Required fields are shown with yellow backgrounds and asterisks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No. * SR 2026 - * 01
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) * ☐

Section 806(e)(2) * ☐

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 its Fee Schedule to modify the Liquidity Incentive Program.

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 * (646) 832-6988
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 1/12/2026

By Alanna Barton
(Name *)

(Title *)
Director and Senior Counsel

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: 2026.01.12 16:21:53 -05'00'

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 EFFS website.

Form 19b-4 Information * Add Remove View SR-LTSE-2026-01 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-2026-01 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	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 Sent As Paper Document
Exhibit 3 - Form, Report, or Questionnaire Add Remove View	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 Sent As Paper Document
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-2026-01 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 its Fee Schedule to modify the Liquidity Incentive Program ("LTSE LIP" or "Program"). The Exchange proposes to implement the changes to the fee schedule pursuant to this proposal on January 12, 2026.

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:

Alanna Barton
Director and Senior Counsel
Long-Term Stock Exchange, Inc.
(646) 832-6988

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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 Securities[3] 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.[4,5]

The Exchange now proposes several additional changes to the Fee Schedule to modify the LTSE LIP. The proposed amendments would (i) amend the eligibility requirement period for both Incentive 1 and Incentive 3 from quarterly to monthly; (ii) amend the distribution calculation of LTSE's SIP Quote Revenue from quarterly to monthly; (iii) remove transitional language that applied to the fourth quarter of 2025; (iv) amend the optional credit in Incentive 3 to a monthly credit of $25; and (v) make edits consistent with these changes to the Notes to LIP section of the Fee Schedule.

Currently, the eligibility threshold for Incentive #1 requires a Member to display a quote in a LIP Enhanced Security of a Minimum Quoted Size ("MQS"), for at least 30% of the time at

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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 LTSE LIP was initially adopted in SR-LTSE-2025-13 on June 30, 2025, which was withdrawn and refiled on July 10, 2025, 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.

the NBBO of the Regular Market Session in a calendar quarter, in order to share in SIP Quote Revenue, which is distributed proportionally among eligible Members based on quoting activity within the calendar quarter. In turn, the eligibility threshold for Incentive #3 requires a Member to be eligible for Incentive #1 in at least 50 LIP Enhanced Securities and display a quote of at least one round lot in a LIP Standard Security of a MQS, for at least 25% of the time at the NBBO of the Regular Market Session in a calendar quarter, in order to share in SIP Quote Revenue, which is distributed proportionally among eligible Members based on quoting activity within the calendar quarter; or alternative to receiving a share of the SIP Quote Revenue a Member can receive a quarterly credit of $75 per LIP Standard Security per Market Participant ID (“MPID”) to be used against fees for removing liquidity. For both Incentive #1 and Incentive #3 the Exchange proposes to amend both the eligibility requirement period and share of the LTSE SIP Quote Revenue from quarterly to monthly. The Exchange also proposes to amend the optional quarterly credit in Incentive #3 from a quarterly credit of $75 per LIP Standard Security per MPID to a monthly credit of $25 per LIP Standard Security per MPID.

The Exchange believes allowing Members to qualify and receive a proportional amount of LTSE SIP Quote Revenue monthly, rather than a quarterly basis, will encourage greater participation in the LIP. The LIP is intended to encourage Members to promote price discovery and market quality by quoting at the NBBO for a significant portion of each day in a large number of securities generally, and in LIP Enhanced Securities in particular, thereby benefiting the Exchange and other investors by providing improved trading conditions for all market participants through narrower bid-ask spreads and increasing the depth of liquidity available at the NBBO in a broad base of securities, including the LIP Enhanced Securities. Thus, the Exchange believes that the proposed changes to the Program will promote price discovery and market quality in LIP Enhanced Securities and more generally on the Exchange, and, further, that the resulting tightened spreads and increased displayed liquidity will benefit all investors by deepening the Exchange's liquidity pool, supporting the quality of price discovery, enhancing quoting competition across all exchanges, and promoting market transparency.

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 when the Exchange receives its MDR payment from the SIPs.[6]

The Exchange also proposes to amend the language regarding Minimum Quoted Size in the Notes to the LIP section of the Fee Schedule. Currently the language states that the MQS will be calculated for each LIP Enhanced Security and published at least quarterly on the Exchange's website. In line with the proposed changes above which change all quarterly calculations to monthly calculations, the Exchange proposes to change this to state that the MQS will now be published monthly on the Exchange's website. The Exchange then proposes to delete the sentence and related footnote that expands upon how the Exchange will treat mid-quarter MQS changes as this detail is no longer relevant now that the MQS will be published monthly and the Exchange would not adjust the MQS mid-month.

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[6] 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). To determine a monthly SIP Quote Revenue allocation the Exchange uses a corresponding monthly SIP report in conjunction with the quarterly MDR payments to calculate the correct allocation of the MDR payment in each symbol for each month of the quarter.

The Exchange then proposes to make other conforming changes to the Notes in the LIP Section. Specifically, the Exchange proposes to amend the second bullet to state that Incentive #1 and Incentive #3 will be calculated, and eligibility determined, on a monthly basis instead of quarterly. Additionally, the Exchange proposes to amend the language in the third bullet to state that all quoting requirements and incentives reset each calendar month rather than each quarter. Revenue will continue to be shared proportionally based on quoting activity.

Lastly, the Exchange also proposes to delete language from the Fee Schedule that applied only to the fourth quarter of 2025. This provision, adopted in SR-LTSE-2025-24,[7] temporarily adjusted revenue-sharing parameters that were specific to the fourth quarter of 2025 and will not be needed going forward.

(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 and are not designed to permit unfair discrimination between customers, issuers, brokers or dealers. The

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7 See Securities Exchange Act Release No. 34-104353 (December 9, 2025), 90 FR 57800 (December 12, 2025) (SR-LTSE-2025-24).

8 15 U.S.C. 78f(b).

9 15 U.S.C.78f(b)(4).

10 15 U.S.C.78f(b)(5).

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 amending the eligibility requirement periods, as well as the distribution calculation from quarterly to monthly is reasonable and equitable because it will encourage greater participation in the LTSE LIP by allowing Members to receive the incentive of the LTSE SIP Quote Revenue or credit for any month they meet the month quoting requirement, rather than having the Member commit to a quarterly quoting requirement. Thus the Exchange believes the proposed changes will promote price discovery and market quality in both LIP Enhanced and LIP Standard Securities and more generally on the Exchange, and, in turn could result in tightened spreads and increased displayed liquidity that will benefit all investors by deepening the Exchange's liquidity pool, supporting the quality of price discovery, enhancing quoting competition across all exchanges, and promoting market transparency.

The proposed changes are not unfairly discriminatory, as all Members that meet the same quoting criteria are eligible to receive the increased revenue share on identical terms and it will enhance, rather than burden, intermarket competition by encouraging additional displayed liquidity on LTSE.

The Exchange believes that amending the Notes section and stating that the MQS will be calculated for each LIP Enhanced Security and published monthly on the Exchange's website is reasonable, equitable and not unfairly discriminatory. The change conforms the MQS calculation timeframe to be consistent with the new monthly timeframe for both the eligibility requirements and LTSE SIP Revenue payment distributions, which will reduce investor confusion on the Program.

The Exchange believes that deleting text that is no longer applicable and adding clarifying text is consistent with Section 6(b)(5) and 6(b)(1) of the Act because it enhances transparency and clarity in the Fee Schedule. The removal is administrative, eliminates obsolete provisions and ensures that the rule text accurately reflects the Program currently in effect. It does not modify incentives or alter Member obligations and therefore imposes no burden on competition.

Taken together, these amendments are designed to increase participation in the LTSE LIP by lowering participation thresholds, aligning Program parameters with market realities, and maintaining clear and transparent rule text. The Exchange believes the proposal supports the objectives of Section 6(b)(5) of the Act by fostering fair competition, encouraging displayed liquidity, and promoting a more efficient and transparent market environment for investors. The Exchange believes that its transaction pricing is subject to significant competitive forces and that proposed changes to the fees and rebates described herein are appropriate to address such forces.

4. <u>Self-Regulatory Organization's Statement on Burden on Competition</u>

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 by encouraging additional quoting activity on LTSE and promoting more competitive displayed markets. The proposed amendments are designed to make the LTSE LIP more accessible and attractive to a broader range of Members. 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

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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).

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.

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.

[13] 15 U.S.C. 78s(b)(2)(B).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-   ; File No. SR-LTSE-2026-01]

Self-Regulatory Organizations: Long-Term Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend its Fee Schedule to Modify the Liquidity Incentive 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 its Fee Schedule to modify the Liquidity Incentive Program ("LTSE LIP" or "Program"). The Exchange proposes to implement the changes to the fee schedule pursuant to this proposal on January 12, 2026.

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.

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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 Securities[3] 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.[4,5]

The Exchange now proposes several additional changes to the Fee Schedule to modify the LTSE LIP. The proposed amendments would (i) amend the eligibility requirement period for both Incentive 1 and Incentive 3 from quarterly to monthly; (ii) amend the distribution

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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 LTSE LIP was initially adopted in SR-LTSE-2025-13 on June 30, 2025, which was withdrawn and refiled on July 10, 2025, 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.

calculation of LTSE's SIP Quote Revenue from quarterly to monthly; (iii) remove transitional language that applied to the fourth quarter of 2025; (iv) amend the optional credit in Incentive 3 to a monthly credit of $25; and (v) make edits consistent with these changes to the Notes to LIP section of the Fee Schedule.

Currently, the eligibility threshold for Incentive #1 requires a Member to display a quote in a LIP Enhanced Security of a Minimum Quoted Size ("MQS"), for at least 30% of the time at the NBBO of the Regular Market Session in a calendar quarter, in order to share in SIP Quote Revenue, which is distributed proportionally among eligible Members based on quoting activity within the calendar quarter. In turn, the eligibility threshold for Incentive #3 requires a Member to be eligible for Incentive #1 in at least 50 LIP Enhanced Securities and display a quote of at least one round lot in a LIP Standard Security of a MQS, for at least 25% of the time at the NBBO of the Regular Market Session in a calendar quarter, in order to share in SIP Quote Revenue, which is distributed proportionally among eligible Members based on quoting activity within the calendar quarter; or alternative to receiving a share of the SIP Quote Revenue a Member can receive a quarterly credit of $75 per LIP Standard Security per Market Participant ID ("MPID") to be used against fees for removing liquidity. For both Incentive #1 and Incentive #3 the Exchange proposes to amend both the eligibility requirement period and share of the LTSE SIP Quote Revenue from quarterly to monthly. The Exchange also proposes to amend the optional quarterly credit in Incentive #3 from a quarterly credit of $75 per LIP Standard Security per MPID to a monthly credit of $25 per LIP Standard Security per MPID.

The Exchange believes allowing Members to qualify and receive a proportional amount of LTSE SIP Quote Revenue monthly, rather than a quarterly basis, will encourage greater participation in the LIP. The LIP is intended to encourage Members to promote price discovery and market quality by quoting at the NBBO for a significant portion of each day in a large number of securities generally, and in LIP Enhanced Securities in particular, thereby benefiting the Exchange and other investors by providing improved trading conditions for all market participants through narrower bid-ask spreads and increasing the depth of liquidity available at the NBBO in a broad base of securities, including the LIP Enhanced Securities. Thus, the Exchange believes that the proposed changes to the Program will promote price discovery and market quality in LIP Enhanced Securities and more generally on the Exchange, and, further, that the resulting tightened spreads and increased displayed liquidity will benefit all investors by deepening the Exchange's liquidity pool, supporting the quality of price discovery, enhancing quoting competition across all exchanges, and promoting market transparency.

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 when the Exchange receives its MDR payment from the SIPs.[6]

The Exchange also proposes to amend the language regarding Minimum Quoted Size in the Notes to the LIP section of the Fee Schedule. Currently the language states that the MQS will be calculated for each LIP Enhanced Security and published at least quarterly on the

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6 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). To determine a monthly SIP Quote Revenue allocation the Exchange uses a corresponding monthly SIP report in conjunction with the quarterly MDR payments to calculate the correct allocation of the MDR payment in each symbol for each month of the quarter.

Exchange's website. In line with the proposed changes above which change all quarterly calculations to monthly calculations, the Exchange proposes to change this to state that the MQS will now be published monthly on the Exchange's website. The Exchange then proposes to delete the sentence and related footnote that expands upon how the Exchange will treat mid-quarter MQS changes as this detail is no longer relevant now that the MQS will be published monthly and the Exchange would not adjust the MQS mid-month.

The Exchange then proposes to make other conforming changes to the Notes in the LIP Section. Specifically, the Exchange proposes to amend the second bullet to state that Incentive #1 and Incentive #3 will be calculated, and eligibility determined, on a monthly basis instead of quarterly. Additionally, the Exchange proposes to amend the language in the third bullet to state that all quoting requirements and incentives reset each calendar month rather than each quarter. Revenue will continue to be shared proportionally based on quoting activity.

Lastly, the Exchange also proposes to delete language from the Fee Schedule that applied only to the fourth quarter of 2025. This provision, adopted in SR-LTSE-2025-24,[7] temporarily adjusted revenue-sharing parameters that were specific to the fourth quarter of 2025 and will not be needed going forward.

(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

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7 See Securities Exchange Act Release No. 34-104353 (December 9, 2025), 90 FR 57800 (December 12, 2025) (SR-LTSE-2025-24).

8 15 U.S.C. 78f(b).

9 15 U.S.C.78f(b)(4).

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 and are not designed to permit unfair discrimination between customers, issuers, brokers or dealers. 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 amending the eligibility requirement periods, as well as the distribution calculation from quarterly to monthly is reasonable and equitable because it will encourage greater participation in the LTSE LIP by allowing Members to receive the incentive of the LTSE SIP Quote Revenue or credit for any month they meet the month quoting requirement, rather than having the Member commit to a quarterly quoting requirement. Thus the Exchange believes the proposed changes will promote price discovery and market quality in both LIP Enhanced and LIP Standard Securities and more generally on the Exchange, and, in turn could result in tightened spreads and increased displayed liquidity that will benefit all investors by

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10 15 U.S.C.78f(b)(5).

deepening the Exchange's liquidity pool, supporting the quality of price discovery, enhancing quoting competition across all exchanges, and promoting market transparency.

The proposed changes are not unfairly discriminatory, as all Members that meet the same quoting criteria are eligible to receive the increased revenue share on identical terms and it will enhance, rather than burden, intermarket competition by encouraging additional displayed liquidity on LTSE.

The Exchange believes that amending the Notes section and stating that the MQS will be calculated for each LIP Enhanced Security and published monthly on the Exchange's website is reasonable, equitable and not unfairly discriminatory. The change conforms the MQS calculation timeframe to be consistent with the new monthly timeframe for both the eligibility requirements and LTSE SIP Revenue payment distributions, which will reduce investor confusion on the Program.

The Exchange believes that deleting text that is no longer applicable and adding clarifying text is consistent with Section 6(b)(5) and 6(b)(1) of the Act because it enhances transparency and clarity in the Fee Schedule. The removal is administrative, eliminates obsolete provisions and ensures that the rule text accurately reflects the Program currently in effect. It does not modify incentives or alter Member obligations and therefore imposes no burden on competition.

Taken together, these amendments are designed to increase participation in the LTSE LIP by lowering participation thresholds, aligning Program parameters with market realities, and maintaining clear and transparent rule text. The Exchange believes the proposal supports the objectives of Section 6(b)(5) of the Act by fostering fair competition, encouraging displayed liquidity, and promoting a more efficient and transparent market environment for investors. The

Exchange believes that its transaction pricing is subject to significant competitive forces and that proposed changes to the fees and rebates 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 by encouraging additional quoting activity on LTSE and promoting more competitive displayed markets. The proposed amendments are designed to make the LTSE LIP more accessible and attractive to a broader range of Members. 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 Act[12] and paragraph (f)(2) of Rule 19b-4 thereunder.[13] Accordingly, the proposed rule change would take effect upon filing with the Commission.

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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).

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:

- 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-2026-01 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-2026-01. 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-2026-01 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]

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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
[December 1, 2025] January 12, 2026

A. Membership Fee

No change.

B. Transaction Fees

1. No Change

2. Liquidity Incentive Program

The LTSE Liquidity Incentive Program ("LTSE LIP" or the "Program") is designed to provide greater liquidity in both LIP Enhanced Securities and LIP Standard Securities, as defined below. The Program is available to all LTSE Members.

Incentive 1: Per LIP Enhanced Security	**Eligibility Requirement**	
	Displayed quote in a LIP Enhanced Security of a Minimum Quoted Size, for at least 30 Percent Time at NBBO of the Regular Market Session in a calendar [quarter] month.	Applicable rebates in Section B.1 (Transaction Fees)+ a share of 80% of the LTSE SIP Quote Revenue for that LIP Enhanced Security, distributed proportionally across all qualifying member firms within the calendar [quarter] month.
Incentive 2: For all LIP Enhanced Securities	**Eligibility Requirement**	
	Available to all Members	Fees to Remove Liquidity in LIP Enhanced Securities will be as follows: **Securities >= $1.00** $0.0020 **Securities < $1.00** 0.20% of TDV

Incentive 3: Per LIP Standard Security	**Eligibility Requirement**	
	Must be eligible for Incentive #1 in at least 50 LIP Enhanced Securities AND have a displayed quote of at least one round lot in a LIP Standard Security for at least 25 Percent Time at NBBO of the Regular Market Session in a calendar <u>month</u>[quarter].	Applicable rebates in Section B.1 (Transaction Fees)+ choice of EITHER: 1) A share of 50% of the LTSE SIP Quote Revenue for that LIP Standard Security, distributed proportionally across all qualifying member firms, OR 2) A [quarterly]<u>monthly</u> credit of $[7]<u>2</u>5 per LIP Standard Security per MPID to be used against fees for removing liquidity.

Notes to LIP:

- Minimum Quoted Size will be calculated for each LIP Enhanced Security and published [at least quarterly] <u>monthly</u> on the Exchange's website. [If the Exchange changes the Minimum Quoted Size mid-quarter, it will issue a notice to Members at least one business day prior to the effective date of such change.*]
- Incentive #1 and Incentive #3 will be calculated, and eligibility determined, on a [quarterly] <u>monthly</u> basis [rather than monthly].
  - [a. For the fourth quarter of 2025 only:
    - i. A Member that has qualified for Incentive #3 will share in 20% of the LTSE SIP Quote Revenue for that LIP Standard Security, distributed proportionally across all qualifying member firms within the calendar months of October and November.
    - ii. A Member that has qualified for Incentive #3 will share in 50% of the LTSE SIP Quote Revenue for that LIP Standard Security, distributed proportionally across all qualifying member firms within the calendar month of December.]

- Revenue will be shared proportionally based on quoting activity. All quoting requirements and incentives reset each calendar [quarter]<u>month</u>.

- "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 displayed quotes that are at the NBB or NBO during the Regular Market Session count towards the Percent Time at NBBO calculation.

[* When the Exchange revises the Minimum Quoted Size during a calendar quarter: (i) a Member's qualification for Incentive #1 shall be determined separately for each calendar month within that quarter based on the Minimum Quoted Size in effect for such month; and (ii) a Member shall be deemed to qualify for Incentive #1 if the Member meets or exceeds the Minimum Quoted Size applicable for each month of the quarter in which the incentive applies.]

- 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.

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