

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-89763; File No. SR-MEMX-2020-05)

September 3, 2020

Self-Regulatory Organizations; MEMX LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend the Corporate Documents of the Exchange's Parent Company

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on August 28, 2020, MEMX LLC ("MEMX" or the "Exchange") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, and II below, which Items have been prepared by the Exchange. The Exchange filed the proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act³ and Rule 19b-4(f)(6) thereunder.⁴ 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 Substance of the Proposed Rule Change

The Exchange is filing with the Commission a proposed rule change to proposed rule change to amend the Fourth Amended and Restated Limited Liability Company Agreement (the "Holdco LLC Agreement") of MEMX Holdings LLC ("Holdco"), as further discussed below. Holdco is the parent company of the Exchange and directly or indirectly owns all of the limited liability company membership interests in the Exchange. The text of the proposed rule change is provided in Exhibit 5.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4.

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

The Exchange proposes to amend the Holdco LLC Agreement to: (i) add defined terms reflecting the admission of each of BLK SMI, LLC (“BlackRock”) and Wells Fargo Central Pacific Holdings, Inc. (“Wells Fargo”) as a Class A Member⁵ of Holdco (a “Holdco Class A Member”), amend the definitions of “Excluded Class A Member”⁶ and “Bank Class A Member”⁷ to include reference to Wells Fargo and make other related conforming changes throughout the Holdco LLC Agreement; (ii) provide that the board of directors of Holdco (the “Holdco Board”) shall establish and designate a market structure committee of the Holdco Board (the “Holdco

⁵ The term “Class A Member” refers to a Member of Holdco holding Class A-1 Units or Class A-2 Units of Holdco. See Section 1.1 of the Holdco LLC Agreement. The term “Member” refers to a person admitted as a member of Holdco.

⁶ Presently, the term “Excluded Class A Member” refers to UBS Americas Inc. See Section 1.1 of the Holdco LLC Agreement.

⁷ The term “Bank Class A Member” refers to each of Banc of America Strategic Investments Corporation, Strategic Investments I, Inc., UBS Americas Inc., JPMC Strategic Investments I Corporation, Goldman Sachs PSI Global Holdings, LLC, and any other Member of Holdco that is specifically designated as a Bank Class A Member (which would include Wells Fargo pursuant to the proposed amendments described herein), in each case, together with each of their respective Affiliates. See Section 1.1 of the Holdco LLC Agreement.

Market Structure Committee”) and that a representative of BlackRock shall be a member of such Committee and the chairperson of such Committee if BlackRock so requests; (iii) update the compositional requirements of the Industry Advisory Board⁸ of Holdco (the “Holdco Industry Advisory Board”) to reflect that BlackRock has been admitted as a Holdco Class A Member, and as such would be entitled to appoint a representative to the Holdco Industry Advisory Board, and to make other clarifying changes to such requirements and related provisions; (iv) specify the compositional requirements of any Holdco Subsidiary Industry Advisory Board (as defined below); and (v) clarify that Members of Holdco which do not operate (or have an Affiliate⁹ that operates) a U.S.-registered broker-dealer that executes transactions directly on U.S. exchanges are not required to cause any such Member of Holdco (or its Affiliates, as applicable) to use good faith efforts to connect to the Exchange, and specifically provide that such requirement also does not apply to BlackRock and its Affiliates.

Add “BlackRock” and “Wells Fargo” as Defined Terms

On April 7, 2020, Wells Fargo purchased Class A Units of Holdco and was admitted as a Holdco Class A Member, as previously approved by the Holdco Board. On May 11, 2020, BlackRock purchased Class A Units of Holdco and was admitted as a Holdco Class A Member, as previously approved by the Holdco Board.

The Exchange now proposes to add “BlackRock” and “Wells Fargo” as defined terms in the Holdco LLC Agreement to reflect that each of BlackRock and Wells Fargo has been

⁸ The term “Industry Advisory Board” refers to an advisory board of Holdco with industry representation. See Section 8.19(a) of the Holdco LLC Agreement.

⁹ The term “Affiliate” refers to, with respect to any person, any other person who, directly or indirectly (including through one or more intermediaries), controls, is controlled by, or is under common control with, such person. See Section 1.1 of the Holdco LLC Agreement.

admitted as a Holdco Class A Member. The proposed definitions of BlackRock and Wells Fargo are consistent with the definitions of other Holdco Class A Members with similar rights and preferences as BlackRock and Wells Fargo, respectively. Related to the addition of Wells Fargo as a defined term in the Holdco LLC Agreement, the Exchange also proposes to amend the definition of the term “Excluded Class A Member” to include reference to Wells Fargo (in addition to UBS Americas Inc.), as Wells Fargo was granted the same rights under the Holdco LLC Agreement as UBS Americas Inc. by the Holdco Board, and to make related conforming changes throughout the Holdco LLC Agreement to reflect that there would be two Excluded Class A Members instead of one as presently drafted (such as changing references to “the Excluded Class A Member” to “each Excluded Class A Member”). The Exchange also proposes to amend the definition of “Bank Class A Member” to include reference to Wells Fargo as a designated Bank Class A Member. Presently, the designation of Wells Fargo as a Bank Class A Member under the Holdco LLC Agreement does not impact the governance of Holdco or any Holdco Subsidiary, or have any other effect, but is consistent with Holdco’s approach of including an Excluded Class A Member that is a bank within this definition. The designation as a Bank Class A Member would only have an effect to the extent Wells Fargo becomes a Nominating Class A Member¹⁰ with the right to appoint a director of Holdco at some point in the future. The Exchange believes these are non-substantive changes to update the corporate documents of Holdco to reflect the recent admission of two new Holdco Class A Members and to harmonize other defined terms used in the Holdco LLC Agreement.

¹⁰ The term “Nominating Class A Member” refers to a Class A Member of Holdco which has the right to nominate a director to the Holdco Board. See Section 8.3(b) of the Holdco LLC Agreement.

Holdco Market Structure Committee

Section 8.9 of the Holdco LLC Agreement presently provides that the Holdco Board may designate one or more committees, which shall be comprised of one or more directors and alternate directors of the Holdco Board, and that such committees shall have the authority to make recommendations to the Holdco Board in an advisory role only and shall not have the authority to act for or on behalf of, or to bind, Holdco or any of its subsidiaries (including the Exchange) (each, a “Holdco Subsidiary” and, collectively, the “Holdco Subsidiaries”).

Pursuant to Section 8.9, on May 5, 2020, the Holdco Board established and designated the Holdco Market Structure Committee as a committee of the Holdco Board and approved a charter directing the Holdco Market Structure Committee to consider and present to the Holdco Board non-binding recommendations regarding matters relating to market structure applicable to Holdco and the Holdco Subsidiaries, which matters may include, but are not limited to, regulatory proposals, infrastructure and resiliency initiatives, transparency initiatives, market and commercial trends and market data issues, as the Holdco Board considers such market structure matters in the course of its duties. The charter of the Holdco Market Structure Committee and the resolutions of the Holdco Board related to the designation of the Holdco Market Structure Committee provide that, so long as BlackRock remains a Nominating Class A Member of Holdco (a “Holdco Nominating Class A Member”), BlackRock shall have the right, but not the obligation, to designate one of its representatives to serve on the Holdco Market Structure Committee at all times and that, if BlackRock so requests, a representative of BlackRock shall be the chairperson of the Holdco Market Structure Committee.

The Exchange now proposes to amend Section 8.9 to, without deleting or modifying any existing text, add a provision requiring the Holdco Board to establish the Holdco Market

Structure Committee and providing for the foregoing rights of BlackRock related to its representation on the Holdco Market Structure Committee, as previously approved by the Holdco Board. As amended by the proposed change, Section 8.9 would continue to permit the Holdco Board to designate representation on the Holdco Market Structure Committee from among the Holdco Nominating Class A Members by appointing directors and alternate directors on the Holdco Board to such Committee and would additionally provide for the specific rights of BlackRock to appoint a representative to serve on such Committee and for such representative to serve as the chairperson of such Committee, in each case if BlackRock so requests. While these specific rights apply only to BlackRock, as noted above, the other Holdco Nominating Class A Members will have representation on the Holdco Market Structure Committee as designated by the Holdco Board, which has generally agreed that each Holdco Nominating Class A Member shall have the right to appoint a representative to serve on such Committee if such Holdco Nominating Class A Member so requests. Thus, each Holdco Nominating Class A Member is presently entitled to have representation on the Market Structure Committee and, as noted above, the Market Structure Committee only considers matters in a non-binding capacity and it is the Holdco Board, with representation from all Holdco Nominating Class A Members as provided under the Holdco LLC Agreement, that must ultimately take action with respect to such matters. Moreover, each Member of Holdco and the Holdco Board has been advised of BlackRock's specific rights with respect to representation on the Holdco Market Structure Committee, and such rights were approved by the Holdco Board on May 5, 2020, without any objection raised by any Member of Holdco or the Holdco Board. Accordingly, the proposed change would update the corporate documents of Holdco to implement a requirement which was already permitted under the Holdco LLC Agreement and which the Holdco Board has already agreed to and

satisfied by action taken on May 5, 2020. The Exchange and the Holdco Board each believes that amending the Holdco LLC Agreement to include a requirement that the Holdco Market Structure Committee be established would ensure that the Holdco Market Structure Committee remains in place and further believes that having the Holdco Market Structure Committee in place (specifically with BlackRock’s representation, including as chairperson, if BlackRock so desires) would meaningfully aid the Holdco Board in considering market structure-related matters and would ultimately help Holdco and the Exchange to promote a fair, transparent and efficient experience for all investors.

Holdco Industry Advisory Board

Section 8.19 of the Holdco LLC Agreement, which contains provisions relating to the creation and functioning of the Holdco Industry Advisory Board, provides that, if established, the Holdco Industry Advisory Board will provide advice and guidance to the Holdco Board and the management of Holdco and the Exchange relating to, among other things, technical and operational matters relating to the Exchange, but it will not be a committee of the Holdco Board. Section 8.19(a) contains provisions that specify the compositional requirements of the Holdco Industry Advisory Board and presently provides that “Promptly after the Effective Date,”¹¹ the Holdco Board may, upon a determination to do so by Supermajority Board Vote,¹² establish the

¹¹ The term “Effective Date” refers to the effective date of the Holdco LLC Agreement, which is February 19, 2020.

¹² The term “Supermajority Board Vote” means the affirmative vote of at least seventy-seven percent (77%) of the votes of all directors of Holdco then entitled to vote on the matter under consideration and who have not recused themselves, whether or not present at the applicable meeting of the Holdco Board; provided that if such affirmative vote threshold results in the necessity of the affirmative vote of all such directors of Holdco with respect to such matter, an affirmative vote of all but one of such directors of Holdco shall be required instead with respect to such matter. See Section 1.1 of the Holdco LLC Agreement.

Holdco Industry Advisory Board.

The Exchange now proposes to amend Section 8.19(a) of the Holdco LLC Agreement to (i) update the compositional requirements of the Holdco Industry Advisory Board to reflect that BlackRock has been admitted as a Holdco Class A Member, and as such would be entitled to appoint a representative to the Holdco Industry Advisory Board if it so desires, and to make other clarifying changes relating to certain terms currently used in that section, and (ii) delete the phrase “Promptly after the Effective Date,” as such phrase is inapplicable and confusing in the context given the elective nature of the Holdco Board’s ability to establish the Holdco Industry Advisory Board.

Section 8.19(a) presently provides, among other things, that the Holdco Industry Advisory Board shall be comprised of: (i) one representative of (a) each Market Maker Class A Member¹³ which is a Holdco Nominating Class A Member, (b) each Retail Broker Class A Member¹⁴ which is a Holdco Nominating Class A Member, (c) each Bank Class A Member which is a Holdco Nominating Class A Member, and (d) the Excluded Class A Member so long as it is entitled to appoint an observer to the Holdco Board (a “Holdco Board Observer”), and (ii)

¹³ The term “Market Maker Class A Member” refers to each of Citadel Securities Principal Investments LLC, Virtu Getco Investments, LLC, Jane Street Group, LLC, and any other Member of Holdco that is specifically designated as a Market Maker Class A Member (of which there are none as of the date of this filing), in each case, together with each of their respective Affiliates. See Section 1.1 of the Holdco LLC Agreement. On May 12, 2020, Virtu Getco Investments, LLC changed its name to Virtu Investments LLC.

¹⁴ The term “Retail Broker Class A Member” refers to each of E*TRADE Financial Corporation, Devonshire Investors (Delaware) LLC, The Charles Schwab Corporation, Datek Online Management Corp., and any other Member of Holdco that is specifically designated as a Retail Broker Class A Member (of which there are none as of the date of this filing) and which, or an Affiliate of which, is a broker-dealer registered with the Financial Industry Regulatory Authority, Inc. which provides services to retail customers, in each case, together with each of their respective Affiliates. See Section 1.1 of the Holdco LLC Agreement.

such members of the Exchange as determined by the Holdco Board. The proposed amendment would eliminate the references in this section to certain specific categories of Holdco Class A Members, namely, Market Maker Class A Member, Retail Broker Class A Member, and Bank Class A Member and would replace such references with a single reference to Holdco Nominating Class A Members, as all of the Holdco Class A Members that make up such categories, together with BlackRock, now comprise all of the Holdco Nominating Class A Members.

The effect of the proposed change is to eliminate unnecessary references to specific categories of Holdco Class A Members and replace such references with a single reference to Holdco Nominating Class A Members, which now includes BlackRock in addition to the Holdco Class A Members that comprise the categories of Holdco Class A Members presently referenced, and to provide that for so long as each Holdco Nominating Class A Member remains a Holdco Nominating Class A Member or is entitled to appoint a Holdco Board Observer pursuant to the terms of the Holdco LLC Agreement, each such Holdco Nominating Class A Member is entitled to appoint a representative to the Holdco Industry Advisory Board if it so desires. The proposed change would also update the reference to “the Excluded Class A Member” in this section to “each Excluded Class A Member” to reflect Wells Fargo’s inclusion in that defined term, but it would not in any way affect any Excluded Class A Member’s right to appoint a representative to the Holdco Industry Advisory Board, which are in addition to the rights of each Holdco Nominating Class A Member to appoint a representative to the Holdco Industry Advisory Board. In short, the proposed amendment would add BlackRock to the group of Holdco Class A Members that, together with the Excluded Class A Members, each have the right to appoint a representative to the Holdco Industry Advisory Board and would simplify the language used to

reflect this.

The Exchange also proposes to amend Section 8.19(a) to delete the phrase “Promptly after the Effective Date,” with respect to the Holdco Board’s ability to establish the Holdco Industry Advisory Board. The ability granted to the Holdco Board by Section 8.19(a) to establish the Holdco Industry Advisory Board is elective in nature, as the existing language provides that Holdco Board *may* establish the Holdco Industry Advisory Board, and as such was not intended by the Members of Holdco to be required to be exercised at any specific time (or at all). Instead, the language was intended to, and does in effect, provide that this ability may only be exercised if and when the Holdco Board determines to do so by Supermajority Board Vote. The phrase “Promptly after the Effective Date,” is therefore inapplicable and may cause confusion in this context as it could be read to imply an unintended and undefined durational requirement with respect to the Holdco Board’s ability and discretion to establish the Holdco Industry Advisory Board. Accordingly, deleting this phrase would clarify the provision to more accurately reflect the intent of the Members of Holdco for the Holdco Board to have the ability to establish the Holdco Industry Advisory Board at such time as determined by Supermajority Board Vote (or not at all) rather than within any specific amount of time following the Effective Date. The Holdco Industry Advisory Board has not been established as of the date of this filing.

Holdco Subsidiary Industry Advisory Boards

The Exchange proposes to amend Section 8.19 of the Holdco LLC Agreement to add a new clause (c) to specify the compositional requirements of any Holdco Subsidiary Industry Advisory Board. Specifically, the proposed new Section 8.19(c) provides that, with respect to any committee or advisory board of any Holdco Subsidiary which has functions similar to the contemplated functions of the Holdco Industry Advisory Board (any such committee or advisory

board, a “Holdco Subsidiary Industry Advisory Board”), (a) each Holdco Class A Member which is a Holdco Nominating Class A Member, for so long as it remains a Holdco Nominating Class A Member or is entitled to appoint a Holdco Board Observer pursuant to the terms of the Holdco LLC Agreement, and (b) each Excluded Class A Member, for so long as it is entitled to appoint a Holdco Board Observer pursuant to the terms of the Holdco LLC Agreement, would have the right, but not the obligation, to appoint a representative to such Holdco Subsidiary Industry Advisory Board.

The Exchange believes that the proposed compositional requirements relating to any Holdco Subsidiary Industry Advisory Board are consistent with the proposed updated compositional requirements relating to the Holdco Industry Advisory Board, and as such would provide for a uniform approach by Holdco and the Holdco Subsidiaries to considering matters within the scope of such industry advisory boards. No Holdco Subsidiary Industry Advisory Board has been established as of the date of this filing.

Connection to the Exchange by Certain Members

Section 11.8 of the Holdco LLC Agreement presently provides that each Member of Holdco shall use (or shall ensure that any of its Affiliates that it determines are to be members of the Exchange use) good faith efforts to take such actions as are necessary to enable such Member (or its Affiliates, as applicable) to connect to the Exchange prior to the operational date of the Exchange in a manner that would permit such Member (or its Affiliates, as applicable) to use the Exchange in a fair, equitable and non-discriminatory manner.

The Exchange now proposes to amend Section 11.8 to clarify that Members of Holdco which do not operate (or have an Affiliate that operates) a U.S.-registered broker-dealer that executes transactions directly on U.S. exchanges are not required to use (or cause its Affiliates,

as applicable, to use) good faith efforts to connect to the Exchange, as connection to the Exchange by such persons may not be permissible under Exchange Rule 2.3, which requires, among other things, that each member of the Exchange be a registered broker or dealer. The Exchange believes that the proposed amendment clarifies the existing language in Section 11.8, which could be read to require Members of Holdco (or their Affiliates, as applicable) that are not registered as a broker or dealer to use good faith efforts to connect to the Exchange in a manner inconsistent with Exchange Rule 2.3, to more accurately reflect the intent of the Members of Holdco to require only those Members of Holdco (or their Affiliates, as applicable) which operate a U.S.-registered broker-dealer that executes transactions directly on U.S. exchanges to use good faith efforts to connect to the Exchange in a manner consistent with the Exchange's rules and the Act.

BlackRock is an asset manager, and its business model does not involve acting as a broker-dealer on behalf of third parties on U.S. exchanges. For clarity's sake, BlackRock does have Affiliates that are U.S.-registered broker-dealers but these Affiliates do not execute transactions directly on U.S. exchanges, so out of an abundance of caution, the Exchange also proposes to further amend Section 11.8 to specifically provide that the requirement to connect to the Exchange shall not apply to BlackRock and its Affiliates. If BlackRock were to alter its business model so that it or any broker-dealer Affiliate did execute transactions directly on a U.S. exchange and, specifically, were to connect to the Exchange, the Exchange would require such connection to be conducted in a manner that would permit such person to use the Exchange in a fair, equitable and non-discriminatory manner consistent with the existing requirements of Section 11.8.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with Section 6(b) of the Act,¹⁵ in general, and furthers the objectives of Section 6(b)(1),¹⁶ in particular, in that it enables the Exchange to be so organized as to have the capacity to be able to carry out the purposes of the Act and to comply, and to enforce compliance by its members, with the provisions of the Act, the rules and regulations thereunder, and the rules of the Exchange. The Exchange also believes that the proposed rule change is consistent with Section 6(b)(5) of the Act,¹⁷ which requires the rules of an exchange to be designed to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, 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 Exchange believes the proposed amendments to the Holdco LLC Agreement to add “BlackRock” and “Wells Fargo” as defined terms and make related conforming changes to certain definitions and other provisions, to update and clarify the compositional requirements of, and remove inapplicable and confusing language relating to, the Holdco Industry Advisory Board, and to add a provision requiring the Holdco Board to establish the Holdco Market Structure Committee and providing for certain rights of BlackRock relating to its representation on such Committee would update and clarify the relevant provisions of the Holdco LLC Agreement in a manner consistent with actions already taken by the Holdco Board as currently permitted by the Holdco LLC Agreement, and as such would enable the Exchange to be so

¹⁵ 15 U.S.C. 78f(b).

¹⁶ 15 U.S.C. 78f(b)(1).

¹⁷ 15 U.S.C. 78f(b)(5).

organized as to have the capacity to carry out the purposes of the Act, remove impediments to and perfect the mechanism of a free and open market, and protect investors and the public interest.

The Exchange believes the proposed amendment to the Holdco LLC Agreement to specify compositional requirements for any Holdco Subsidiary Industry Advisory Board consistent with the proposed updated compositional requirements relating to the Holdco Industry Advisory Board would establish a uniform approach by Holdco and the Holdco Subsidiaries to the consideration of matters within the scope of such industry advisory boards, which include technical and operational matters relating to the Exchange, and as such would promote the maintenance of a fair and orderly market and the protection of investors and the public interest.

The Exchange believes the proposed amendment to the Holdco LLC Agreement to not require Members of Holdco (or their Affiliates, as applicable) which do not operate a U.S.-registered broker-dealer that executes transactions directly on U.S. exchanges, including BlackRock and its Affiliates, to connect to the Exchange would add clarity to the Holdco LLC Agreement in a manner that would enable the Exchange to comply, and enforce compliance by its members, with the provisions of the Act and the rules of the Exchange, which require each member of the Exchange to be a registered broker or dealer (or person associated with a registered broker or dealer), and as a result would foster cooperation and coordination with persons engaged in facilitating transactions in securities, remove impediments to and perfect the mechanism of a free and open market and a national market system, and enable the Exchange to be so organized as to have the capacity to carry out the purposes of the Act. The Exchange also believes that specifically stating that BlackRock and its Affiliates are not required to connect to the Exchange is consistent with the Act and the rules of the Exchange for the reasons set forth

above and to avoid potential confusion because BlackRock does have Affiliates that are U.S.-registered broker-dealers but that do not execute transactions directly on U.S. exchanges.

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

Because the proposed rule change relates to: (i) the compositional requirements of certain non-binding advisory committees and boards of the Exchange and its parent company and (ii) clarifying and other non-substantive changes to the corporate documents of the Exchange's parent company, and not the operations of the Exchange, the Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

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

The Exchange neither solicited nor received comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act¹⁸ and Rule 19b-4(f)(6) thereunder.¹⁹

¹⁸ 15 U.S.C. 78s(b)(3)(A).

¹⁹ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

A proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act²⁰ normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)(iii)²¹ permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay. The Commission believes that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest because the proposed rule change does not raise any new issues with respect to the Exchange and is concerned solely with updating the corporate documents of the Exchange's parent company to reflect and accommodate the addition of new investors. Therefore, the Commission hereby waives the operative delay and designates the proposal as operative upon filing.²²

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the 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 shall institute proceedings under Section 19(b)(2)(B)²³ of the Act to determine whether the proposed rule change should be approved or disapproved.

²⁰ 17 CFR 240.19b-4(f)(6).

²¹ 17 CFR 240.19b-4(f)(6)(iii).

²² For purposes only of waiving the 30-day operative delay, the Commission also has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

²³ 15 U.S.C. 78s(b)(2)(B).

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 e-mail to rule-comments@sec.gov. Please include File Number SR-MEMX-2020-05 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-MEMX-2020-05. This file number should be included on the subject line if e-mail 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-MEMX-2020-05 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁴

J. Matthew DeLesDernier
Assistant Secretary

²⁴ 17 CFR 200.30-3(a)(12).