the "Existing Advisers").

Filing Dates: The application was filed on March 13, 2020, and amended on July 24, 2020, August 19, 2020 and September 4, 2020.

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 emailing the Commission's Secretary at Secretarys-Office@sec.gov and serving applicants with a copy of the request by email. Hearing requests should be received by the Commission by 5:30 p.m. on October 6, 2020 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 emailing the Commission's Secretary at Secretarys-Office@sec.gov.

ADDRESSES: The Commission: Secretarys-Office@sec.gov. Applicants: agusky@emslp.com and pgrum@randcapital.com.

FOR FURTHER INFORMATION CONTACT: Marc Mehrespand, Senior Counsel, at (202) 551-8453 or Trace Rakestraw, Branch Chief, at (202) 551-6825 (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 website 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.

Introduction

1. The applicants request an order of the Commission under sections 17(d) and 57(i) under the Act and rule 17d-1 under the Act to permit, subject to the terms and conditions set forth in the application (the "Conditions"), one or more Regulated Funds¹ and or one or more Affiliated Funds² to enter into Co-

¹ "Regulated Funds" means the Company, the Future Regulated Funds and the BDC Downstream Funds. "Future Regulated Fund" means a closed-end management investment company (a) that is registered under the Act or has elected to be regulated as a BDC, (b) whose investment adviser (and sub-adviser(s), if any) are an Adviser, and (c) that intends to participate in the proposed co-investment program (the "Co-Investment Program").

"Adviser" means the Existing Advisers together with any future investment adviser that (i) controls, is controlled by or is under common control with the Existing Advisers, (ii) (a) is registered as an investment adviser under the Investment Advisers Act of 1940 (the "Advisers Act") or (b) is an exempt reporting adviser pursuant to rule 203(m) of the Advisers Act ("Exempt Reporting Adviser") and (iii) is not a Regulated Fund or a subsidiary of a Regulated Fund.

² "Affiliated Fund" means at any Future Affiliated Fund, any Rand Capital Proprietary Account or any East Proprietary Account. "Future Affiliated Fund" means any entity (a) whose investment adviser (and sub-adviser(s), if any) are an Adviser, (b) that would be an investment company but for Section 3(c)(1), 3(c)(5)(C) or 3(c)(7) of the Act, (c) that intends to participate in the Co-Investment Program, and (d) that is not a BDC Downstream Fund. "Rand Capital Proprietary Account" means any Adviser in a principal capacity, and any direct or indirect, wholly- or majority-owned subsidiary of an Adviser that is

⁹ See, Notice, *supra* note 3.

¹⁰ 17 CFR 240.19d-1(c)(2).

¹¹ *Id.*

¹² 17 CFR 200.30-3(a)(44).