

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 56

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

File No. * SR 2026 - * 15

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 * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input checked="" type="checkbox"/>	Section 19(b)(3)(A) * <input type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
--	---	--	---	---	---

Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	Rule		
			<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 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 rules to: (1) add definitions for Market Maker and Market Maker Authorized Trader or MMAT to Rule 1.160; (2) amend and restate Rule 11.150 to establish a comprehensive Market Maker registration framework; (3) amend and restate Rule 11.151 to expand and reorganize Market Maker obligations and an Assigned Market Maker Program for Non-LTSE-Primary-Listed Securities; (4) adopt new Rule 11.152 governing the obligations of Market Maker Authorized Traders; and (5) adopt a new Rule 11.153 governing the security-level registration of Market Makers, including voluntary and Exchange-initiated termination of such registration.

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 * Laura Last Name * Clare

Title * Deputy General Counsel

E-mail * laura.clare@longtermstockexchange.com

Telephone * (619) 742-5772 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 06/02/2026

(Title *)

By Ravi Srikantan

Head of ERM

(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.

Ravi Srikantan
Digitally signed by Ravi Srikantan
Date: 2026.06.02 14:10:03 -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 EFFS website.

Form 19b-4 Information *

Add Remove View

SR-LTSE-2026-15 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-2026-15 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-2026-15 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.

1. Text of Proposed Rule Change

(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”) is filing with the Securities and Exchange Commission (“Commission”) a proposal to amend its rules to: (1) add definitions for “Market Maker” and “Market Maker Authorized Trader” or “MMAT” to Rule 1.160; (2) amend and restate Rule 11.150 to establish a comprehensive Market Maker registration framework; (3) amend and restate Rule 11.151 to expand and reorganize Market Maker obligations and adopt an Assigned Market Maker (“AMM”) Program for Non-LTSE-Primary-Listed Securities; (4) adopt a new Rule 11.152 governing the obligations of Market Maker Authorized Traders; and (5) adopt a new Rule 11.153 governing the security-level registration of Market Makers, including voluntary and Exchange-initiated termination of such registration.

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.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

Laura Clare
Deputy General Counsel
Long-Term Stock Exchange, Inc.
(619) 742-5772

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

(a) Purpose

The Exchange is proposing to amend its rules to establish a comprehensive market maker registration framework, formalize the registration and oversight of individuals who perform market making activities on behalf of Exchange members, and create a new AMM Program for Non-LTSE-Primary-Listed Securities traded on the Exchange. The proposed amendments are described in detail below. As described in each section, the proposed changes are in large part consistent with corresponding rules of Cboe BZX Exchange, Inc. (“Cboe BZX”), with certain differences reflecting LTSE’s market structure and model.

Proposed Amendments to Rule 1.160 (Definitions)

The Exchange is proposing to add two new definitions to Rule 1.160, the Exchange’s central definitions rule. These new definitions anchor the proposed market maker framework in the Exchange’s definitions rule and are consistent with the approach taken by other national securities exchanges.

First, the Exchange proposes to add the definition of “Market Maker” in new Rule 1.160(w). The proposed definition provides that “Market Maker” means a Member that acts as a Market Maker pursuant to Chapter 11 of the LTSE Rules. The term currently appears throughout Chapter 11 without a formal definitional anchor in Rule 1.160. The proposed addition

clarifies that Market Maker status is a distinct role conferred through Chapter 11 registration, separate from general Exchange membership.³

Second, the Exchange proposes to add the definition of “Market Maker Authorized Trader” or “MMAT” in new Rule 1.160(xx). The proposed definition provides that “MMAT” means an authorized trader who performs market making activities pursuant to Chapter 11 on behalf of a Market Maker. This definition is new to the LTSE rulebook. It is consistent with the definition of “Market Maker Authorized Trader” in Cboe BZX Rule 1.5(m), which similarly defines the term as a person who is authorized to enter quotations in one or more securities on behalf of a registered Market Maker.⁴ Both definitions anchor individual market making authorization to the firm-level market maker registration framework. The MMAT concept in the LTSE Rules is also an extension of the Exchange’s existing Authorized Trader framework under Rule 11.140 and Rule 1.160(d), applied specifically to the market making context. The MMAT definition in proposed Rule 1.160(xx) anchors the comprehensive individual-level registration and oversight framework set forth in proposed Rule 11.152, discussed below.

Proposed Amendments to Rule 11.150 (Registration as a Market Maker)

The Exchange is proposing to delete the existing text of Rule 11.150 in its entirety and replace it with a comprehensive Market Maker registration framework consisting of five new provisions, as described below.⁵

Proposed Rule 11.150(a) requires any applicant for registration as a Market Maker to file a written application on a form prescribed by the Exchange. Applications are to be reviewed by

³ This definition is substantially similar to the definition of “Market Maker” in Cboe BZX Rule 1.5(l).

⁴ This definition is substantially similar to the definition of “Market Maker Authorized Trader” in Cboe BZX Rule 1.5(m).

⁵ This rule is substantially similar to the “Registration of Market Makers” rule in Cboe BZX Rule 11.5.

the Exchange based on factors including, but not limited to, capital, operations, personnel, technical resources, and disciplinary history. The rule also codifies a minimum net capital requirement: each Market Maker must have and maintain minimum net capital of at least the amount required under Rule 15c3-1 under the Exchange Act.

Proposed Rule 11.150(b) provides that an applicant's registration as a Market Maker becomes effective upon receipt by the Member of notice of the Exchange's approval of registration. This provision replaces the existing Rule 11.150(b)'s same-day, submission-based effectiveness with an approval-based model, which provides the Exchange with the ability to evaluate applicant qualifications before granting Market Maker status.⁶

Proposed Rule 11.150(c) codifies the grounds on which the Exchange may suspend or terminate a Market Maker's registration. The Exchange may take such action if it determines that: (1) the Market Maker has substantially or continually failed to engage in dealings in accordance with Rule 11.151 or elsewhere in the LTSE Rules; (2) the Market Maker has failed to meet the minimum net capital conditions in paragraph (a); (3) the Market Maker has failed to maintain fair and orderly markets; or (4) the Market Maker does not have at least one registered MMAT qualified to perform market making activities as set forth in Rule 11.152(b)(5), with the clarification that a MMAT whose registration is itself suspended under this paragraph shall not be deemed qualified.

Proposed Rule 11.150(d) provides that any registered Market Maker may withdraw its firm-level registration by giving written notice to the Exchange. The Exchange may require a

⁶ This approval-based effectiveness model is consistent with the registration approach in Cboe BZX Rule 11.5, and differs from the existing LTSE Rule 11.150(b), under which registration became effective on the day the request was entered.

minimum prior notice period and may impose conditions on withdrawal and re-registration as it deems appropriate in the interest of maintaining fair and orderly markets.

Proposed Rule 11.150(e) provides that any person aggrieved by any determination under Rule 11.150 or Rules 11.152 or 11.153 may seek review under Chapter 9 of the Exchange Rules governing adverse action. The provision consolidates the appeal right for determinations across the three rules governing Market Maker and MMAT registration in a single location.

Proposed Amendments to Rule 11.151 (Market Maker Obligations)

The Exchange is proposing to amend and restate Rule 11.151 in its entirety. The existing provisions governing the Two-Sided Obligation, pricing obligations, bid and offer quotation requirements, the Designated Percentage and Defined Limit framework, MPID provisions, firm quotations, impaired quotation ability, and locked and crossed markets are carried forward with paragraph renumbering to accommodate several new provisions. The new provisions are: (a) a general obligations preamble enumerating specific Market Maker duties; (b) a provision establishing Market Maker responsibility for MMAT acts and omissions; (c) a provision addressing disciplinary consequences for failure to engage in a course of dealings; and (i) the new AMM Program. Each new provision is discussed below.

Proposed Rule 11.151(a) provides that a Market Maker registered in one or more Non-LTSE-Primary-Listed Securities traded on the Exchange shall engage in a course of dealings for its own account to assist in the maintenance, insofar as reasonably practicable, of fair and orderly markets. The proposed rule enumerates five specific responsibilities that flow from this obligation: (1) maintaining continuous two-sided quotations consistent with the requirements of Rule 11.151; (2) remaining in good standing with the Exchange and in compliance with all applicable Exchange Rules; (3) informing the Exchange of any material change in financial or

operational condition or personnel; (4) maintaining a current list of MMATs and providing updated versions to the Exchange upon any change; and (5) clearing and settling transactions through the facilities of a registered clearing agency, whether by direct participation, direct clearing services, or correspondent clearing arrangement.⁷

Proposed Rule 11.151(b) provides that a Market Maker shall be responsible for the acts and omissions of its MMATs.⁸ The proposed provision makes that accountability explicit in the LTSE Rules: because individual MMATs are authorized to enter orders on behalf of a Market Maker, the Market Maker firm retains supervisory responsibility and legal accountability for those individuals' conduct. This accountability is consistent with general supervisory responsibility principles applicable to broker-dealers under the Exchange Act and reflects the Exchange's codification of that responsibility rather than relying solely on general supervisory rules.

Proposed Rule 11.151(c) provides that if the Exchange finds any substantial or continued failure by a Market Maker to engage in a course of dealings as specified in Rule 11.151(a), such Market Maker will be subject to disciplinary action, including, without limitation, suspension or revocation of registration in one or more securities. The provision also preserves all Exchange powers under the By-Laws, Rules, and procedures of the Exchange and provides that any Member aggrieved by a determination under Rule 11.151 may seek review under Chapter 9 of the Exchange Rules.⁹

⁷ Cboe BZX Rule 11.8(a) (Obligations of Market Makers) is substantially similar to this rule, except that LTSE's rule is limited to the Member being registered as a Market Maker in one or more Non-LTSE-Primary-Listed Securities traded on the Exchange and Cboe BZX's rule applies to all securities traded on the exchange.

⁸ This is identical to Cboe BZX 11.8(b).

⁹ This provision is consistent with Cboe BZX Rule 11.8(c), which similarly provides for Exchange action against market makers that fail to meet their obligations; the LTSE proposed provision differs only with respect to specific cross-references to rules.

Proposed Rules 11.151(d) through 11.151(h) carry forward the substantive content of the existing Rule 11.151(a) through 11.151(e), respectively, renumbered to accommodate the new provisions described above. No changes are made to the substance of the Two-Sided Obligation, pricing obligations, bid and offer quotation requirements, the Designated Percentage and Defined Limit framework, MPID provisions, firm quotation requirements, impaired quotation provisions, or locked and crossed market provisions. The renumbering updates all internal cross-references within Rule 11.151 to conform to the new paragraph structure and updates to outdated terms and cross-references to other rules in the rulebook. Three new sub-provisions are added to the Two-Sided Obligation section in proposed Rule 11.151(d)(1): subparagraph (A) provides that the duration of an Exchange system failure shall not be counted against the Market Maker's compliance with the quoting standard; subparagraph (B) provides that the continuous quoting obligation is suspended during trading halts, suspensions, or pauses (and shall not recommence until after the first regular-way transaction on the primary listing market), and is also suspended for the duration of any Limit State or Straddle State; and subparagraph (C) provides that the Exchange may consider other exceptions to the Two-Sided Obligation based on demonstrated legal or regulatory requirements or other mitigating circumstances. Sub-provisions (A), (B), and (C) are consistent with corresponding provisions in Cboe BZX Rule 11.8(d)(1)(B), (d)(1)(C), and (d)(1)(D). The Designated Percentage and Defined Limit thresholds carried forward in proposed Rule 11.151(d)(6) and (7) are unchanged from the current LTSE Rule 11.151 and differ from the corresponding BZX thresholds, which reflect BZX's own market structure calibration; the LTSE thresholds are not being modified by this filing.

Proposed Assigned Market Maker Program (Rule 11.151(i))

The Exchange proposes to establish a new AMM Program under new Rule 11.151(i). The AMM Program is the most significant substantive addition to the Exchange's market making framework. It authorizes the Exchange to designate Members registered as Market Makers as "Assigned Market Makers" in specified Non-LTSE-Primary-Listed Securities and to require those AMMs to undertake enhanced market quality responsibilities in their assigned securities. The AMM Program is available only for Non-LTSE-Primary-Listed Securities, defined in Rule 1.160(z) as UTP Securities and Dually-Listed Securities that are not LTSE-Primary-Listed Securities.

Rule 11.151(i)(1) provides that the Exchange may establish the AMM Program for one or more Non-LTSE-Primary-Listed Securities and defines an "Assigned Market Maker" as a Member registered as a Market Maker that is appointed by the Exchange to undertake additional market quality responsibilities in securities assigned to it. Cboe BZX maintains a Lead Market Maker ("LMM") program under Rule 11.8(e), which applies to securities listed on Cboe BZX, including ETPs, Primary Equity Securities, and Closed-End Funds. The scope of the LTSE AMM Program differs from the Cboe BZX LMM program in a fundamental respect: the AMM Program applies to Non-LTSE-Primary-Listed Securities (i.e., securities traded on LTSE that are listed on another exchange), whereas the Cboe BZX LMM program applies to BZX-listed securities. This difference reflects LTSE's current market structure and its focus on improving market quality in the UTP and Dually-Listed Securities it trades.

Rule 11.151(i)(2) provides that, to be eligible for appointment as an AMM, a Member must be registered as a Market Maker in good standing and satisfy such qualification requirements set forth in (a) of Rule 11.150.

Rule 11.151(i)(3) addresses the allocation of Non-LTSE-Primary-Listed Securities to AMMs. The proposed rule provides that the Exchange may limit the number of AMMs in a Non-LTSE-Primary-Listed Security, or modify a previously established limit, upon prior written notice to Members. The rule further provides that the Exchange may select AMMs based on factors including, but not limited to, experience with making markets, adequacy of capital, willingness to promote the Exchange as a marketplace, operational capability, support personnel, and adherence to Exchange Rules and the securities laws. The rule clarifies that appointment as an AMM in any security confers no right or entitlement to continued assignment in that security.

Proposed Rule 11.151(i)(3) is substantively similar to Cboe BZX Rule 11.8(e)(2)(A) and 11.8(e)(2)(B).¹⁰ Cboe BZX Rule 11.8(e)(2)(A) provides that LMMs are selected by the Exchange based on a similar non-exhaustive list of factors, and Cboe BZX Rule 11.8(e)(2)(B) authorizes the Exchange to limit the number of LMMs in a security or modify a previously established limit upon prior written notice to Members. The proposed LTSE rule combines those two provisions in a single subsection and differs from the corresponding Cboe BZX provisions in two non-substantive respects: first, the proposed rule does not include issuer preference among the enumerated selection factors, because the AMM Program applies to Non-LTSE-Primary-Listed Securities for which the Exchange is not the listing market and therefore does not have a listing-market relationship with the issuer; and second, the proposed rule expressly clarifies that appointment confers no continuing entitlement, which the Exchange believes is a useful

¹⁰ The substantive structure of the Cboe BZX LMM program, including the selection factors and the multi-LMM authorization codified at Cboe BZX Rule 11.8(e)(2)(A) and (B), was adopted in 2014. See Securities Exchange Act Release No. 72020 (April 25, 2014), 79 FR 24807 (May 1, 2014) (SR-BATS-2014-015).

codification of the discretionary nature of the appointment. The LTSE rule does not adopt the Cboe BZX provisions related to Minimum Performance Standards.¹¹

Rule 11.151(i)(4) provides that an AMM is subject to all obligations applicable to Market Makers generally under Rule 11.151 and, in each assigned security, must maintain continuous two-sided quotations in accordance with paragraph (a)(1) of Rule 11.151.

Rule 11.151(i)(5) provides that the Exchange may review the performance of an AMM and its assigned securities from time to time based on such factors as the Exchange deems appropriate. This provision is consistent with Cboe BZX Rule 11.8(e)(2)(C), which similarly provides for Exchange review of LMM performance, however the Cboe BZX rule specifies a defined performance review trigger (failure to meet Minimum Performance Standards in three of the past four months), whereas the proposed LTSE provision is more general.¹² This difference reflects the distinct role of an AMM in a Non-LTSE-Primary-Listed Security, for which the Cboe BZX listing-market performance standards are not applicable, and the Exchange's authority to develop performance review factors appropriate to that role.¹³

¹¹ The Minimum Performance Standards set forth in Cboe BZX Rule 11.8(e)(1) and (e)(2), including time-at-inside requirements, auction participation requirements, NBBO spread and size requirements, and depth-of-book thresholds, are calibrated to the role of a Lead Market Maker as the principal liquidity-quality backstop for securities listed on Cboe BZX, where Cboe BZX is the primary listing market responsible for price discovery, the opening and closing auctions, and the overall market quality of the listed security. The Exchange's AMM Program operates in a fundamentally different posture: an AMM provides liquidity only in Non-LTSE-Primary-Listed Securities, that is, UTP Securities and Dually-Listed Securities whose primary listing and price discovery occur on another national securities exchange, which has its own market maker program (and corresponding performance standards) responsible for the listing-market obligations applicable to those securities. Performance metrics specific to a listing-market obligation, such as auction participation requirements tied to a listing market's opening and closing auctions, are inapplicable to the role of an AMM in a Non-LTSE-Primary-Listed Security. The Exchange has accordingly designed the AMM Program with a continuous two-sided quoting obligation suited to a non-primary trading venue, and reserves the authority under Rule 11.151(i)(5) to develop and apply performance review factors appropriate to the AMM Program's distinct role.

¹² Id.

¹³ Id.

Rule 11.151(i)(6) provides that the Exchange may suspend, terminate, or reallocate an AMM appointment in one or more securities whenever it determines such action is appropriate. This is consistent in effect with Cboe BZX Rule 11.8(e)(4), which provides for revocation of LMM status for non-compliance with performance standards or other Exchange-determined circumstances, although the Cboe BZX provision ties revocation more specifically to the performance standard framework while the proposed LTSE provision preserves broader Exchange discretion.

Proposed New Rule 11.152 (Obligations of Market Maker Authorized Traders)

The Exchange proposes to add an entirely new Rule 11.152 governing the registration and obligations of Market Maker Authorized Traders.¹⁴ While this rule has no predecessor in the current LTSE Rules, it is substantially similar to Cboe BZX Rule 11.6 (Obligations of Market Maker Authorized Traders), differing only with respect to cross-references to other LTSE Rules, including the reference in proposed Rule 11.152(b)(2) to the proficiency and continuing education requirements applicable to Authorized Traders under LTSE Rule 2.160.

Rule 11.152(a) provides that MMATs are permitted to enter orders only for the account of the Market Maker for which they are registered, establishing that the MMAT role is a principal account trading function. Rule 11.152(b) provides that the Exchange may, upon receiving a written application from a Market Maker on a prescribed form, register a person as a MMAT. MMATs may be officers, partners, employees, or other associated persons of Members registered with the Exchange as Market Makers. To be eligible for registration, a person must successfully complete proficiency examinations and continuing education requirements

¹⁴ This rule is substantially similar to Cboe BZX Rule 11.6 (Obligations of Market Maker Authorized Traders), differing only with respect to LTSE-specific cross-references.

applicable to Authorized Traders under Rule 2.160 and any additional training and certification programs required by the Exchange. The Exchange may require a Market Maker to provide additional information it deems necessary to evaluate whether registration should be granted and may grant conditional registration subject to conditions it considers appropriate. Rule 11.152(b)(5) places an affirmative obligation on the Market Maker firm to ensure that each MMAT is properly qualified to perform market making activities.

Rule 11.152(c) provides that the Exchange may suspend or withdraw MMAT registration if it determines that: (A) the MMAT has caused the Market Maker to fail to comply with applicable securities laws or Exchange Rules; (B) the MMAT is not properly performing MMAT responsibilities; (C) the MMAT has failed to meet registration conditions; or (D) the MMAT has failed to maintain fair and orderly markets. If the Exchange suspends MMAT registration, the Market Maker must not allow the MMAT to submit orders into the System. MMAT registration is withdrawn upon the written request of the sponsoring Market Maker Member submitted on the Exchange's prescribed form.

Proposed New Rule 11.153 (Registration of Market Makers in a Security)

The Exchange proposes to adopt new Rule 11.153 governing the security-level registration of Market Makers.¹⁵ This rule addresses how a Member, once registered as a Market Maker at the firm level under Rule 11.150, becomes authorized to make markets in specific securities. The existing Rule 11.153, which addresses voluntary termination of registration, is being renumbered as Rule 11.155 as part of this filing.

¹⁵ This proposed rule is substantially similar to Cboe BZX Rule 11.7 (Registration of Market Makers in a Security), differing only with respect to LTSE-specific cross-references and the inclusion in proposed Rule 11.153(d) of an express right to review under Chapter 9 of the Exchange Rules.

Rule 11.153(a) provides that a Market Maker may become registered in a newly authorized security or in a security already admitted to dealings on the Exchange by filing a security registration form with the Exchange. Registration in the security becomes effective on the same day as the Exchange's approval, unless otherwise provided by the Exchange. In considering approval, the Exchange may take into account: (1) the financial resources available to the Market Maker; (2) the Market Maker's experience, expertise, and past performance in making markets, including its performance in other securities; (3) operational capability; (4) the maintenance and enhancement of competition among Market Makers in each security; (5) the existence of satisfactory clearing arrangements; and (6) the character of the market for the security, including price, volatility, and relative liquidity.

Rule 11.153(b) provides that a Market Maker may voluntarily terminate its registration in a security by providing written notice of termination to the Exchange, subject to any minimum prior notice period or other conditions the Exchange may require in the interest of maintaining fair and orderly markets. A Market Maker that fails to provide advance written notice may be subject to formal disciplinary action under Chapter 9 of the LTSE Rules.

Rule 11.153(c) provides that the Exchange may suspend or terminate any Market Maker's registration in a security whenever it determines that: (1) the Market Maker has not met any of its obligations as set forth in the LTSE Rules; or (2) the Market Maker has failed to maintain fair and orderly markets.

Rule 11.153(d) provides that a Market Maker whose registration in a security is suspended or terminated pursuant to Rule 11.153(c) may seek review under Chapter 9 of the Exchange Rules governing adverse action. Rule 11.153(e) preserves all other powers of the Exchange under the By-Laws, Rules, and procedures of the Exchange with respect to the

registration of a Market Maker and with respect to any violation by a Market Maker of the provisions of the Rule. These provisions are consistent with the corresponding review and reservation-of-authority provisions in Cboe BZX Rule 11.7, and parallel the analogous provisions the Exchange proposed at the firm level in Rule 11.150(e) and Rule 11.151(c).

Lastly, existing Rule 11.154, which addresses suspension and termination of quotations, is being renumbered as 11.156 as part of this filing.

(b) Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,¹⁶ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹⁷ in particular, in that it is 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 submits that the proposed rule change is designed to establish a comprehensive, transparent framework for the registration and oversight of Market Makers and Market Maker Authorized Traders on the Exchange, and to authorize the Exchange to designate AMMs in Non-LTSE-Primary-Listed Securities to undertake enhanced market quality responsibilities. The Exchange is not proposing any new or novel rules; as described in detail in the Purpose section above, the proposed rules are in large part substantially similar to corresponding rules of Cboe BZX, which have been previously approved by the Commission and are operating today within the national market system. Where the proposed rules differ from the

¹⁶ 15 U.S.C. 78f.

¹⁷ 15 U.S.C. 78f(b)(5).

corresponding Cboe BZX rules, the differences are either non-substantive cross-reference and terminology adjustments to conform to the Exchange's existing rule structure and defined terms, or, in the case of the AMM Program, differences that reflect the Exchange's distinct market structure and its focus on improving market quality in Non-LTSE-Primary-Listed Securities.

The Exchange believes that the proposed Market Maker registration framework set forth in Rule 11.150 protects investors and the public interest and promotes just and equitable principles of trade by ensuring that only qualified Members are authorized to perform market making activities on the Exchange. In particular, the application and review requirements of Rule 11.150(a), the minimum net capital requirement that conforms to Rule 15c3-1 under the Exchange Act, the approval-based effectiveness model of Rule 11.150(b), and the suspension and termination grounds of Rule 11.150(c) are each designed to ensure that a Member granted Market Maker status has the capital, operational capability, personnel, and regulatory history necessary to perform a market making function consistent with the maintenance of fair and orderly markets. The Exchange believes these provisions further the protection of investors by reducing the risk that under-qualified Members are permitted to perform market making activities on the Exchange.

The Exchange believes that the proposed Market Maker obligations framework set forth in Rule 11.151 likewise protects investors and the public interest by codifying the affirmative obligations of Market Makers, including the general course-of-dealings obligation in Rule 11.151(a), the firm-level supervisory responsibility for MMATs in Rule 11.151(b), and the disciplinary consequences for failure to engage in a course of dealings in Rule 11.151(c). The proposed firm-level responsibility provision in Rule 11.151(b) makes explicit the supervisory accountability of a Market Maker for the conduct of its MMATs, which reinforces the protection

of investors by ensuring that individual market making activity on the Exchange is performed by qualified individuals operating under appropriate firm-level supervision. The carry-forward provisions of Rule 11.151(d) through (h) governing the Two-Sided Obligation, pricing obligations, bid and offer quotation requirements, Designated Percentage and Defined Limit thresholds, MPID provisions, firm quotation requirements, impaired quotation procedures, and locked and crossed markets are unchanged in substance from the existing Rule 11.151. The proposed renumbering and the three new sub-provisions to the Two-Sided Obligation in Rule 11.151(d)(1)(A), (B), and (C), which address Exchange system failures, trading halts and Limit and Straddle States, and other demonstrated mitigating circumstances, are substantially similar to corresponding provisions of Cboe BZX Rule 11.8 that have been previously approved by the Commission.

The Exchange further believes that the proposed AMM Program set forth in Rule 11.151(i) promotes just and equitable principles of trade, removes impediments to and perfects the mechanism of a free and open market and a national market system, and protects investors and the public interest. The AMM Program authorizes the Exchange to designate Members registered as Market Makers to undertake enhanced market quality responsibilities in specified Non-LTSE-Primary-Listed Securities, which is designed to enhance liquidity and the quality of executions in those securities for the benefit of investors trading on the Exchange. The eligibility, allocation, performance review, suspension, termination, reallocation, and voluntary withdrawal provisions of Rule 11.151(i)(2) through (6) are designed to ensure that AMM appointments are allocated and maintained based on factors relevant to the maintenance of fair and orderly markets. In particular, the allocation framework in Rule 11.151(i)(3), which authorizes the Exchange both to select AMMs based on a non-exhaustive list of qualitative factors and to limit

or modify the number of AMMs in a security upon prior written notice to Members, is substantively similar to the corresponding provisions of the Cboe BZX LMM program at Cboe BZX Rule 11.8(e)(2)(A) and (B), which have been previously approved by the Commission. The Exchange believes that authorizing the appointment of more than one AMM per security promotes competition among AMMs in those securities, which the Exchange believes will enhance market quality for the benefit of investors trading on the Exchange. The AMM Program is based on the LMM program set forth in Cboe BZX Rule 11.8(e), with the differences described in the Purpose section above reflecting the Exchange's market structure and its focus on Non-LTSE-Primary-Listed Securities.

The Exchange believes that the proposed individual-level registration framework for MMATs set forth in Rule 11.152 protects investors and the public interest by ensuring that persons authorized to enter orders on behalf of Market Makers meet minimum qualification standards. The proficiency examination and continuing education requirements of Rule 11.152(b)(2), which apply the requirements applicable to Authorized Traders under LTSE Rule 2.160, the conditional registration authority of Rule 11.152(b)(4), and the suspension and withdrawal grounds of Rule 11.152(c) are each designed to ensure that individual market making activity on the Exchange is performed by qualified personnel and to provide the Exchange with appropriate authority to address conduct that poses a risk to fair and orderly markets. Proposed Rule 11.152 is substantially similar to Cboe BZX Rule 11.6, which has been previously approved by the Commission.

The Exchange believes that the proposed security-level registration framework set forth in Rule 11.153 protects investors and the public interest and promotes just and equitable principles of trade by establishing a clear process for a Market Maker to become registered in

specific securities, by enumerating the factors the Exchange may consider in reviewing such registration, and by establishing express grounds for voluntary termination and Exchange-initiated suspension or termination of security-level registration. The right of review under Chapter 9 of the Exchange Rules provided for in Rule 11.153(d) ensures that Market Makers have a fair process for challenging adverse Exchange determinations. Proposed Rule 11.153 is substantially similar to Cboe BZX Rule 11.7, which has been previously approved by the Commission.

Finally, the Exchange believes that the proposed rule change removes impediments to and perfects the mechanism of a free and open market and a national market system, and fosters cooperation and coordination with persons engaged in facilitating transactions in securities, by harmonizing the Exchange's market maker framework with the substantially similar, previously approved framework of another national securities exchange. Harmonization reduces regulatory divergence across exchanges and the associated compliance burden for Members that conduct market making activity on multiple venues, and provides Members with a familiar framework based on rules that have already been approved by the Commission and have been operating within the national market system. The proposed rule change does not permit unfair discrimination among Members, issuers, or other market participants: the proposed requirements apply on a uniform, non-discriminatory basis to all Members that seek to become Market Makers, to all individuals that seek to register as MMATs, and to all Members eligible for appointment as AMMs.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The

proposed rule change is designed to establish a comprehensive Market Maker registration and oversight framework that is in large part substantially similar to the framework in place at Cboe BZX, adapted to the Exchange's market structure, and to authorize the Exchange to designate AMMs in Non-LTSE-Primary-Listed Securities to undertake enhanced market quality responsibilities. As described in the Purpose section and Item 3(b) above, the proposed rules are in large part substantially similar to previously approved corresponding rules of Cboe BZX.

The Exchange does not believe that the proposed rule change imposes any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed Market Maker registration requirements of Rule 11.150, the Market Maker obligations of Rule 11.151, the MMAT registration requirements of Rule 11.152, and the security-level registration requirements of Rule 11.153 apply on a uniform, non-discriminatory basis to all Members that seek to become Market Makers, to all individuals that seek to register as MMATs, and to all Members that seek to register in particular securities. The proposed AMM Program set forth in Rule 11.151(i) applies on a uniform basis to all Members that are registered as Market Makers in good standing and that satisfy the qualification requirements set forth in Rule 11.150(a), and the Exchange's authority to appoint, allocate, review, suspend, terminate, reallocate, and accept the voluntary withdrawal of AMMs is to be exercised based on factors relevant to the maintenance of fair and orderly markets, including a Member's experience, resources, operational capability, and performance. The proposed rule expressly authorizes the appointment of more than one AMM per security, which is designed to promote, rather than restrict, competition among AMMs in those securities.

The Exchange operates in a highly competitive environment and competes with other national securities exchanges and other trading venues for order flow in the securities it trades.

The Exchange does not believe that the proposed rule change imposes any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. To the contrary, by harmonizing the Exchange's market maker framework with the substantially similar, previously approved framework of another national securities exchange, the proposed rule change reduces regulatory divergence across exchanges and the associated compliance burden for Members that conduct market making activity on multiple venues. Adoption of a familiar framework based on rules that have already been approved by the Commission allows the Exchange to compete more effectively with other trading venues in attracting Members willing to perform market making functions. To the extent the AMM Program enables the Exchange to enhance market quality in Non-LTSE-Primary-Listed Securities traded on the Exchange, the proposed rule change is procompetitive: it equips the Exchange to compete more effectively with other trading venues that trade those same securities by improving the quality of executions available to investors on the Exchange.

For the foregoing reasons, the Exchange does not believe that the proposed rule change raises any substantial competitive issues, and the Exchange does not believe the proposed rule change imposes any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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

The Exchange does not consent to an extension of the time period specified in Section 19(b)(2) of the Act.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2) or Section 19(b)(7)(D).

Not applicable.

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

The proposed rule change is based in large part on the rules of Cboe BZX Exchange, Inc., a national securities exchange whose rules have been previously approved by the Commission.

Specifically:

- Proposed Rule 1.160(ww) (definition of "Market Maker") is substantially similar to Cboe BZX Rule 1.5(l);
- Proposed Rule 1.160(xx) (definition of "Market Maker Authorized Trader") is substantially similar to Cboe BZX Rule 1.5(m);
- Proposed Rule 11.150 (Registration as a Market Maker) is substantially similar to Cboe BZX Rule 11.5;
- Proposed Rule 11.151(a), (b), and (c) (Market Maker Obligations) are substantially similar to Cboe BZX Rule 11.8(a), (b), and (c), respectively;
- Proposed Rule 11.151(d)(1)(A), (B), and (C) (exceptions to the Two-Sided Obligation) are substantially similar to Cboe BZX Rule 11.8(d)(1)(B), (C), and (D);
- Proposed Rule 11.151(i) (Assigned Market Maker Program) is based on Cboe BZX Rule 11.8(e) (Lead Market Maker Program), with proposed Rule 11.151(i)(3) substantively similar to Cboe BZX Rule 11.8(e)(2)(A) and (B), and with the additional differences described in the Purpose section above reflecting the Exchange's distinct market structure and focus on Non-LTSE-Primary-Listed Securities;

- Proposed Rule 11.152 (Obligations of Market Maker Authorized Traders) is substantially similar to Cboe BZX Rule 11.6; and
- Proposed Rule 11.153 (Registration of Market Makers in a Security) is substantially similar to Cboe BZX Rule 11.7.

The specific similarities to, and differences from, the corresponding Cboe BZX provisions are described in Item 3(a) above and in the accompanying footnotes.

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.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34- ; File No. SR-LTSE-2026-15]

Self-Regulatory Organizations: Long-Term Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend its Rules to Add Definitions for Market Maker and Market Maker Authorized Trader; Establish Comprehensive Market Maker Registration Framework; Expand and Reorganize Market Maker Obligations and an Assigned Market Maker Program for Non-LTSE-Primary-Listed Securities; Adopt New Rule Governing the Obligations of Market Maker Authorized Traders; and Adopt New Rule Governing the Security-Level Registration of Market Makers, including Voluntary and Exchange-Initiated Termination of Such Registration

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 rules to: (1) add definitions for “Market Maker” and “Market Maker Authorized Trader” or “MMAT” to Rule 1.160; (2) amend and restate Rule 11.150 to establish a comprehensive Market Maker registration framework; (3) amend and restate Rule 11.151 to expand and reorganize Market Maker obligations and adopt an Assigned Market Maker (“AMM”) Program for Non-LTSE-Primary-Listed Securities; (4) adopt a new Rule

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

11.152 governing the obligations of Market Maker Authorized Traders; and (5) adopt a new Rule 11.153 governing the security-level registration of Market Makers, including voluntary and Exchange-initiated termination of such registration.

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.

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

The Exchange is proposing to amend its rules to establish a comprehensive market maker registration framework, formalize the registration and oversight of individuals who perform market making activities on behalf of Exchange members, and create a new AMM Program for Non-LTSE-Primary-Listed Securities traded on the Exchange. The proposed amendments are described in detail below. As described in each section, the proposed changes are in large part consistent with corresponding rules of Cboe BZX Exchange, Inc. ("Cboe BZX"), with certain differences reflecting LTSE's market structure and model.

Proposed Amendments to Rule 1.160 (Definitions)

The Exchange is proposing to add two new definitions to Rule 1.160, the Exchange's central definitions rule. These new definitions anchor the proposed market maker framework in the Exchange's definitions rule and are consistent with the approach taken by other national securities exchanges.

First, the Exchange proposes to add the definition of "Market Maker" in new Rule 1.160(ww). The proposed definition provides that "Market Maker" means a Member that acts as a Market Maker pursuant to Chapter 11 of the LTSE Rules. The term currently appears throughout Chapter 11 without a formal definitional anchor in Rule 1.160. The proposed addition clarifies that Market Maker status is a distinct role conferred through Chapter 11 registration, separate from general Exchange membership.³

Second, the Exchange proposes to add the definition of "Market Maker Authorized Trader" or "MMAT" in new Rule 1.160(xx). The proposed definition provides that "MMAT" means an authorized trader who performs market making activities pursuant to Chapter 11 on behalf of a Market Maker. This definition is new to the LTSE rulebook. It is consistent with the definition of "Market Maker Authorized Trader" in Cboe BZX Rule 1.5(m), which similarly defines the term as a person who is authorized to enter quotations in one or more securities on behalf of a registered Market Maker.⁴ Both definitions anchor individual market making authorization to the firm-level market maker registration framework. The MMAT concept in the LTSE Rules is also an extension of the Exchange's existing Authorized Trader framework under Rule 11.140 and Rule 1.160(d), applied specifically to the market making context. The MMAT

³ This definition is substantially similar to the definition of "Market Maker" in Cboe BZX Rule 1.5(l).

⁴ This definition is substantially similar to the definition of "Market Maker Authorized Trader" in Cboe BZX Rule 1.5(m).

definition in proposed Rule 1.160(xx) anchors the comprehensive individual-level registration and oversight framework set forth in proposed Rule 11.152, discussed below.

Proposed Amendments to Rule 11.150 (Registration as a Market Maker)

The Exchange is proposing to delete the existing text of Rule 11.150 in its entirety and replace it with a comprehensive Market Maker registration framework consisting of five new provisions, as described below.⁵

Proposed Rule 11.150(a) requires any applicant for registration as a Market Maker to file a written application on a form prescribed by the Exchange. Applications are to be reviewed by the Exchange based on factors including, but not limited to, capital, operations, personnel, technical resources, and disciplinary history. The rule also codifies a minimum net capital requirement: each Market Maker must have and maintain minimum net capital of at least the amount required under Rule 15c3-1 under the Exchange Act.

Proposed Rule 11.150(b) provides that an applicant's registration as a Market Maker becomes effective upon receipt by the Member of notice of the Exchange's approval of registration. This provision replaces the existing Rule 11.150(b)'s same-day, submission-based effectiveness with an approval-based model, which provides the Exchange with the ability to evaluate applicant qualifications before granting Market Maker status.⁶

Proposed Rule 11.150(c) codifies the grounds on which the Exchange may suspend or terminate a Market Maker's registration. The Exchange may take such action if it determines that: (1) the Market Maker has substantially or continually failed to engage in dealings in

⁵ This rule is substantially similar to the "Registration of Market Makers" rule in Cboe BZX Rule 11.5.

⁶ This approval-based effectiveness model is consistent with the registration approach in Cboe BZX Rule 11.5, and differs from the existing LTSE Rule 11.150(b), under which registration became effective on the day the request was entered.

accordance with Rule 11.151 or elsewhere in the LTSE Rules; (2) the Market Maker has failed to meet the minimum net capital conditions in paragraph (a); (3) the Market Maker has failed to maintain fair and orderly markets; or (4) the Market Maker does not have at least one registered MMAT qualified to perform market making activities as set forth in Rule 11.152(b)(5), with the clarification that a MMAT whose registration is itself suspended under this paragraph shall not be deemed qualified.

Proposed Rule 11.150(d) provides that any registered Market Maker may withdraw its firm-level registration by giving written notice to the Exchange. The Exchange may require a minimum prior notice period and may impose conditions on withdrawal and re-registration as it deems appropriate in the interest of maintaining fair and orderly markets.

Proposed Rule 11.150(e) provides that any person aggrieved by any determination under Rule 11.150 or Rules 11.152 or 11.153 may seek review under Chapter 9 of the Exchange Rules governing adverse action. The provision consolidates the appeal right for determinations across the three rules governing Market Maker and MMAT registration in a single location.

Proposed Amendments to Rule 11.151 (Market Maker Obligations)

The Exchange is proposing to amend and restate Rule 11.151 in its entirety. The existing provisions governing the Two-Sided Obligation, pricing obligations, bid and offer quotation requirements, the Designated Percentage and Defined Limit framework, MPID provisions, firm quotations, impaired quotation ability, and locked and crossed markets are carried forward with paragraph renumbering to accommodate several new provisions. The new provisions are: (a) a general obligations preamble enumerating specific Market Maker duties; (b) a provision establishing Market Maker responsibility for MMAT acts and omissions; (c) a provision

addressing disciplinary consequences for failure to engage in a course of dealings; and (i) the new AMM Program. Each new provision is discussed below.

Proposed Rule 11.151(a) provides that a Market Maker registered in one or more Non-LTSE-Primary-Listed Securities traded on the Exchange shall engage in a course of dealings for its own account to assist in the maintenance, insofar as reasonably practicable, of fair and orderly markets. The proposed rule enumerates five specific responsibilities that flow from this obligation: (1) maintaining continuous two-sided quotations consistent with the requirements of Rule 11.151; (2) remaining in good standing with the Exchange and in compliance with all applicable Exchange Rules; (3) informing the Exchange of any material change in financial or operational condition or personnel; (4) maintaining a current list of MMATs and providing updated versions to the Exchange upon any change; and (5) clearing and settling transactions through the facilities of a registered clearing agency, whether by direct participation, direct clearing services, or correspondent clearing arrangement.⁷

Proposed Rule 11.151(b) provides that a Market Maker shall be responsible for the acts and omissions of its MMATs.⁸ The proposed provision makes that accountability explicit in the LTSE Rules: because individual MMATs are authorized to enter orders on behalf of a Market Maker, the Market Maker firm retains supervisory responsibility and legal accountability for those individuals' conduct. This accountability is consistent with general supervisory responsibility principles applicable to broker-dealers under the Exchange Act and reflects the

⁷ Cboe BZX Rule 11.8(a) (Obligations of Market Makers) is substantially similar to this rule, except that LTSE's rule is limited to the Member being registered as a Market Maker in one or more Non-LTSE-Primary-Listed Securities traded on the Exchange and Cboe BZX's rule applies to all securities traded on the exchange.

⁸ This is identical to Cboe BZX 11.8(b).

Exchange's codification of that responsibility rather than relying solely on general supervisory rules.

Proposed Rule 11.151(c) provides that if the Exchange finds any substantial or continued failure by a Market Maker to engage in a course of dealings as specified in Rule 11.151(a), such Market Maker will be subject to disciplinary action, including, without limitation, suspension or revocation of registration in one or more securities. The provision also preserves all Exchange powers under the By-Laws, Rules, and procedures of the Exchange and provides that any Member aggrieved by a determination under Rule 11.151 may seek review under Chapter 9 of the Exchange Rules.⁹

Proposed Rules 11.151(d) through 11.151(h) carry forward the substantive content of the existing Rule 11.151(a) through 11.151(e), respectively, renumbered to accommodate the new provisions described above. No changes are made to the substance of the Two-Sided Obligation, pricing obligations, bid and offer quotation requirements, the Designated Percentage and Defined Limit framework, MPID provisions, firm quotation requirements, impaired quotation provisions, or locked and crossed market provisions. The renumbering updates all internal cross-references within Rule 11.151 to conform to the new paragraph structure and updates to outdated terms and cross-references to other rules in the rulebook. Three new sub-provisions are added to the Two-Sided Obligation section in proposed Rule 11.151(d)(1): subparagraph (A) provides that the duration of an Exchange system failure shall not be counted against the Market Maker's compliance with the quoting standard; subparagraph (B) provides that the continuous quoting obligation is suspended during trading halts, suspensions, or pauses (and shall not recommence

⁹ This provision is consistent with Cboe BZX Rule 11.8(c), which similarly provides for Exchange action against market makers that fail to meet their obligations; the LTSE proposed provision differs only with respect to specific cross-references to rules.

until after the first regular-way transaction on the primary listing market), and is also suspended for the duration of any Limit State or Straddle State; and subparagraph (C) provides that the Exchange may consider other exceptions to the Two-Sided Obligation based on demonstrated legal or regulatory requirements or other mitigating circumstances. Sub-provisions (A), (B), and (C) are consistent with corresponding provisions in Cboe BZX Rule 11.8(d)(1)(B), (d)(1)(C), and (d)(1)(D). The Designated Percentage and Defined Limit thresholds carried forward in proposed Rule 11.151(d)(6) and (7) are unchanged from the current LTSE Rule 11.151 and differ from the corresponding BZX thresholds, which reflect BZX's own market structure calibration; the LTSE thresholds are not being modified by this filing.

Proposed Assigned Market Maker Program (Rule 11.151(i))

The Exchange proposes to establish a new AMM Program under new Rule 11.151(i). The AMM Program is the most significant substantive addition to the Exchange's market making framework. It authorizes the Exchange to designate Members registered as Market Makers as "Assigned Market Makers" in specified Non-LTSE-Primary-Listed Securities and to require those AMMs to undertake enhanced market quality responsibilities in their assigned securities. The AMM Program is available only for Non-LTSE-Primary-Listed Securities, defined in Rule 1.160(z) as UTP Securities and Dually-Listed Securities that are not LTSE-Primary-Listed Securities.

Rule 11.151(i)(1) provides that the Exchange may establish the AMM Program for one or more Non-LTSE-Primary-Listed Securities and defines an "Assigned Market Maker" as a Member registered as a Market Maker that is appointed by the Exchange to undertake additional market quality responsibilities in securities assigned to it. Cboe BZX maintains a Lead Market Maker ("LMM") program under Rule 11.8(e), which applies to securities listed on Cboe BZX,

including ETPs, Primary Equity Securities, and Closed-End Funds. The scope of the LTSE AMM Program differs from the Cboe BZX LMM program in a fundamental respect: the AMM Program applies to Non-LTSE-Primary-Listed Securities (i.e., securities traded on LTSE that are listed on another exchange), whereas the Cboe BZX LMM program applies to BZX-listed securities. This difference reflects LTSE's current market structure and its focus on improving market quality in the UTP and Dually-Listed Securities it trades.

Rule 11.151(i)(2) provides that, to be eligible for appointment as an AMM, a Member must be registered as a Market Maker in good standing and satisfy such qualification requirements set forth in (a) of Rule 11.150.

Rule 11.151(i)(3) addresses the allocation of Non-LTSE-Primary-Listed Securities to AMMs. The proposed rule provides that the Exchange may limit the number of AMMs in a Non-LTSE-Primary-Listed Security, or modify a previously established limit, upon prior written notice to Members. The rule further provides that the Exchange may select AMMs based on factors including, but not limited to, experience with making markets, adequacy of capital, willingness to promote the Exchange as a marketplace, operational capability, support personnel, and adherence to Exchange Rules and the securities laws. The rule clarifies that appointment as an AMM in any security confers no right or entitlement to continued assignment in that security.

Proposed Rule 11.151(i)(3) is substantively similar to Cboe BZX Rule 11.8(e)(2)(A) and 11.8(e)(2)(B).¹⁰ Cboe BZX Rule 11.8(e)(2)(A) provides that LMMs are selected by the Exchange based on a similar non-exhaustive list of factors, and Cboe BZX Rule 11.8(e)(2)(B) authorizes the Exchange to limit the number of LMMs in a security or modify a previously

¹⁰ The substantive structure of the Cboe BZX LMM program, including the selection factors and the multi-LMM authorization codified at Cboe BZX Rule 11.8(e)(2)(A) and (B), was adopted in 2014. See Securities Exchange Act Release No. 72020 (April 25, 2014), 79 FR 24807 (May 1, 2014) (SR-BATS-2014-015).

established limit upon prior written notice to Members. The proposed LTSE rule combines those two provisions in a single subsection and differs from the corresponding Cboe BZX provisions in two non-substantive respects: first, the proposed rule does not include issuer preference among the enumerated selection factors, because the AMM Program applies to Non-LTSE-Primary-Listed Securities for which the Exchange is not the listing market and therefore does not have a listing-market relationship with the issuer; and second, the proposed rule expressly clarifies that appointment confers no continuing entitlement, which the Exchange believes is a useful codification of the discretionary nature of the appointment. The LTSE rule does not adopt the Cboe BZX provisions related to Minimum Performance Standards.¹¹

Rule 11.151(i)(4) provides that an AMM is subject to all obligations applicable to Market Makers generally under Rule 11.151 and, in each assigned security, must maintain continuous two-sided quotations in accordance with paragraph (a)(1) of Rule 11.151.

Rule 11.151(i)(5) provides that the Exchange may review the performance of an AMM and its assigned securities from time to time based on such factors as the Exchange deems appropriate. This provision is consistent with Cboe BZX Rule 11.8(e)(2)(C), which similarly provides for Exchange review of LMM performance, however the Cboe BZX rule specifies a

¹¹ The Minimum Performance Standards set forth in Cboe BZX Rule 11.8(e)(1) and (e)(2), including time-at-inside requirements, auction participation requirements, NBBO spread and size requirements, and depth-of-book thresholds, are calibrated to the role of a Lead Market Maker as the principal liquidity-quality backstop for securities listed on Cboe BZX, where Cboe BZX is the primary listing market responsible for price discovery, the opening and closing auctions, and the overall market quality of the listed security. The Exchange's AMM Program operates in a fundamentally different posture: an AMM provides liquidity only in Non-LTSE-Primary-Listed Securities, that is, UTP Securities and Dually-Listed Securities whose primary listing and price discovery occur on another national securities exchange, which has its own market maker program (and corresponding performance standards) responsible for the listing-market obligations applicable to those securities. Performance metrics specific to a listing-market obligation, such as auction participation requirements tied to a listing market's opening and closing auctions, are inapplicable to the role of an AMM in a Non-LTSE-Primary-Listed Security. The Exchange has accordingly designed the AMM Program with a continuous two-sided quoting obligation suited to a non-primary trading venue, and reserves the authority under Rule 11.151(i)(5) to develop and apply performance review factors appropriate to the AMM Program's distinct role.

defined performance review trigger (failure to meet Minimum Performance Standards in three of the past four months), whereas the proposed LTSE provision is more general.¹² This difference reflects the distinct role of an AMM in a Non-LTSE-Primary-Listed Security, for which the Cboe BZX listing-market performance standards are not applicable, and the Exchange's authority to develop performance review factors appropriate to that role.¹³

Rule 11.151(i)(6) provides that the Exchange may suspend, terminate, or reallocate an AMM appointment in one or more securities whenever it determines such action is appropriate. This is consistent in effect with Cboe BZX Rule 11.8(e)(4), which provides for revocation of LMM status for non-compliance with performance standards or other Exchange-determined circumstances, although the Cboe BZX provision ties revocation more specifically to the performance standard framework while the proposed LTSE provision preserves broader Exchange discretion.

Proposed New Rule 11.152 (Obligations of Market Maker Authorized Traders)

The Exchange proposes to add an entirely new Rule 11.152 governing the registration and obligations of Market Maker Authorized Traders.¹⁴ While this rule has no predecessor in the current LTSE Rules, it is substantially similar to Cboe BZX Rule 11.6 (Obligations of Market Maker Authorized Traders), differing only with respect to cross-references to other LTSE Rules, including the reference in proposed Rule 11.152(b)(2) to the proficiency and continuing education requirements applicable to Authorized Traders under LTSE Rule 2.160.

¹² Id.

¹³ Id.

¹⁴ This rule is substantially similar to Cboe BZX Rule 11.6 (Obligations of Market Maker Authorized Traders), differing only with respect to LTSE-specific cross-references.

Rule 11.152(a) provides that MMATs are permitted to enter orders only for the account of the Market Maker for which they are registered, establishing that the MMAT role is a principal account trading function. Rule 11.152(b) provides that the Exchange may, upon receiving a written application from a Market Maker on a prescribed form, register a person as a MMAT. MMATs may be officers, partners, employees, or other associated persons of Members registered with the Exchange as Market Makers. To be eligible for registration, a person must successfully complete proficiency examinations and continuing education requirements applicable to Authorized Traders under Rule 2.160 and any additional training and certification programs required by the Exchange. The Exchange may require a Market Maker to provide additional information it deems necessary to evaluate whether registration should be granted and may grant conditional registration subject to conditions it considers appropriate. Rule 11.152(b)(5) places an affirmative obligation on the Market Maker firm to ensure that each MMAT is properly qualified to perform market making activities.

Rule 11.152(c) provides that the Exchange may suspend or withdraw MMAT registration if it determines that: (A) the MMAT has caused the Market Maker to fail to comply with applicable securities laws or Exchange Rules; (B) the MMAT is not properly performing MMAT responsibilities; (C) the MMAT has failed to meet registration conditions; or (D) the MMAT has failed to maintain fair and orderly markets. If the Exchange suspends MMAT registration, the Market Maker must not allow the MMAT to submit orders into the System. MMAT registration is withdrawn upon the written request of the sponsoring Market Maker Member submitted on the Exchange's prescribed form.

Proposed New Rule 11.153 (Registration of Market Makers in a Security)

The Exchange proposes to adopt new Rule 11.153 governing the security-level registration of Market Makers.¹⁵ This rule addresses how a Member, once registered as a Market Maker at the firm level under Rule 11.150, becomes authorized to make markets in specific securities. The existing Rule 11.153, which addresses voluntary termination of registration, is being renumbered as Rule 11.155 as part of this filing.

Rule 11.153(a) provides that a Market Maker may become registered in a newly authorized security or in a security already admitted to dealings on the Exchange by filing a security registration form with the Exchange. Registration in the security becomes effective on the same day as the Exchange's approval, unless otherwise provided by the Exchange. In considering approval, the Exchange may take into account: (1) the financial resources available to the Market Maker; (2) the Market Maker's experience, expertise, and past performance in making markets, including its performance in other securities; (3) operational capability; (4) the maintenance and enhancement of competition among Market Makers in each security; (5) the existence of satisfactory clearing arrangements; and (6) the character of the market for the security, including price, volatility, and relative liquidity.

Rule 11.153(b) provides that a Market Maker may voluntarily terminate its registration in a security by providing written notice of termination to the Exchange, subject to any minimum prior notice period or other conditions the Exchange may require in the interest of maintaining fair and orderly markets. A Market Maker that fails to provide advance written notice may be subject to formal disciplinary action under Chapter 9 of the LTSE Rules.

¹⁵ This proposed rule is substantially similar to Cboe BZX Rule 11.7 (Registration of Market Makers in a Security), differing only with respect to LTSE-specific cross-references and the inclusion in proposed Rule 11.153(d) of an express right to review under Chapter 9 of the Exchange Rules.

Rule 11.153(c) provides that the Exchange may suspend or terminate any Market Maker's registration in a security whenever it determines that: (1) the Market Maker has not met any of its obligations as set forth in the LTSE Rules; or (2) the Market Maker has failed to maintain fair and orderly markets.

Rule 11.153(d) provides that a Market Maker whose registration in a security is suspended or terminated pursuant to Rule 11.153(c) may seek review under Chapter 9 of the Exchange Rules governing adverse action. Rule 11.153(e) preserves all other powers of the Exchange under the By-Laws, Rules, and procedures of the Exchange with respect to the registration of a Market Maker and with respect to any violation by a Market Maker of the provisions of the Rule. These provisions are consistent with the corresponding review and reservation-of-authority provisions in Cboe BZX Rule 11.7, and parallel the analogous provisions the Exchange proposed at the firm level in Rule 11.150(e) and Rule 11.151(c).

Lastly, existing Rule 11.154, which addresses suspension and termination of quotations, is being renumbered as 11.156 as part of this filing.

(b) Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,¹⁶ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹⁷ in particular, in that it is 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.

¹⁶ 15 U.S.C. 78f.

¹⁷ 15 U.S.C. 78f(b)(5).

The Exchange submits that the proposed rule change is designed to establish a comprehensive, transparent framework for the registration and oversight of Market Makers and Market Maker Authorized Traders on the Exchange, and to authorize the Exchange to designate AMMs in Non-LTSE-Primary-Listed Securities to undertake enhanced market quality responsibilities. The Exchange is not proposing any new or novel rules; as described in detail in the Purpose section above, the proposed rules are in large part substantially similar to corresponding rules of Cboe BZX, which have been previously approved by the Commission and are operating today within the national market system. Where the proposed rules differ from the corresponding Cboe BZX rules, the differences are either non-substantive cross-reference and terminology adjustments to conform to the Exchange's existing rule structure and defined terms, or, in the case of the AMM Program, differences that reflect the Exchange's distinct market structure and its focus on improving market quality in Non-LTSE-Primary-Listed Securities.

The Exchange believes that the proposed Market Maker registration framework set forth in Rule 11.150 protects investors and the public interest and promotes just and equitable principles of trade by ensuring that only qualified Members are authorized to perform market making activities on the Exchange. In particular, the application and review requirements of Rule 11.150(a), the minimum net capital requirement that conforms to Rule 15c3-1 under the Exchange Act, the approval-based effectiveness model of Rule 11.150(b), and the suspension and termination grounds of Rule 11.150(c) are each designed to ensure that a Member granted Market Maker status has the capital, operational capability, personnel, and regulatory history necessary to perform a market making function consistent with the maintenance of fair and orderly markets. The Exchange believes these provisions further the protection of investors by

reducing the risk that under-qualified Members are permitted to perform market making activities on the Exchange.

The Exchange believes that the proposed Market Maker obligations framework set forth in Rule 11.151 likewise protects investors and the public interest by codifying the affirmative obligations of Market Makers, including the general course-of-dealings obligation in Rule 11.151(a), the firm-level supervisory responsibility for MMATs in Rule 11.151(b), and the disciplinary consequences for failure to engage in a course of dealings in Rule 11.151(c). The proposed firm-level responsibility provision in Rule 11.151(b) makes explicit the supervisory accountability of a Market Maker for the conduct of its MMATs, which reinforces the protection of investors by ensuring that individual market making activity on the Exchange is performed by qualified individuals operating under appropriate firm-level supervision. The carry-forward provisions of Rule 11.151(d) through (h) governing the Two-Sided Obligation, pricing obligations, bid and offer quotation requirements, Designated Percentage and Defined Limit thresholds, MPID provisions, firm quotation requirements, impaired quotation procedures, and locked and crossed markets are unchanged in substance from the existing Rule 11.151. The proposed renumbering and the three new sub-provisions to the Two-Sided Obligation in Rule 11.151(d)(1)(A), (B), and (C), which address Exchange system failures, trading halts and Limit and Straddle States, and other demonstrated mitigating circumstances, are substantially similar to corresponding provisions of Cboe BZX Rule 11.8 that have been previously approved by the Commission.

The Exchange further believes that the proposed AMM Program set forth in Rule 11.151(i) promotes just and equitable principles of trade, removes impediments to and perfects the mechanism of a free and open market and a national market system, and protects investors

and the public interest. The AMM Program authorizes the Exchange to designate Members registered as Market Makers to undertake enhanced market quality responsibilities in specified Non-LTSE-Primary-Listed Securities, which is designed to enhance liquidity and the quality of executions in those securities for the benefit of investors trading on the Exchange. The eligibility, allocation, performance review, suspension, termination, reallocation, and voluntary withdrawal provisions of Rule 11.151(i)(2) through (6) are designed to ensure that AMM appointments are allocated and maintained based on factors relevant to the maintenance of fair and orderly markets. In particular, the allocation framework in Rule 11.151(i)(3), which authorizes the Exchange both to select AMMs based on a non-exhaustive list of qualitative factors and to limit or modify the number of AMMs in a security upon prior written notice to Members, is substantively similar to the corresponding provisions of the Cboe BZX LMM program at Cboe BZX Rule 11.8(e)(2)(A) and (B), which have been previously approved by the Commission. The Exchange believes that authorizing the appointment of more than one AMM per security promotes competition among AMMs in those securities, which the Exchange believes will enhance market quality for the benefit of investors trading on the Exchange. The AMM Program is based on the LMM program set forth in Cboe BZX Rule 11.8(e), with the differences described in the Purpose section above reflecting the Exchange's market structure and its focus on Non-LTSE-Primary-Listed Securities.

The Exchange believes that the proposed individual-level registration framework for MMATs set forth in Rule 11.152 protects investors and the public interest by ensuring that persons authorized to enter orders on behalf of Market Makers meet minimum qualification standards. The proficiency examination and continuing education requirements of Rule 11.152(b)(2), which apply the requirements applicable to Authorized Traders under LTSE Rule

2.160, the conditional registration authority of Rule 11.152(b)(4), and the suspension and withdrawal grounds of Rule 11.152(c) are each designed to ensure that individual market making activity on the Exchange is performed by qualified personnel and to provide the Exchange with appropriate authority to address conduct that poses a risk to fair and orderly markets. Proposed Rule 11.152 is substantially similar to Cboe BZX Rule 11.6, which has been previously approved by the Commission.

The Exchange believes that the proposed security-level registration framework set forth in Rule 11.153 protects investors and the public interest and promotes just and equitable principles of trade by establishing a clear process for a Market Maker to become registered in specific securities, by enumerating the factors the Exchange may consider in reviewing such registration, and by establishing express grounds for voluntary termination and Exchange-initiated suspension or termination of security-level registration. The right of review under Chapter 9 of the Exchange Rules provided for in Rule 11.153(d) ensures that Market Makers have a fair process for challenging adverse Exchange determinations. Proposed Rule 11.153 is substantially similar to Cboe BZX Rule 11.7, which has been previously approved by the Commission.

Finally, the Exchange believes that the proposed rule change removes impediments to and perfects the mechanism of a free and open market and a national market system, and fosters cooperation and coordination with persons engaged in facilitating transactions in securities, by harmonizing the Exchange's market maker framework with the substantially similar, previously approved framework of another national securities exchange. Harmonization reduces regulatory divergence across exchanges and the associated compliance burden for Members that conduct market making activity on multiple venues, and provides Members with a familiar framework

based on rules that have already been approved by the Commission and have been operating within the national market system. The proposed rule change does not permit unfair discrimination among Members, issuers, or other market participants: the proposed requirements apply on a uniform, non-discriminatory basis to all Members that seek to become Market Makers, to all individuals that seek to register as MMATs, and to all Members eligible for appointment as AMMs.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is designed to establish a comprehensive Market Maker registration and oversight framework that is in large part substantially similar to the framework in place at Cboe BZX, adapted to the Exchange's market structure, and to authorize the Exchange to designate AMMs in Non-LTSE-Primary-Listed Securities to undertake enhanced market quality responsibilities. As described in the Purpose section and Item 3(b) above, the proposed rules are in large part substantially similar to previously approved corresponding rules of Cboe BZX.

The Exchange does not believe that the proposed rule change imposes any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed Market Maker registration requirements of Rule 11.150, the Market Maker obligations of Rule 11.151, the MMAT registration requirements of Rule 11.152, and the security-level registration requirements of Rule 11.153 apply on a uniform, non-discriminatory basis to all Members that seek to become Market Makers, to all individuals that seek to register as MMATs, and to all Members that seek to register in particular securities. The proposed AMM Program set forth in Rule 11.151(i) applies on a uniform basis to all Members that are registered

as Market Makers in good standing and that satisfy the qualification requirements set forth in Rule 11.150(a), and the Exchange's authority to appoint, allocate, review, suspend, terminate, reallocate, and accept the voluntary withdrawal of AMMs is to be exercised based on factors relevant to the maintenance of fair and orderly markets, including a Member's experience, resources, operational capability, and performance. The proposed rule expressly authorizes the appointment of more than one AMM per security, which is designed to promote, rather than restrict, competition among AMMs in those securities.

The Exchange operates in a highly competitive environment and competes with other national securities exchanges and other trading venues for order flow in the securities it trades. The Exchange does not believe that the proposed rule change imposes any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. To the contrary, by harmonizing the Exchange's market maker framework with the substantially similar, previously approved framework of another national securities exchange, the proposed rule change reduces regulatory divergence across exchanges and the associated compliance burden for Members that conduct market making activity on multiple venues. Adoption of a familiar framework based on rules that have already been approved by the Commission allows the Exchange to compete more effectively with other trading venues in attracting Members willing to perform market making functions. To the extent the AMM Program enables the Exchange to enhance market quality in Non-LTSE-Primary-Listed Securities traded on the Exchange, the proposed rule change is procompetitive: it equips the Exchange to compete more effectively with other trading venues that trade those same securities by improving the quality of executions available to investors on the Exchange.

For the foregoing reasons, the Exchange does not believe that the proposed rule change raises any substantial competitive issues, and the Exchange does not believe the proposed rule change imposes any burden on competition that is 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

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission shall: (a) by order approve or disapprove such proposed rule change, or (b) institute proceedings to determine whether the proposed rule change should be 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-2026-15 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-2026-15. 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-2026-15 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.¹⁸

¹⁸ 17 CFR 200.30-3(a)(12).

Exhibit 5 – Text of the Proposed Rule Change

New language

[deleted language]

Long-Term Stock Exchange Rulebook

* * * * *

Rule 1.160. Definitions

Unless the context otherwise requires, for all purposes of these LTSE Rules, terms used in LTSE Rules shall have the meaning assigned in Article I of the Exchange's Bylaws or as set forth below:

(a) - (vv) No change.

(ww) Market Maker The term "Market Maker" shall mean a Member that acts as a Market Maker pursuant to Chapter 11.

(xx) Market Maker Authorized Trader or MMAT The term "Market Maker Authorized Trader" or "MMAT" shall mean an authorized trader who performs market making activities pursuant to Chapter 11 on behalf of a Market Maker.

Rule 11.150. Registration as a Market Maker

(a) An applicant for registration as a Market Maker shall file an application in writing on such form as the Exchange may prescribe. Applications shall be reviewed by the Exchange, which shall consider such factors including, but not limited to capital, operations, personnel, technical resources, and disciplinary history. Each Market Maker must have and maintain minimum net capital of at least the amount required under Rule 15c3-1 of the Exchange Act.

(b) An applicant's registration as a Market Maker shall become effective upon receipt by the Member of notice of an approval of registration by the Exchange.

(c) The registration of a Market Maker may be suspended or terminated by the Exchange if the Exchange determines that:

(1) The Market Maker has substantially or continually failed to engage in dealings in accordance with Rule 11.151 or elsewhere in these Rules;

(2) The Market Maker has failed to meet the minimum net capital conditions set forth under paragraph (a) above;

(3) The Market Maker has failed to maintain fair and orderly markets; or

(4) The Market Maker does not have at least one registered Market Maker Authorized Trader (“MMAT”) qualified to perform market making activities as set forth in Rule 11.152(b)(5). A MMAT whose registration is suspended pursuant to this paragraph (c) shall not be deemed qualified within the meaning of this subsection.

(d) Any registered Market Maker may withdraw its registration by giving written notice to the Exchange. The Exchange may require a certain minimum prior notice period for withdrawal, and may place such other conditions on withdrawal and re-registration following withdrawal, as it deems appropriate in the interest of maintaining fair and orderly markets.

(e) Any person aggrieved by any determination under this Rule 11.150 or Rules 11.152 or 11.153 below may seek review under Chapter 9 of Exchange Rules governing adverse action.

[(a) Quotations and quotation sizes may be entered into LTSE only by a Member registered as an LTSE Market Maker or other entity approved by LTSE to function in a market-making capacity.

(b) An LTSE Market Maker may become registered in an issue by entering a registration request via an LTSE approved electronic interface with LTSE’s systems or by contacting LTSE Market Operations. Registration shall become effective on the day the registration request is entered.

(c) An LTSE Market Maker's registration in an issue shall be terminated by LTSE if the market maker fails to enter quotations in the issue within five (5) business days after the market maker's registration in the issue becomes effective.]

Rule 11.151. Market Maker Obligations

(a) A Member registered as a Market Maker in one or more Non-LTSE-Primary-Listed Securities traded on the Exchange shall engage in a course of dealings for its own account to assist in the maintenance, insofar as reasonably practicable, of fair and orderly markets in accordance with this LTSE Rule. The responsibilities and duties of a Market Maker specifically include, but are not limited to, the following:

(1) Maintain continuous, two-sided quotations consistent with the requirements of paragraph (d) below;

(2) Remain in good standing with the Exchange and in compliance with all Exchange Rules applicable to it;

(3) Inform the Exchange of any material change in financial or operational condition or personnel;

(4) Maintain a current list of MMATs who are permitted to enter orders on behalf of the Market Maker and provide an updated version of this list to the Exchange upon any change in the MMATs; and

(5) Clear and settle transactions through the facilities of a registered clearing agency. This requirement may be satisfied by direct participation, use of direct clearing services, or by entry into a correspondent clearing arrangement with another Member that clears through such agency.

(b) A Market Maker shall be responsible for the acts and omissions of its MMATs.

(c) If the Exchange finds any substantial or continued failure by a Market Maker to engage in a course of dealings as specified in paragraph (a) of this Rule, such Market Maker will be subject to disciplinary action, including, without limitation, suspension or revocation of its registration by the Exchange in one or more of the securities in which the Market Maker is registered. Nothing in this Rule 11.151 will limit any powers of the Exchange under the By-Laws, Rules or procedures of the Exchange with respect to the registration of a Market Maker or in respect of any violation by a Market Maker of the provisions of this Rule 11.151. Any Member aggrieved by any determination under this Rule 11.151 may seek review under Chapter 9 of the Exchange Rules governing the Code of Procedure.

[(a)] (d) Quotation Requirements and Obligations

(1) Two-Sided Quote Obligation. For each security in which a Member is registered as a Market Maker, the Member shall be willing to buy and sell such security for its own account on a continuous basis during regular market hours and shall enter and maintain a two-sided trading interest ("Two-Sided Obligation") that is identified to the Exchange as the interest meeting the obligation and is displayed in the Exchange's quotation at all times. Interest eligible to be considered as part of a Market Maker's Two-Sided Obligation shall have a quotation size of at least one normal unit of trading (or a larger multiple thereof); provided, however, that a Market Maker may augment its Two-Sided Obligation size to display limit orders priced at the same price as the Two-Sided Obligation. Unless otherwise designated, a "normal unit of trading" shall be a Round Lot as defined in Rule 11.180. After an execution against its Two-Sided Obligation, a Market Maker must ensure that additional trading interest exists in the Exchange to satisfy its Two-Sided Obligation either by immediately entering new interest to comply with this obligation to maintain continuous two-sided quotations or identify to the Exchange current resting interest that satisfies the Two-Sided Obligation.

(A) If a technical failure or limitation of a system of the Exchange prevents the Market Maker from maintaining or communicating to the Exchange timely and accurate quotes in each security in which a Member is registered as a Market Maker, the duration of such failure shall not be considered in determining whether the Market Maker has satisfied the quoting standard with respect to that security.

(B) The continuous quoting obligations set forth above: (i) shall be suspended during a trading halt, suspension, or pause in the security, and shall not re-commence until after the first regular way transaction on the primary listing market following such halt, suspension, or pause in the security, as reported by the responsible plan processor, and (ii) shall be suspended for the duration that an NMS stock is in a Limit State or Straddle State.

(C) The Exchange may consider other exceptions to the Two-Sided Obligation based on demonstrated legal or regulatory requirements or other mitigating circumstances.

- (2) Pricing Obligations. For NMS stocks (as defined in Rule 600 under Regulation NMS) a Market Maker shall adhere to the pricing obligations established by this LTSE Rule during the Regular Market Session; provided, however, that such pricing obligations (i) shall not commence during any trading day until after the first regular way transaction on the primary listing market in the security, as reported by the responsible single plan processor, and (ii) shall be suspended during a trading halt, suspension, or pause, and shall not re-commence until after the first regular way transaction on the primary listing market in the security following such halt, suspension, or pause, as reported by the responsible single plan processor.
- (3) Bid Quotations. At the time of entry of bid interest satisfying the Two-Sided Obligation, the price of the bid interest shall be not more than the Designated Percentage lower than the then current National Best Bid, or if no National Best Bid, not more than the Designated Percentage lower than the last reported sale from the responsible single plan processor. In the event that the National Best Bid (or if no National Best Bid, the last reported sale) increases to a level that would cause the bid interest of the Two-Sided Obligation to be more than the Defined Limit lower than the National Best Bid (or if no National Best Bid, the last reported sale), or if the bid is executed or canceled, the Market Maker shall enter new bid interest at a price not more than the Designated Percentage lower than the then current National Best Bid (or if no National Best Bid, the last reported sale), or identify to the Exchange current resting interest that satisfies the Two-Sided Obligation.
- (4) Offer Quotations. At the time of entry of offer interest satisfying the Two-Sided Obligation, the price of the offer interest shall be not more than the Designated Percentage higher than the then current National Best Offer, or if no National Best Offer, not more than the Designated Percentage higher than the last reported sale received from the responsible single plan processor. In the event that the National Best Offer (or if no National Best Offer, the last reported sale) decreases to a level that would cause the offer interest of the Two-Sided Obligation to be more than the Defined Limit higher than the National Best Offer (or if no National Best Offer, the last reported sale), or if the offer is executed or canceled, the Market Maker shall enter new offer interest at a price not more than the Designated Percentage higher than the then current National Best Offer (or if no National Best Offer, the last

reported sale), or identify to the Exchange current resting interest that satisfies the Two-Sided Obligation.

- (5) The National Best Bid and Offer shall be determined by the Exchange in accordance with its procedures for determining protected quotations under Rule 600 under Regulation NMS.
- (6) For purposes of this LTSE Rule, the "Designated Percentage" shall be eight (8) percentage points for securities that are included in the S&P 500® or Russell 1000® Index; 28% for securities with a price equal to or greater than \$1 per share that are not included in the S&P 500® or Russell 1000® Index; and 30% for securities with a price less than \$1 per share that are not included in the S&P 500® Index or Russell 1000® Index; except that between 9:30 a.m. and 9:45 a.m. and between 3:35 p.m. and the close of trading, the Designated Percentage shall be 20% for securities that are included in the S&P 500® or Russell 1000® Index, 28% for securities with a price equal to or greater than \$1 per share that are not included in the S&P 500® or Russell 1000® Index, and 30% for securities with a price less than \$1 per share that are not included in the S&P 500® Index or Russell 1000® Index. The Designated Percentage for rights and warrants shall be 30%.
- (7) For purposes of this LTSE Rule, the "Defined Limit" shall be 9.5% for securities that are included in the S&P 500® or Russell 1000® Index; 29.5% for with a price equal to or greater than \$1 per share that are not included in the S&P 500® or Russell 1000® Index; and 31.5% for securities with a price less than \$1 per share that are not included in the S&P 500® Index or Russell 1000® Index; except that between 9:30 a.m. and 9:45 a.m. and between 3:35 p.m. and the close of trading, the Defined Limit shall be 21.5% for securities that are included in the S&P 500® or Russell 1000® Index; 29.5% for securities with a price equal to or greater than \$1 per share that are not included in the S&P 500® or Russell 1000® Index; and 31.5% for securities with a price less than \$1 per share that are not included in the S&P 500® Index or Russell 1000® Index.
- (8) Reserved.
- (9) Reserved.
- (10) Nothing in this LTSE Rule shall preclude a Market Maker from quoting at price levels that are closer to the National Best Bid and Offer than the levels required by this LTSE Rule.
- (11) The minimum quotation increment for quotations of \$1.00 or above in all System Securities shall be \$0.01. The minimum quotation increment in the System for quotations below \$1.00 in System Securities shall be \$0.0001.
- (12) The individual Market Participant Identifier ("MPID") assigned to a Member to meet its Two-Sided Obligation pursuant to subparagraph (a)(1) of this LTSE Rule shall be referred to as the Member's "Primary MPID". Market Makers may request the use of additional MPIDs that shall be referred to as "Supplemental MPIDs." A Market Maker that ceases to meet the obligations

appurtenant to its Primary MPID in any security shall not be permitted to use a Supplemental MPID for any purpose in that security.

- (13) Market Makers that are permitted the use of Supplemental MPIDs pursuant to subparagraph (12) above of this LTSE Rule are subject to the same rules applicable to the Members' first quotation, with one exception: the continuous two-sided quote requirement and excused withdrawal procedures described in LTSE Rule 11.15[2]4 do not apply to Market Makers' Supplemental MPIDs. Supplemental MPIDs may be identified to the Exchange as interest to satisfy a Market Maker's two-sided obligation, in which case in order to be satisfactory, the Supplemental MPID's interest must be no more than the Designated Percentage from the NBBO as described and defined in this LTSE Rule 11.151([a]d).

[(b)](e) Firm Quotations

- (1) All quotations and orders to buy and sell entered into the System by LTSE Market Makers are firm and automatically executable for their size in the System by all Users. A particular LTSE Market Maker's quotations may be canceled rather than executed if designated with a[n Anti-Internalization Group Identifier ("AGID")]Self Trade Protection ("STP") [m]Modifier which is the same as that of an active opposite side order and originating from the same group type as the Market Maker's order to buy or sell, as set forth in LTSE Rule 11.[190]230(e). Notwithstanding the foregoing, Market Makers may not use [AGID]STP [m]Modifiers to evade the firm quotation obligation.

[(c)](f) Impaired Ability to Enter or Update Quotations.

- (1) In the event that an LTSE Market Maker's ability to enter or update quotations is impaired, the market maker shall immediately contact LTSE Market Operations to request the withdrawal of its quotations.
- (2) In the event that an LTSE Market Maker's ability to enter or update quotations is impaired and the market maker elects to remain in LTSE, the LTSE Market Maker shall execute an offer to buy or sell received from another Member at its quotations as disseminated through the Exchange.

[(d)](g) Reserved.

[(e)](h) Locked and Crossed Markets.

- (1) Locked and Crossed Markets within the System: Any quotes or orders that are entered into the System that would lock or cross another order in the System will be executed by the System.
- (2) Inter-market Locked and Crossed Markets.
- (A) Definitions. For purposes of this LTSE Rule, the following definitions shall apply:
- (i) The terms automated quotation, effective national market system plan, intermarket sweep order, manual quotation, NMS stock, protected quotation, the Regular Market Session, and trading center shall have

the meanings set forth in Rule 600(b) of Regulation NMS under the Securities Exchange Act of 1934.

- (ii) The term “Crossing Quotation” shall have the definition provided in LTSE Rule 11.180.
- (iii) The term “Locking Quotation” shall have the definition provided in LTSE Rule 11.180.

(B) Prohibition. Except for quotations that fall within the provisions of paragraph (C) of this LTSE Rule, LTSE Members shall reasonably avoid displaying, and shall not engage in a pattern or practice of displaying any quotations that lock or cross a protected quotation, and any manual quotations that lock or cross a quotation previously disseminated pursuant to an effective national market system plan.

(C) Exceptions.

- (i) The locking or crossing quotation was displayed at a time when the trading center displaying the locked or crossed quotation was experiencing a failure, material delay, or malfunction of its systems or equipment.
- (ii) The locking or crossing quotation was displayed at a time when a Protected Bid was higher than a Protected Offer in the NMS stock.

(i) Assigned Market Maker Program

(1) Establishment of the Assigned Market Maker Program (“AMM Program”). The Exchange may establish an AMM Program for one or more Non-LTSE-Primary-Listed Securities. An Assigned Market Maker (“AMM”) shall be a Member registered as a Market Maker that is appointed by the Exchange to undertake additional market quality responsibilities in securities assigned to it by the Exchange.

(2) Eligibility. To be eligible for appointment as an AMM, a Member must be registered as a Market Maker in good standing and satisfy the qualification requirements specified in paragraph (a) of Rule 11.150.

(3) Allocation of Securities. The Exchange may limit the number of AMMs in a Non-LTSE-Primary-Listed Security or modify a previously established limit upon prior written notice to Members. AMMs will be selected by the Exchange to be an AMM based on factors including, but not limited to, experience with making markets, adequacy of capital, willingness to promote the Exchange as a marketplace, operational capability, support personnel, and an adherence to Exchange rules and securities laws. Appointment as an Assigned Market Maker in any security shall not confer any right or entitlement to continued assignment in such security.

(4) Obligations. An AMM shall be subject to all obligations applicable to Market Makers under this Rule. In each assigned security, an AMM shall maintain continuous two-sided quotations in accordance with paragraph (a)(1) of this Rule 11.151.

(5) Review of Performance. The Exchange may review the performance of an AMM and its assigned security from time to time based on such factors as the Exchange deems appropriate.

Rule 11.152. Obligations of Market Maker Authorized Traders

(a) General. MMATs are permitted to enter orders only for the account of the Market Maker for which they are registered.

(b) Registration of Market Maker Authorized Traders. The Exchange may, upon receiving an application in writing from a Market Maker on a form prescribed by the Exchange, register a person as a MMAT.

(1) MMATs may be officers, partners, employees or other associated persons of Members that are registered with the Exchange as Market Makers.

(2) To be eligible for registration as a MMAT, a person must successfully complete proficiency examinations and continuing education requirements applicable to Authorized Traders, as set forth in Rule 2.160, and any other training and/or certification programs as may be required by the Exchange.

(3) The Exchange may require a Market Maker to provide any and all additional information the Exchange deems necessary to establish whether registration should be granted.

(4) The Exchange may grant a person conditional registration as a MMAT subject to any conditions it considers appropriate in the interest of maintaining a fair and orderly market.

(5) A Market Maker must ensure that a MMAT is properly qualified to perform market making activities, including but not limited to ensuring the MMAT has met the requirements set forth in paragraph (b)(2) of this Rule.

(c) Suspension or Withdrawal of Registration.

(1) The Exchange may suspend or withdraw the registration previously given to a person to be a MMAT if the Exchange determines that:

(A) the person has caused the Market Maker to fail to comply with the securities laws, rules and regulations or the By-Laws, Rules and procedures of the Exchange;

(B) the person is not properly performing the responsibilities of a MMAT;

(C) the person has failed to meet the conditions set forth under paragraph (b) above; or

(D) the MMAT has failed to maintain fair and orderly markets.

(2) If the Exchange suspends the registration of a person as a MMAT, the Market Maker must not allow the person to submit orders into the System.

(3) The registration of a MMAT will be withdrawn upon the written request of the Member for which the MMAT is registered. Such written request shall be submitted on the form prescribed by the Exchange.

Rule 11.153. Registration of Market Makers in a Security

(a) A Market Maker may become registered in a newly authorized security or in a security already admitted to dealings on the Exchange by filing a security registration form with the Exchange. Registration in the security shall become effective on the same day as the Exchange's approval of the registration, unless otherwise provided by the Exchange. In considering the approval of the registration of the Market Maker in a security, the Exchange may consider:

(1) the financial resources available to the Market Maker;

(2) the Market Maker's experience, expertise and past performance in making markets, including the Market Maker's performance in other securities;

(3) the Market Maker's operational capability;

(4) the maintenance and enhancement of competition among Market Makers in each security in which the Market Maker is registered;

(5) the existence of satisfactory arrangements for clearing the Market Maker's transactions; and

(6) the character of the market for the security, e.g., price, volatility, and relative liquidity.

(b) Voluntary Termination of Security Registration. A Market Maker may voluntarily terminate its registration in a security by providing the Exchange with a written notice of such termination. The Exchange may require a certain minimum prior notice period for such termination, and may place such other conditions on withdrawal and re-registration following withdrawal, as it deems appropriate in the interest of maintaining fair and orderly markets. A Market Maker that fails to give advanced written notice of termination to the Exchange may be subject to formal disciplinary action pursuant to Chapter 9 of these Rules.

(c) The Exchange may suspend or terminate any registration of a Market Maker in

a security or securities under this Rule 11.153 whenever the Exchange determines that:

(1) The Market Maker has not met any of its obligations as set forth in these Rules; or

(2) The Market Maker has failed to maintain fair and orderly markets.

(d) A Market Maker whose registration is suspended or terminated pursuant to this Rule 11.153(c) may seek review under Chapter 9 of Exchange Rules governing adverse action.

(e) Nothing in this Rule 11.153 will limit any other power of the Exchange under the By-Laws, Rules, or procedures of the Exchange with respect to the registration of a Market Maker or in respect of any violation by a Market Maker of the provisions of this Rule 11.153.

Rule 11.15[2]4. Withdrawal of Quotations

No change.

Rule 11.15[3]5. Voluntary Termination of Registration

No change.

Rule 11.15[4]6. Suspension and Termination of Quotations

No change.

* * * * *