



SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-102787; File No. SR-LTSE-2025-06]

Self-Regulatory Organizations; Long-Term Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Extend the Duration of Complimentary Capital Market Solutions Under LTSE Rule 14.602 to a Four-Year Term
April 8, 2025.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (“Act”)² and Rule 19b-4 thereunder,³ notice is hereby given that on April 1, 2025, 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 and II 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 extend the period that newly listed Companies and currently listed Companies may receive the complimentary Capital Markets Solutions under LTSE Rule 14.602 for an additional one year, for a four-year term.

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 of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

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

In March 2022, LTSE began offering complimentary Capital Markets Solutions to newly listed and currently listed Companies following the Commission’s approval of relevant amendments to Rule 14.602.⁴ Based on LTSE’s experience with offering Capital Markets Solutions, as well as in response to changes in the competitive landscape and market conditions, the Exchange then proposed to extend from one year, to a three-year term, the period that newly listed Companies and currently listed Companies may receive the complimentary Capital Markets Solutions under LTSE Rule 14.602.⁵ The Exchange now proposes to extend these Capital Markets Solutions for an additional one year, for a four-year term. This proposed change impacts solely the duration for which Capital Markets Solutions are to be provided to listed Companies and does not otherwise impact the nature or substance of the offerings under LTSE Rule 14.602.

Current Rule 14.602(b)(2)(A) provides that within 90 days of listing on the Exchange, a Company has the option to request and commence receiving the Capital Markets Solutions on a complimentary basis for a three-year term. As is the case in the current rule text, the three-year term will begin from the date of first use of the Capital Markets Solutions by the newly-listed Company, subject to the 90-day period from the date of listing to request and begin receiving the

⁴ See Securities Exchange Act Release No. 94465 (March 18, 2022), 87 FR 16800 (March 24, 2022) File No. SR-LTSE-2021-08.

⁵ See Securities Exchange Act Release No. 94465 (April 21, 2023), 88 FR 25718 (April 27, 2023) File No. SR-LTSE-2023-02.

service. The only proposed change in Rule 14.602(b)(2)(A) is changing the duration of the period during which a Company may receive the Capital Markets Solutions on a complimentary basis from three years to four years.

The Exchange is proposing a related change to Rule 14.602(b)(2)(B), providing a currently listed Company that has already commenced receiving the services as of the effective date of filing SR-LTSE-2025-06, the option to request to continue receiving such services on a complimentary basis for an additional one-year term. This one-year term will begin from the three-year anniversary of the date the Company initially commenced receiving the Capital Markets Solutions. The Exchange believes extending the period for Companies to receive Capital Markets Solutions on a complimentary basis aligns with LTSE's objective of supporting long-term value creation for listed Companies and their investors. Additionally, by offering such services on a complimentary basis for a longer term - i.e., four years - LTSE is able to enhance the value Companies receive by listing on the Exchange. However, no Company is required to use these services as a condition of initial or continued listing. All such services are optional for listed Companies and they may choose to cease receiving services at any point during the proposed four-year period. If a Company chooses to discontinue the services, there would be no effect on the Company's continued listing on the Exchange. LTSE notes that extending the term of these complimentary services will have no impact on the resources available for its regulatory programs. LTSE also represents that no confidential trading or regulatory information generated or received by the Exchange will be shared with LTSE Services or leveraged for the provision of its products and services.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,⁶ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁷ in

⁶ 15 U.S.C. 78f.

⁷ 15 U.S.C. 78f(b)(5).

particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among the Exchange's members and issuers and other persons using its facilities. The Exchange also believes that the proposed rule change is consistent with Section 6(b)(5) of the Act⁸ in that it is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes that it is fair and reasonable to offer products and services to companies. The Exchange faces competition from NYSE and Nasdaq as a new entrant into the exchange listing market as both offer complimentary services to newly and currently listed companies in order to attract and retain listings.⁹ Similarly, the Exchange believes that offering such products and services to newly and currently listed Companies would enhance the value proposition for listing, allow the Exchange to more effectively attract companies to list on the Exchange and retain its current listings. Equally important, LTSE believes that the Capital Markets Services will support Companies in identifying investors who are aligned with their long-term business, vision and policies.

The Exchange also believes that to the extent the Exchange's listing program is successful, it will provide a competitive alternative, which will thereby benefit companies and investors, and remove impediments to and perfect the mechanism of a free and open market and a national market system, consistent with the protection of investors and the public interest. Other exchanges also acknowledge the competition in the market for listing services and they compete, in part, by offering products and services to companies. Like other exchanges, LTSE

⁸ 15 U.S.C. 78f(b)(5).

⁹ See Securities Exchange Act Release No. 90955 (January 19, 2021), 86 FR 7155, 7157 (January 26, 2021) (noting that "Nasdaq faces competition in the market for listing services, and competes, in part, by offering valuable services to companies. Nasdaq believes that it is reasonable to offer complimentary services to attract and retain listings as part of this competition"). See also Securities Exchange Act Release No. 93865 (December 23, 2021), 86 FR 74115, 74118 (December 29, 2021) (noting that, "The NYSE faces competition in the market for listing services, and competes, in part, by offering valuable services to companies. The Exchange believes that it is reasonable to offer complimentary services to attract and retain listings as part of this competition.").

also believes that it is fair and reasonable to offer complimentary services to attract new listings and retain current listings as part of this competition.¹⁰ For example, Nasdaq, through its affiliate Nasdaq Corporate Solutions, LLC, or a selected third-party, offers an “Eligible New Listing” or “Eligible Switch” access to complimentary services for at least three years.¹¹ Similarly, NYSE offers complimentary services to “Eligible New Listings” and “Eligible Transfer Companies” for a period of 48 calendar months.¹² As noted above, the proposed rule change would provide all current and newly LTSE-listed Companies with the Capital Markets Solutions for four years.

LTSE believes extending the term that all newly listed and currently listed Companies receive Capital Markets Solutions on a complimentary basis is consistent with just and equitable principles of trade and the protection of investors and the public interest because it has the potential to enhance current and newly listed companies’ engagement and alignment with shareholders for the purpose of long-term value creation. These services are also a reflection of the Exchange’s differentiated listing standards, which are explicitly designed to promote long-term focus and value creation,¹³ and are central to LTSE’s mission of reducing short-termism in the capital markets.¹⁴ Additionally, LTSE is not differentiating the complimentary services offered among listed Companies based on the number of shares outstanding or market capitalization; the Capital Markets Solutions are made available to all listed Companies for the same period of time.

¹⁰ Id.

¹¹ See Nasdaq Listing Rule IM-5900-7(c) and (d). See also Securities Exchange Act Release No. 91318 (March 12, 2021), 86 FR 14774 (March 18, 2021) (order approving proposed Nasdaq rule change to modify and expand the package of complimentary services provided to Eligible Companies under IM-5900-7).

¹² See NYSE Listed Company Manual Section 907; see also Securities Exchange Act Release No. 94222 (February 10, 2022), 87 FR 8886 (February 16, 2022) (order approving proposed rule change to amend Section 907 of the Listed Company Manual regarding products and services being offered to eligible companies).

¹³ See Policies and Principles noted in LTSE Rule 14.425.

¹⁴ See Securities Exchange Act Release No. 86327 (July 8, 2019), 84 FR 33293 (July 12, 2019) File No. SR-LTSE-2019-01 (notice of filing of proposed rule change to adopt LTSE Rule 14.425).

Finally, the Exchange believes it is reasonable to balance its need to remain competitive with other listing venues, while at the same time ensuring adequate revenue to meet its regulatory responsibilities. The Exchange notes that no Company will be required to pay higher fees because of this proposal, and it represents that providing the proposed services will have no impact on the resources available for its regulatory programs.

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. To the contrary, and as discussed in the Statutory Basis section, LTSE believes that the proposed rule change will enhance competition by facilitating LTSE's listing program which will allow the Exchange to provide companies with another listing option, thereby promoting intermarket competition between exchanges in furtherance of the principles of Section 11A(a)(1) of the Act¹⁵ in that it is designed to promote fair competition between exchange markets by offering a new listing market. As noted above, LTSE faces competition in the market for listing services, and aims to compete by offering valuable services to listed Companies. The proposed rule change reflects that competition, but does not impose any burden on the competition with other exchanges. Other exchanges also offer similar services to companies for similar time frames as this proposed rule change,¹⁶ thereby increasing competition to the benefit of those companies and their stakeholders. Moreover, as a dual listing venue, LTSE expects to face competition from existing exchanges because companies have a choice to list their securities solely on a primary listing venue. Consequently, the degree to which LTSE's products and services could impose any burden on intermarket competition is extremely limited, and LTSE does not believe that

¹⁵ 15 U.S.C. 78k-1(a)(1).

¹⁶ See Nasdaq Listing Rule IM-5900-7 and NYSE Listed Company Manual Section 907. See also supra notes 11 and 12.

such offerings would impose any burden on competing venues that is not necessary or appropriate in furtherance of the purposes of the Act.

LTSE also does not believe that the proposed rule change will result in any burden on intramarket competition since all currently listed Companies will be able to receive the Capital Markets Services for the proposed four-year term. Moreover, the extension of these complimentary services to four years does not remove the requirement under the existing rule that a Company requesting such services must do so within 90 days of listing on the Exchange. Consequently, LTSE does not believe that the proposal will impose any burden on intramarket 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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act¹⁷ and Rule 19b-4(f)(6) thereunder.¹⁸ Because the proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act¹⁹ and Rule 19b-4(f)(6) thereunder.²⁰

¹⁷ 15 U.S.C. 78s(b)(3)(A).

¹⁸ 17 CFR 240.19b-4(f)(6).

¹⁹ 15 U.S.C. 78s(b)(3)(A).

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

A proposed rule change filed pursuant to Rule 19b-4(f)(6)²¹ normally does not become operative for 30 days after the date of its filing. However, pursuant to Rule 19b-4(f)(6)(iii),²² the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has requested that the Commission waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The Exchange asserts that waiver of the operative delay would be consistent with the protection of investors and the public interest because it would allow the Exchange to immediately extend the term of services being provided to currently listed Companies and permit uninterrupted continuation of services. In addition, the Exchange states that extending the period for Companies to receive Capital Markets Solutions on a complimentary basis aligns with its objective of supporting long-term value creation for listed Companies and their investors. For these reasons, and because the proposal raises no novel legal or regulatory issues, the Commission believes that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest. Accordingly, the Commission hereby waives the 30-day operative delay and designates the proposed rule change operative upon filing.²³

At any time within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B)²⁴ of the Act to determine whether the proposed rule change should be approved or disapproved.

²¹ 17 CFR 240.19b-4(f)(6).

²² 17 CFR 240.19b-4(f)(6)(iii).

²³ For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

²⁴ 15 U.S.C. 78s(b)(2)(B).

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-LTSE-2025-06 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to file number SR-LTSE-2025-06. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright

protection. All submissions should refer to file number SR-LTSE-2025-06 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁵

Sherry R. Haywood,

Assistant Secretary.

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²⁵ 17 CFR 200.30-3(a)(12), (59).