

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 23		SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No. * SR 2025 - * 17 Amendment No. (req. for Amendments *)	
Filing by Long-Term Stock Exchange, Inc. Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934					
Initial * ☒		Amendment * ☐		Withdrawal ☐	
Section 19(b)(2) * ☐		Section 19(b)(3)(A) * ☒		Section 19(b)(3)(B) * ☐	
Pilot ☐		Extension of Time Period for Commission Action * ☐		Date Expires * 	
		Rule			
		☐ 19b-4(f)(1)		☐ 19b-4(f)(4)	
		☒ 19b-4(f)(2)		☐ 19b-4(f)(5)	
		☐ 19b-4(f)(3)		☐ 19b-4(f)(6)	
Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 Section 806(e)(1) * ☐			Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 Section 3C(b)(2) * ☐		
Exhibit 2 Sent As Paper Document ☐			Exhibit 3 Sent As Paper Document ☐		
Description Provide a brief description of the action (limit 250 characters, required when Initial is checked *). A proposal to amend the Liquidity Incentive Program (LTSE LIP or Program) which is designed, among other things, to enhance market quality by incentivizing market participants to provide liquidity in LIP Enhanced Securities.					
Contact Information Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action. First Name * Alanna Last Name * Barton Title * Director and Senior Counsel E-mail * alanna@longtermstockexchange.com Telephone * (917) 282-3445 Fax					
Signature Pursuant to the requirements of the Securities Exchange of 1934, Long-Term Stock Exchange, Inc. has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized. Date 07/31/2025 (Title *) By Alanna Barton Director and Senior Counsel (Name *) NOTE: Clicking the signature block at right will initiate digitally signing the form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed. Alanna Barton Digitally signed by Alanna Barton Date: 2025.07.31 13:37:02 -04'00'					

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549		
For complete Form 19b-4 instructions please refer to the EDFS website.		
Form 19b-4 Information * Add Remove View SR-LTSE-2025-17 19b-4.docx The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.		
Exhibit 1 - Notice of Proposed Rule Change * Add Remove View SR-LTSE-2025-17 Exhibit 1.docx The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)		
Exhibit 1A - Notice of Proposed Rule Change, Security-Based Swap Submission, or Advanced Notice by Clearing Agencies * Add Remove View The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)		
Exhibit 2- Notices, Written Comments, Transcripts, Other Communications Add Remove View Exhibit Sent As Paper Document Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.		
Exhibit 3 - Form, Report, or Questionnaire Add Remove View Exhibit Sent As Paper Document Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.		
Exhibit 4 - Marked Copies Add Remove View The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.		
Exhibit 5 - Proposed Rule Text Add Remove View SR-LTSE-2025-17 Exhibit 5.docx The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change		
Partial Amendment Add Remove View If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.		

(a) Pursuant to the provisions of Section 19(b)(1) under the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² Long-Term Stock Exchange, Inc. (“LTSE” or the “Exchange”) proposes to amend the Liquidity Incentive Program (“LTSE LIP” or “Program”) which is designed, among other things, to enhance market quality by incentivizing market participants to provide liquidity in LIP Enhanced Securities. The Exchange proposes to implement the changes to the fee schedule pursuant to this proposal on August 1, 2025.

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1. The text of the proposed rule change is attached as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

Senior management has approved the proposed rule change pursuant to resolution of the Board of Directors of the Exchange dated February 2, 2023. No further action is required under the Exchange’s governing documents. Therefore, the Exchange’s internal procedures with respect to the proposed rule change are complete.

The person on the Exchange staff prepared to respond to questions and comments on the proposed rule change is:

Jill Ostergaard
Chief Regulatory Officer
Long-Term Stock Exchange, Inc.
(646) 832-6988

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

3. Self-Regulatory Organization's Statement on the Purpose of, and Statutory Basis for, the Proposed Rule Change

(a) Purpose

On July 1, 2025, the Exchange implemented the LTSE LIP to enhance liquidity and improve market quality in LIP Enhanced Securities³ traded on the Exchange by incentivizing Members to quote at or better than the National Best Bid and Offer ("NBBO") and provide liquidity in both select securities, the LIP Enhanced Securities and more generally in all other securities traded on LTSE, the LIP Standard Securities.⁴⁵

Currently, the eligibility threshold for Incentive #1 requires a Member to display a quote in a LIP Enhanced Security of a Minimum Quoted Size, for at least 60% of the time at the NBBO of the Regular Market Session⁶ in a calendar quarter, in order to share in SIP Quote Revenue,⁷ which is distributed proportionally among eligible Members based on quoting activity.

³ LIP Enhanced Securities means a list of securities designated as such, that are used for the purposes of qualifying for the incentives within the LIP. The universe of these securities will be determined by the Exchange and published on the Exchange's website. See Definitions Section of the Fee Schedule.

⁴ LIP Standard Securities means a security not defined as a "LIP Enhanced Security" and traded on LTSE. See Definitions Section of the Fee Schedule.

⁵ See Securities Exchange Release No. 34-103517 (July 22, 2025), 90 FR 35325 (July 25, 2025) (SR-LTSE-2025-16). The Program includes three key incentives: (1) a proportional share of 80% of LTSE's SIP Quote Revenue for LIP Enhanced Securities, distributed among qualifying Members based on quoting activity; (2) reduced taker fees for LIP Enhanced Securities, available to all Members without quoting obligations; and (3) for LIP Standard Securities, a choice between a proportional share of 20% of LTSE's SIP Quote Revenue or a quarterly credit, contingent on meeting specific quoting thresholds.

⁶ Regular Market Session or Regular Market Hours means the time between 9:30a.m. and 4:00p.m. Eastern Time. See Exchange Rule 1.160(kk).

⁷ The Securities Information Processors ("SIPs"), which include the Unlisted Trading Privileges and Consolidated Tape Association, collect fees from subscribers for trade and quote tape data received from trading centers and reporting facilities, such as the Exchange (collectively, "SIP Participants"). After deducting the cost of operating each tape, the profits are allocated among the SIP Participants on a quarterly basis, according to a complex set of calculations that consider estimates of anticipated Market Data Revenue ("MDR"), adjustments to comport to actual MDR from previous quarters and a non-linear aggregation of total trading and quoting activity in Tape A, B and C securities in attributing MDR to each SIP Participant. Based on these calculations, the SIPs provide MDR payments to each SIP Participant during the second month of each quarter for trade and quote data from the previous calendar quarter, which

The Exchange now proposes to amend Incentive #1 of the LTSE LIP to reduce the quoting threshold in a LIP Enhanced Security from 60% to 30% of the time at the NBBO of the Regular Market Session for the months of August and September in the current quarter and going forward for qualifying Members. This intraquarter adjustment is designed to address observed challenges with the initial quoting requirement and to encourage greater participation in LIP Enhanced Securities.

This adjustment is designed to account for the fact that the original quoting threshold of 60% will not apply uniformly across the quarter, as the Exchange is proposing to reduce the threshold to 30% for the months of August and September 2025. Therefore, LTSE will share a share of 80% of July's LTSE SIP Quote Revenue for that LIP Enhanced Security, distributed proportionally with firms who quoted at the NBBO at least 60% of the time for the month of July. For the months of August and September 2005, LTSE will share 80% of the combined August and September LTSE SIP Quote Revenue for that LIP Enhanced Security with firms who quoted at the NBBO at least 30% of the time across August and September. By allowing Members to qualify based on a reduced quoting performance in August and September, the Exchange seeks to make this intra-quarter adjustment from 60% to 30% to encourage greater participation in LIP Enhanced Securities as soon as possible and provide the opportunity to share in SIP Quote Revenue, which is distributed proportionally among eligible Members based on quoting activity." The Exchange notes that it is not proposing any changes to the SIP Quote Revenue distribution, which will continue to occur at the end of each calendar quarter.

are subject to adjustment through subsequent quarterly payments. These payments can be divided into six pools (i.e., trade and quote activity in Tape A, B, and C securities).

This approach continues to promote consistent quoting behavior while also reflecting the intra-quarter change. The Exchange believes that the reduction from 60% to 30% provides a fair and reasonable opportunity for Members to participate in the Program and aligns with the Exchange's broader goal of enhancing liquidity and market quality in LIP Enhanced Securities.

The Exchange notes that this proposal is limited in scope and that Incentives #2 and #3 are unchanged and remain in full force and effect as implemented on July 1, 2025.

This modification is intended to enhance market quality by encouraging Members to contribute to displayed liquidity and tighter spreads in LIP Enhanced Securities. By lowering the barrier to entry mid-quarter, the Exchange aims to increase quoting activity during the remainder of the quarter, allowing firms that did not initially meet the 60% threshold to participate meaningfully in the Program.

The Exchange believes this targeted adjustment will improve overall effectiveness of the Program while preserving the integrity and design of Incentives #2 and #3, which continues to operate as originally adopted.

The Exchange is proposing to amend Incentive #1 by reducing the quoting threshold from 60% to 30% thereby allowing more Members to qualify for SIP revenue based on quoting activity at the NBBO in LIP Enhanced Securities. Through the amendments to Incentive #1 of the Program, the Exchange seeks to provide improved liquidity for all market participants through narrower bid-ask spreads and increased depth of liquidity in LIP Enhanced Securities.

(b) Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁸ in general, and furthers the objectives of Section 6(b)(4) of the Act,⁹ in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among all of its Members and issuers and other persons using its facilities; Section 6(b)(5) of the Act,¹⁰ which requires, among other things, that the rules of the Exchange be designed 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 to protect investors and the public interest. The Exchange also believes that the proposed rule change is reasonable, fair and equitable, and non-discriminatory.

The Exchange believes that the ever-shifting market share among the exchanges from month to month demonstrates that market participants can shift order flow or discontinue or reduce use of certain categories of products, in response to new or different pricing structures being introduced into the market. Accordingly, competitive forces constrain the Exchange's transaction fees and rebates, and market participants can readily trade on competing venues if they deem pricing levels at those other venues to be more favorable.

The Exchange believes that the proposed reduction in the quoting threshold for Incentive #1 of the Program from 60% to 30% for the months of August and September 2025, and on a prospective basis, thereafter, is reasonable and appropriate in light of observed participation levels and market conditions. The reduced threshold is intended to lower barriers to entry and

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(4).

¹⁰ 15 U.S.C. 78f(b)(5).

encourage broader participation among Members, particularly those who may have been unable to meet the more stringent 60% threshold in the first month of the quarter.

To further align with this mid-quarter adjustment, the Exchange also proposes to modify the qualification methodology for the third quarter of 2025. For the month of July, LTSE will share 80% of July's LTSE SIP Quote Revenue for that LIP Enhanced Security, distributed proportionally with firms who quoted at the NBBO at least 60% of the time. Then for the months of August and September 2025, LTSE will share 80% of the combined August and September LTSE SIP Quote Revenue for that LIP Enhanced Security with firms who quoted at the NBBO at least 30% of the time across August and September. This approach provides flexibility to Members who may not have qualified under the July threshold but who can meet the revised standard in August and September. The Exchange believes that this change promotes fairness and program integrity while continuing to reward sustained quoting activity that improves market quality.

The Exchange believes these amendments are consistent with Section 6(b)(5) of the Act because they are designed to promote just and equitable principles of trade and perfect the mechanism of a free and open market by incentivizing quoting behavior that supports tighter spreads, deeper displayed liquidity and improved price discovery in LIP Enhanced Securities. The proposed changes also maintain the original goals of the Program—encouraging continuous quoting at the NBBO—while adapting to early experience and Member behavior under the initial threshold.

Importantly, the proposed program is limited in scope to Incentive #1. Incentives #2 and #3 remain unchanged and in full force and effect as implemented on July 1, 2025, preserving the

continuity of the Program's broader incentive structure. These components continue to support market quality and competition without modification.

In addition, as discussed above, the Exchange operates in a highly competitive environment, and its transaction pricing, including incentive programs, such as the LTSE LIP, is constrained by competition among exchanges and alternative trading systems. The proposed changes are designed to make the Program more accessible and effective, thereby attracting greater quoting interest and enhancing overall market quality.

The Exchange also believes that the amendments to the Eligibility Requirement, reducing the percentage of time that market participants must quote at the NBBO of the Regular Market Session in a calendar quarter for Incentive #1, and as described more fully below in the Exchange's statement regarding the burden on competition, the Exchange believes that its transaction pricing is subject to significant competitive forces, and that the proposed amendments to the eligibility requirement for Incentive #1 described herein are appropriate to address such forces.

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

The Exchange does not believe that the proposed change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. Instead, as discussed above, the proposal is intended to enhance market quality on the Exchange in a large number of securities generally, and in the LIP Enhanced Securities specifically, and to encourage Members to increase their order flow on the Exchange, thereby promoting price discovery and contributing to a deeper and more liquid market to the benefit of all market participants. As a result, the Exchange believes the proposal would enhance its competitiveness as a market that attracts actionable orders, thereby making it a more desirable destination venue for its customers.

For these reasons, the Exchange believes that the proposal furthers the Commission's goal in efficient pricing of individual stocks for all types of orders, large and small."¹¹

5. 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.

6. Extension of Time Period for Commission Action

Not applicable.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act,¹² and Rule 19b-4(f)(2) thereunder. 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 to determine whether the proposed rule should be approved or disapproved.¹³

8. Proposed Rule Change Based on the Rules of Another Self-Regulatory Organization or of the Commission

Not applicable.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

¹¹ See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 47396 (June 29, 2005).

¹² 15 U.S.C. 78s(b)(3)(A)(ii).

¹³ 15 U.S.C. 78s(b)(2)(B).

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

Exhibit 1 – Form of Notice of the Proposed Rule Change for Publication in the Federal Register.

Exhibit 5 - Text of proposed rule change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34- ; File No. SR-LTSE-2025-17]

Self-Regulatory Organizations: Long-Term Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend the Liquidity Incentive Program ("LTSE LIP" or "Program")

Pursuant to the provisions of Section 19(b)(1) under the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on [DATE], Long-Term Stock Exchange, Inc. ("LTSE" or the "Exchange") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, II and III below, which Items have been prepared by the self-regulatory organization. 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 Securities and Exchange Commission ("Commission") a proposed rule change to amend the Liquidity Incentive Program ("LTSE LIP" or "Program") which is designed, among other things, to enhance market quality by incentivizing market participants to provide liquidity in LIP Enhanced Securities. The Exchange proposes to implement the changes to the fee schedule pursuant to this proposal on August 1, 2025.

The text of the proposed rule change is available at the Exchange's website at <https://longtermstockexchange.com/>, at the principal office of the Exchange, and at the Commission's Public Reference Room.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

II. Self-Regulatory Organization's Statement on 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 self-regulatory organization 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 July 1, 2025, the Exchange implemented the LTSE LIP to enhance liquidity and improve market quality in LIP Enhanced Securities³ traded on the Exchange by incentivizing Members to quote at or better than the National Best Bid and Offer ("NBBO") and provide liquidity in both select securities, the LIP Enhanced Securities and more generally in all other securities traded on LTSE, the LIP Standard Securities.⁴⁵

Currently, the eligibility threshold for Incentive #1 requires a Member to display a quote in a LIP Enhanced Security of a Minimum Quoted Size, for at least 60% of the time at the

³ LIP Enhanced Securities means a list of securities designated as such, that are used for the purposes of qualifying for the incentives within the LIP. The universe of these securities will be determined by the Exchange and published on the Exchange's website. See Definitions Section of the Fee Schedule.

⁴ LIP Standard Securities means a security not defined as a "LIP Enhanced Security" and traded on LTSE. See Definitions Section of the Fee Schedule.

⁵ See Securities Exchange Release No. 34-103517 (July 22, 2025), 90 FR 35325 (July 25, 2025) (SR-LTSE-2025-16). The Program includes three key incentives: (1) a proportional share of 80% of LTSE's SIP Quote Revenue for LIP Enhanced Securities, distributed among qualifying Members based on quoting activity; (2) reduced taker fees for LIP Enhanced Securities, available to all Members without quoting obligations; and (3) for LIP Standard Securities, a choice between a proportional share of 20% of LTSE's SIP Quote Revenue or a quarterly credit, contingent on meeting specific quoting thresholds.

NBBO of the Regular Market Session⁶ in a calendar quarter, in order to share in SIP Quote Revenue,⁷ which is distributed proportionally among eligible Members based on quoting activity.

The Exchange now proposes to amend Incentive #1 of the LTSE LIP to reduce the quoting threshold in a LIP Enhanced Security from 60% to 30% of the time at the NBBO of the Regular Market Session for the months of August and September in the current quarter and going forward for qualifying Members. This intraquarter adjustment is designed to address observed challenges with the initial quoting requirement and to encourage greater participation in LIP Enhanced Securities.

This adjustment is designed to account for the fact that the original quoting threshold of 60% will not apply uniformly across the quarter, as the Exchange is proposing to reduce the threshold to 30% for the months of August and September 2025. Therefore, LTSE will share a share of 80% of July's LTSE SIP Quote Revenue for that LIP Enhanced Security, distributed proportionally with firms who quoted at the NBBO at least 60% of the time for the month of July. For the months of August and September 2005, LTSE will share 80% of the combined August and September LTSE SIP Quote Revenue for that LIP Enhanced Security with firms who quoted at the NBBO at least 30% of the time across August and September. By allowing

⁶ Regular Market Session or Regular Market Hours means the time between 9:30a.m. and 4:00p.m. Eastern Time. See Exchange Rule 1.160(kk).

⁷ The Securities Information Processors ("SIPs"), which include the Unlisted Trading Privileges and Consolidated Tape Association, collect fees from subscribers for trade and quote tape data received from trading centers and reporting facilities, such as the Exchange (collectively, "SIP Participants"). After deducting the cost of operating each tape, the profits are allocated among the SIP Participants on a quarterly basis, according to a complex set of calculations that consider estimates of anticipated Market Data Revenue ("MDR"), adjustments to comport to actual MDR from previous quarters and a non-linear aggregation of total trading and quoting activity in Tape A, B and C securities in attributing MDR to each SIP Participant. Based on these calculations, the SIPs provide MDR payments to each SIP Participant during the second month of each quarter for trade and quote data from the previous calendar quarter, which are subject to adjustment through subsequent quarterly payments. These payments can be divided into six pools (i.e., trade and quote activity in Tape A, B, and C securities).

Members to qualify based on a reduced quoting performance in August and September, the Exchange seeks to make this intra-quarter adjustment from 60% to 30% to encourage greater participation in LIP Enhanced Securities as soon as possible and provide the opportunity to share in SIP Quote Revenue, which is distributed proportionally among eligible Members based on quoting activity." The Exchange notes that it is not proposing any changes to the SIP Quote Revenue distribution, which will continue to occur at the end of each calendar quarter.

This approach continues to promote consistent quoting behavior while also reflecting the intra-quarter change. The Exchange believes that the reduction from 60% to 30% provides a fair and reasonable opportunity for Members to participate in the Program and aligns with the Exchange's broader goal of enhancing liquidity and market quality in LIP Enhanced Securities.

The Exchange notes that this proposal is limited in scope and that Incentives #2 and #3 are unchanged and remain in full force and effect as implemented on July 1, 2025.

This modification is intended to enhance market quality by encouraging Members to contribute to displayed liquidity and tighter spreads in LIP Enhanced Securities. By lowering the barrier to entry mid-quarter, the Exchange aims to increase quoting activity during the remainder of the quarter, allowing firms that did not initially meet the 60% threshold to participate meaningfully in the Program.

The Exchange believes this targeted adjustment will improve overall effectiveness of the Program while preserving the integrity and design of Incentives #2 and #3, which continues to operate as originally adopted.

The Exchange is proposing to amend Incentive #1 by reducing the quoting threshold from 60% to 30% thereby allowing more Members to qualify for SIP revenue based on quoting activity at the NBBO in LIP Enhanced Securities. Through the amendments to Incentive #1 of

the Program, the Exchange seeks to provide improved liquidity for all market participants through narrower bid-ask spreads and increased depth of liquidity in LIP Enhanced Securities.

(b) Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁸ in general, and furthers the objectives of Section 6(b)(4) of the Act,⁹ in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among all of its Members and issuers and other persons using its facilities; Section 6(b)(5) of the Act,¹⁰ which requires, among other things, that the rules of the Exchange be designed 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 to protect investors and the public interest. The Exchange also believes that the proposed rule change is reasonable, fair and equitable, and non-discriminatory.

The Exchange believes that the ever-shifting market share among the exchanges from month to month demonstrates that market participants can shift order flow or discontinue or reduce use of certain categories of products, in response to new or different pricing structures being introduced into the market. Accordingly, competitive forces constrain the Exchange's transaction fees and rebates, and market participants can readily trade on competing venues if they deem pricing levels at those other venues to be more favorable.

The Exchange believes that the proposed reduction in the quoting threshold for Incentive #1 of the Program from 60% to 30% for the months of August and September 2025, and on a prospective basis, thereafter, is reasonable and appropriate in light of observed participation

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(4).

¹⁰ 15 U.S.C. 78f(b)(5).

levels and market conditions. The reduced threshold is intended to lower barriers to entry and encourage broader participation among Members, particularly those who may have been unable to meet the more stringent 60% threshold in the first month of the quarter.

To further align with this mid-quarter adjustment, the Exchange also proposes to modify the qualification methodology for the third quarter of 2025. For the month of July, LTSE will share 80% of July's LTSE SIP Quote Revenue for that LIP Enhanced Security, distributed proportionally with firms who quoted at the NBBO at least 60% of the time. Then for the months of August and September 2025, LTSE will share 80% of the combined August and September LTSE SIP Quote Revenue for that LIP Enhanced Security with firms who quoted at the NBBO at least 30% of the time across August and September. This approach provides flexibility to Members who may not have qualified under the July threshold but who can meet the revised standard in August and September. The Exchange believes that this change promotes fairness and program integrity while continuing to reward sustained quoting activity that improves market quality.

The Exchange believes these amendments are consistent with Section 6(b)(5) of the Act because they are designed to promote just and equitable principles of trade and perfect the mechanism of a free and open market by incentivizing quoting behavior that supports tighter spreads, deeper displayed liquidity and improved price discovery in LIP Enhanced Securities. The proposed changes also maintain the original goals of the Program—encouraging continuous quoting at the NBBO—while adapting to early experience and Member behavior under the initial threshold.

Importantly, the proposed program is limited in scope to Incentive #1. Incentives #2 and #3 remain unchanged and in full force and effect as implemented on July 1, 2025, preserving the

continuity of the Program's broader incentive structure. These components continue to support market quality and competition without modification.

In addition, as discussed above, the Exchange operates in a highly competitive environment, and its transaction pricing, including incentive programs, such as the LTSE LIP, is constrained by competition among exchanges and alternative trading systems. The proposed changes are designed to make the Program more accessible and effective, thereby attracting greater quoting interest and enhancing overall market quality.

The Exchange also believes that the amendments to the Eligibility Requirement, reducing the percentage of time that market participants must quote at the NBBO of the Regular Market Session in a calendar quarter for Incentive #1, and as described more fully below in the Exchange's statement regarding the burden on competition, the Exchange believes that its transaction pricing is subject to significant competitive forces, and that the proposed amendments to the eligibility requirement for Incentive #1 described herein are appropriate to address such forces.

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

The Exchange does not believe that the proposed change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. Instead, as discussed above, the proposal is intended to enhance market quality on the Exchange in a large number of securities generally, and in the LIP Enhanced Securities specifically, and to encourage Members to increase their order flow on the Exchange, thereby promoting price discovery and contributing to a deeper and more liquid market to the benefit of all market participants. As a result, the Exchange believes the proposal would enhance its competitiveness as a market that attracts actionable orders, thereby making it a more desirable destination venue for its customers.

For these reasons, the Exchange believes that the proposal furthers the Commission's goal in efficient pricing of individual stocks for all types of orders, large and small."¹¹

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

This proposed rule change establishes dues, fees or other charges among its members and, as such, may take effect upon filing with the Commission pursuant to Section 19(b)(3)(A)(ii) of the Act¹² and paragraph (f)(2) of Rule 19b-4 thereunder.¹³ Accordingly, the proposed rule change would take effect upon filing with the Commission.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend the rule change if it appears to the Commission that the action is necessary or appropriate in the public interest, for the protection of investors, or would otherwise further the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule 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:

¹¹ See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 47396 (June 29, 2005).

¹² 15 U.S.C. 78s(b)(3)(A)(ii).

¹³ 17 CFR 240.19b-4(f)(2).

- 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-LTSE-2025-17 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-LTSE-2025-17. 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 filing will be available for inspection and copying at the principal office of LTSE and on its Internet website at <https://longtermstockexchange.com/>.

All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-LTSE-2025-17 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.¹⁴

¹⁴ 17 CFR 200.30-3(a)(12).

Exhibit 5 – Text of the Proposed Rule Change

New language

[deleted language]

Long-Term Stock Exchange Fee Schedule
[July 10] August 1, 2025

A. Membership Fee

No change.

B. Transaction Fees

No change.

2. Liquidity Incentive Program

No change.

Incentive 1: Per LIP Enhanced Security	Eligibility Requirement	
	Displayed quote in a LIP Enhanced Security of a Minimum Quoted Size, for at least [60] <u>30</u> Percent Time at NBBO of the Regular Market Session in a calendar quarter.	No change.
Incentive 2: For all LIP Enhanced Securities	Eligibility Requirement	
	No change.	No change.
Incentive 3: Per LIP Standard Security	Eligibility Requirement	
	No change.	No change.

No change.

Notes to LIP:

- Incentive #1 and Incentive #3 will be calculated, and eligibility determined, on a quarterly basis rather than monthly.
 - a. For the third quarter of 2025 only:
 - i. A Member shall be deemed to qualify for Incentive #1 if it satisfies the 60% quoting threshold for the calendar month of July. The qualifying Member will share in 80% of July's LTSE SIP Quote Revenue for that LIP Enhanced Security, distributed proportionally across all qualifying member firms within the calendar month of July.
 - ii. A Member shall be deemed to qualify for Incentive #1 if it satisfies the revised 30% threshold for the combined calendar months of August and September. The qualifying Member will share in 80% of August and September's LTSE SIP Quote Revenue for that LIP Enhanced Security, distributed proportionally across all qualifying member firms within the calendar months of August and September.
- Revenue will be shared proportionally based on quoting activity. All quoting requirements and incentives reset each calendar quarter.
- "Percent Time at NBBO" means the average of the percentage time during the Regular Market Session where a Member has a displayed quote at the national best bid ("NBB") or national best offer ("NBO"). For the avoidance of doubt, only quotes that are at the NBB or NBO during the Regular Market Session count towards the Percent Time at NBBO calculation.
- The Exchange excludes from its calculation of Percent Time at NBBO: (1) any trading day that the Exchange's system experiences a disruption that lasts for more than 60 minutes during the Regular Market Session; (2) any day with a scheduled early market close; and (3) the "Russell Reconstitution Day" (typically the last Friday in June).

Definitions:

No change.

Additional Fees:

No change.

C. Connectivity Fees

No change.

D. Market Data Fees

No change.

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