



SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104833; File No. SR-LTSE-2026-05]

Self-Regulatory Organizations; Long-Term Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Fee Schedule with Respect to the Co-Lead Incentive

February 12, 2026.

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 January 30, 2026, Long-Term Stock Exchange, Inc. (“LTSE” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to amend the LTSE Fee Schedule with respect to the Co-Lead Incentive rebates (“Co-Lead Incentives”) to adopt a month-based qualification and prospective rebate framework to provide fee transparency in compliance with Rule 610(d) of Regulation NMS, as amended.

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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The purpose of the proposed rule change is to enhance the clarity, transparency, and operability of the Exchange's Co-Lead Incentive program, while continuing to promote displayed liquidity, improved execution quality, and market quality on the Exchange.

To comply with Rule 610(d) of Regulation NMS, as amended, the Exchange is adopting a month-based qualification and rebate framework under which a Member's eligibility for Co-Lead Incentives is determined based on its quoting activity during a month, and any applicable rebates are applied to qualifying executions during the immediately following month. This structure introduces a clear and predictable one-month look-back between qualification and rebate application, ensuring that Members have advance notice of the rebates that may apply to their trading activity.

The Exchange is adopting this framework to comply with the Commission's recently adopted fee transparency rule, which requires national securities exchanges to ensure that fees and rebates are clearly disclosed and not applied in a manner that is retroactive or otherwise opaque. By separating the month in which qualification is measured from the month in which

rebates are applied, the Exchange eliminates any potential ambiguity regarding when a Member earns and receives rebates.³

The calculation for determining whether a Member qualifies for the Co-Lead Incentive remains unchanged. However, the Exchange is now adopting a provision addressing the timing of when the Co-Lead Incentives are applied. This provision states, if, based on such calculation, a Member satisfies the quoting requirement for a given calendar month, that calendar month shall be deemed a Qualification Month⁴ for the purposes of the Co-Lead Incentive, and the Member will be eligible to receive the applicable Co-Lead Incentive during the following calendar month.

The proposed rule change also reduces the number of securities in which a Member must satisfy the quoting requirement during the Qualification Month from 2000 to 1000 securities. The Exchange believes this adjustment will encourage broader participation in the program by lowering operational barriers to entry, while continuing to require meaningful and sustained displayed liquidity contributions across a diversified set of securities.

(b) Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁵ in general, and furthers the objectives of Section 6(b)(4) of the Act,⁶ in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among all of its Members and issuers and other persons using its facilities; Section 6(b)(5) of the Act,⁷ which requires, among other things, that the rules of the Exchange be designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open

³ The Co-Lead Incentive of \$0.0040 per share remains unchanged.

⁴ The term “Qualification Month” shall mean a calendar month used by the Exchange to determine that a Member satisfied the quoting requirement and therefore qualifies for the Co-Lead Incentive in the following month. The applicable Co-Lead Incentive will apply to all executions of securities priced at or above \$1 (excluding LIP Enhanced Securities) by that Member during the following calendar month.

⁵ 15 U.S.C. 78f(b).

⁶ 15 U.S.C.78f(b)(4).

⁷ 15 U.S.C.78f(b)(5).

market and a national market system, and to protect investors and the public interest and are not designed to permit unfair discrimination between customers, issuers, brokers or dealers.

The proposed Co-Lead framework is reasonable because it ties rebates to a Member's demonstrated quoting activity during a month and applies those rebates prospectively during the following month. This structure promotes transparency and ensures that Members can understand in advance the pricing that will apply to its trading activity.

The proposal is equitably allocated and not unfairly discriminatory because the quoting requirement and rebates are applied uniformly to all Members that choose to participate in the program and satisfy the objective eligibility requirements. No Member is required to participate in Co-Lead, and any Member that meets the quoting requirements during a Qualification Month is eligible to receive the Co-Lead Incentive during the following month.

The Exchange further believes that adopting a one-month look-back between qualification and rebate application is consistent with the Act because it enhances fee transparency and avoids pricing uncertainty, consistent with Commission guidance and recently adopted fee transparency requirements applicable to national securities exchanges.

Finally, the Exchange believes that reducing the number of securities required to satisfy the quoting requirement is consistent with the Act because it encourages broader participation in a liquidity-enhancing program without diminishing the requirement that participating Members provide meaningful displayed liquidity.

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

In accordance with Section 6(b)(8) of the Act,⁸ the Exchange does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

⁸ 15 U.S.C. 78f(b)(8).

The proposed changes apply uniformly to all Members and are designed to promote transparency, predictability, and participation in a liquidity-enhancing program. The revised Co-Lead framework does not limit a Member's ability to access or trade on the Exchange.

The Exchange operates in a highly competitive environment in which market participants can readily direct order flow to competing venues if they deem pricing or incentives to be unattractive. The Exchange therefore believes that the proposed rule change will enhance, rather than burden, competition by encouraging broader participation in Co-Lead and improving displayed liquidity and market quality on the Exchange.

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

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

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

This proposed rule change establishes dues, fees or other charges among its members and, as such, may take effect upon filing with the Commission pursuant to Section 19(b)(3)(A)(ii) of the Act⁹ and paragraph (f)(2) of Rule 19b-4 thereunder.¹⁰ Accordingly, the proposed rule change would take effect upon filing with the Commission.

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

⁹ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁰ 17 CFR 240.19b-4(f)(2).

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 e-mail to rule-comments@sec.gov. Please include File Number SR-LTSE-2026-05 on the subject line.

Paper Comments:

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

All submissions should refer to File Number SR-LTSE-2026-05. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<https://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/>. 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-2026-05 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.¹¹

Sherry R. Haywood,

Assistant Secretary.

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¹¹ 17 CFR 200.30-3(a)(12).