



## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105375; File No. SR-LTSE-2026-11]

### **Self-Regulatory Organizations; Long-Term Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend the LTSE Fee Schedule to Introduce the LTSE Membership Launchpad Program**

May 5, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on April 22, 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 to introduce the LTSE Membership Launchpad Program, which offers discounted Membership Fees, Logical Connectivity Fees and Market Data Fees for up to 12 months for new Members of the Exchange. The Exchange proposes to implement the changes to the fee schedule pursuant to this proposal on April 9, 2026.<sup>3</sup>

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.

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> On April 9, 2026, the Exchange filed SR-LTSE-2026-10. The Exchange intends to withdraw that filing on April 22, 2026 and submit this proposal in its place. This filing replaces and supersedes SR-LTSE-2026-10.

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 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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to introduce the LTSE Membership Launchpad Program (the “Program”) to offer discounted Membership Fees, Logical Connectivity Fees and Market Data Fees for up to 12 months for new LTSE Members. The purpose of this filing is to encourage smaller, retail-oriented market participants that are not currently LTSE Members to become Members by discounting certain fixed costs associated with becoming a Member of LTSE. The Exchange proposes to codify the Program under Section E of the Fee Schedule and to implement the fee changes effective April 9, 2026.

The Exchange also notes that the Program is similar to a program adopted by another exchange that similarly provides discounts on membership, connectivity and market data fees for new members for the similar purpose of encouraging smaller, retail-oriented market participants to become members of the exchange.<sup>4</sup>

Current Market and Competitive Environment

The Exchange operates in a highly competitive market. The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, the Commission

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<sup>4</sup> See Securities Exchange Act Release No. 91626 (April 21, 2021), 79 FR 22287(April 27, 2021) (SR-NYSE-2021-22) See also New York Stock Exchange Price List, NYSE Membership On-Ramp Program.

highlighted the importance of market forces in determining prices and self-regulatory organization revenues and, also, recognized that current regulation of the market system “has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.”<sup>5</sup>

While Regulation NMS has enhanced competition, it has also fostered a “fragmented” market structure where trading in a single stock can occur across multiple trading centers. When multiple trading centers compete for order flow in the same stock, the Commission has recognized that “such competition can lead to the fragmentation of order flow in that stock.” Indeed, equity trading is currently dispersed across 17 exchanges, 31 alternative trading systems, and numerous broker-dealer internalizers and wholesalers, all competing for order flow. Based on publicly available information, no single exchange has more than 15% market share. Therefore, no exchange possesses significant pricing power in the execution of equity order flow. More specifically, the Exchange’s market share of trading in Tape A, B and C securities combined is less than 1%.

The Exchange believes that the ever-shifting market share among the exchanges from month to month demonstrates that market participants can move order flow or discontinue or reduce use of certain categories of products, in response to fee changes. Accordingly, competitive forces constrain exchange transaction fees that relate to orders that would provide liquidity on an exchange.

#### Proposed Rule Change

The Exchange proposes to discount certain fixed costs related to Exchange membership in order to incentivize smaller, retail-oriented market participants to consider LTSE membership. Specifically, the Exchange proposes to introduce a new Program that offers significant discounts for up to 12 months on the Membership Fees, Logical Connectivity Fees

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<sup>5</sup> See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37495, 37499 (June 29, 2005) (S7-10-04) (Final Rule) (“Regulation NMS”).

and Market Data Fees for new Members, subject to specific restrictions.

### Proposed Discounts

The proposed discounts would be phased out over a period of 12 months. Specifically, during Phase 1 (months 1–6) following approval of a new membership application, the applicable discount for the Membership Fee, Logical Connectivity Fees and Market Data Fees would be 100% for each eligible product. During Phase 2 (months 7–12), the amount of the discount would become 50%. The Program would terminate at the end of Phase 2 (12 months), and the Member would be charged at the regular rate set forth in the LTSE Fee Schedule from that point forward.<sup>6</sup>

### Membership Fee

The Exchange currently charges a Membership Fee of \$10,000 a year for all LTSE Members (\$833.33 per month). The Membership Fee is assessed on a calendar year basis, with the fee for each upcoming year due by December 31<sup>st</sup>.<sup>7</sup>

For example, assuming new Member A is approved on May 7, 2026, the Exchange would calculate and apply the 2026 annual Membership Fee as follows:

- Apply a 100% discount for the period June 2026 through November 2026 (months 1–6)
- Apply a 50% discount for December 2026 (month 7) = \$416.67 ( $\$833.33 * 50\%$ )

The Exchange would calculate and apply Member A's 2027 annual Membership Fee as follows:

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<sup>6</sup> For the avoidance of doubt, the discounts described in the Program apply beginning in the first full month following approval of a new membership application (month 1). No Membership Fee, Logical Connectivity Fees, or Market Data Fees are assessed during the initial month in which a new Member is approved and onboarded ("Month 0"), consistent with the Exchange's existing billing practice. Accordingly, the treatment of Month 0 is not a new fee waiver or discount being proposed by this filing.

<sup>7</sup> If a firm is admitted as a Member during a calendar year, the annual Membership Fee is prorated (starting with the next calendar month) based upon the date the firm becomes a Member. Such proration applies only to the portion of the calendar year in which the firm is admitted. The full annual Membership Fee for the following calendar year shall be due on December 31 of the year of admission (for example, the full 2027 annual Membership Fee shall be due on December 31, 2026).

- Apply a 50% discount for the period January 2027 through May 2027 (months 8–12) = \$2,083.32 ( $\$833.33 * 5 \text{ months} * 50\%$ )
- Apply no discount for the period June 2027 through December 2027 = \$5,833.31 ( $\$833.33 * 7 \text{ months}$ )

To be eligible, a new Member may not have been, within the prior 6 months, approved as an LTSE Member. Eligibility for discounts begins in the month following membership approval, which will count as month 1 for the purposes of assessing the 12 months of discounts. A new Member is only eligible to enroll in the Program once. A new Member that is an “affiliate” of an existing Member is ineligible to participate in the Program. Affiliate is proposed to be defined, for purposes of the fee schedule, as any Member under 75% common ownership or control of that Member.

#### Market Data Fees

LTSE offers the following market data products to all market participants, including new Members on a voluntary, subscription basis: the LTSE Depth of Book Feed, the LTSE Top of Book Feed, and the LTSE Last Sale Feed, together the (“Market Data Feeds”). Each Market Data Feed allows a vendor to redistribute certain data elements included in the data feed on a real-time basis. For the Depth of Book Feed, the Exchange charges \$2,500 per data recipient per month. For the Top of Book Feed, the Exchange charges \$500 per data recipient per month. For the Last Sale Feed the Exchange charges \$0 per month. A firm that was a subscriber to any of the LTSE Market Data Feeds six (6) months before becoming approved as a new Member is ineligible for Program’s market data fee discounts.

Assume new Member A is approved on May 7, 2026, and subscribes to the LTSE Depth of Book Feed for 5 data recipients and the LTSE Top of Book Feed for 10 data recipients. Under the current fee schedule, Member A would be charged \$2,500 per data recipient per month for the Depth of Book Feed (totaling \$12,500 per month) and \$500 per data recipient per month for the Top of Book Feed (totaling \$5,000 per month), for a combined total of \$17,500 per month.

Under the Program, during Phase 1 (months 1–6), Member A would receive a 100% discount on these fees, resulting in no charge for market data during this period. During Phase 2 (months 7–12), Member A would receive a 50% discount, resulting in monthly charges of \$6,250 for the Depth of Book Feed and \$2,500 for the Top of Book Feed, for a combined total of \$8,750 per month.

Beginning in month 13, Member A would be charged the full applicable rates set forth in the LTSE Fee Schedule.

#### Logical Connectivity Fees

Finally, the Program would be available for fees charged for the Logical Connectivity sessions. These application sessions, commonly known as ports, are utilized to perform a particular function on the Exchange, such as order entry or order cancellation, receipt of drop copies, proprietary market data dissemination, or requesting data to be backfilled (i.e., “gap ports”). Members can also choose to connect to LTSE indirectly through a session maintained by a third-party service bureau. Service bureau sessions may provide access to one or multiple Members on a single session.

The Exchange charges \$450 per port per month but waives the fees for three (3) sessions per month per market participant which the Exchange believes encourages market participants to connect to the Exchange’s backup trading systems and to conduct appropriate testing of their use of the Exchange. All Logical Connectivity Fees beyond the first 3 complimentary sessions will be eligible. However, the Exchange notes that Cross-Connect Fees will not be eligible for the Program.

Assume new Member A is approved on May 7, 2026, and subscribes to 20 Logical Connectivity sessions. Under the current fee schedule, Member A would be charged \$450 per port per month for each port in excess of the three (3) complimentary sessions, resulting in 17 billable ports and a total monthly charge of \$7,650.

Under the Program, during Phase 1 (months 1–6), Member A would receive a 100% discount on these fees and would not be charged for Logical Connectivity during this period. During Phase 2 (months 7–12), Member A would receive a 50% discount and would be charged \$225 per port per month for 17 ports, resulting in a total monthly charge of \$3,825.

Beginning in month 13, Member A would be charged the full applicable rates set forth in the LTSE Fee Schedule.

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>8</sup> in general, and furthers the objectives of Section 6(b)(4) of the Act,<sup>9</sup> 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,<sup>10</sup> which requires, among other things, that the rules of the Exchange be designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and to protect investors and the public interest and are not designed to permit unfair discrimination between customers, issuers, brokers or dealers. The Exchange also believes that the proposed rule change is reasonable, fair and equitable, and non-discriminatory.

As discussed above, the Exchange operates in a highly fragmented and competitive market where market participants can and do move order flow or discontinue or reduce use of certain categories of products, in response to fee changes. Moreover, in the current competitive market environment, market participants also have a choice of where to become members. In light of this, the Exchange believes that it is reasonable to offer discounted Membership Fees, Logical Connectivity Fees and Market Data Fees for up to 12 months for new Members in order to

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<sup>8</sup> 15 U.S.C. 78f(b).

<sup>9</sup> 15 U.S.C. 78f(b)(4).

<sup>10</sup> 15 U.S.C. 78f(b)(5).

provide an incentive for smaller broker-dealers to apply for Exchange membership and a trading license. The Exchange believes that providing an incentive for broker-dealers that are not currently Exchange Members to apply for membership would encourage market participants to become Members of the Exchange and bring additional liquidity to a public market. In addition, the Exchange believes that the proposal could result in additional retail liquidity to a public exchange, to the benefit of all market participants. The Exchange believes creating incentives and opportunities for new Members on the Exchange protects investors and the public interest by increasing the competition and liquidity on a transparent public market.

The Exchange believes the proposal constitutes an equitable allocation of fees because the proposed change would be offered to all market participants that wish to become new Members, all of whom would continue to be subject to the same fee structure and access to the Exchange's market would continue to be offered on fair and nondiscriminatory terms.

The Exchange believes that the proposal is not unfairly discriminatory. In the prevailing competitive environment, Members are free to disfavor Exchange membership and the Exchange's pricing if they believe that alternatives offer them better value. The proposal is not unfairly discriminatory because it neither targets nor uniquely impacts any particular category of market participant. The proposed discounted Membership Fees, Logical Connectivity Fees and Market Data Fees for up to 12 months do not permit unfair discrimination because the proposed changes would apply to all similarly situated new Members, who would all benefit from the discounted fees on an equal basis. For the foregoing reasons, the Exchange believes that the proposal is consistent with the Act.

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

In accordance with Section 6(b)(8) of the Act,<sup>11</sup> 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.

Intramarket Competition

Instead, as discussed above, the Exchange believes that the proposed changes would increase competition by reducing the cost of operating as an Exchange Member, which the Exchange believes will enhance market quality through the submission of additional retail liquidity to a public exchange, thereby promoting market depth, price discovery and transparency and enhancing order execution opportunities for member organizations. As a result, the Exchange believes that the proposed change furthers the Commission's goal in adopting Regulation NMS of fostering integrated competition among orders, which promotes "more efficient pricing of individual stocks for all types of orders, large and small."<sup>12</sup>

The proposed changes are designed to attract additional Members and order flow to the Exchange. The Exchange believes that the proposed changes would continue to incentivize market participants to become Exchange Members and direct order flow, especially retail order flow, to the Exchange. Greater liquidity benefits all market participants on the Exchange by encouraging market participants to become Exchange Members and send orders to the Exchange, thereby providing more trading opportunities and contributing to robust levels of liquidity on the Exchange, which benefits all market participants. The proposed discounts would be available to all similarly situated market participants, and, as such, the proposed change would not impose a disparate burden on competition among market participants on the Exchange. As noted, the proposal would apply to all similarly situated Members on the same and equal terms, who would benefit from the changes on the same basis. Accordingly, the

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<sup>11</sup> 15 U.S.C. 78f(b)(8).

<sup>12</sup> Regulation NMS, 70 FR at 37498-99.

proposed change would not impose a disparate burden on competition among market participants on the Exchange.

#### Intermarket Competition

The Exchange operates in a highly competitive market in which market participants can readily choose to send their orders to other exchange and off exchange venues if they deem fee levels at those other venues to be more favorable. In such an environment, the Exchange must continually adjust its fees and rebates to remain competitive with other exchanges and with off-exchange venues. Because competitors are free to modify their own fees and credits in response, and because market participants may readily adjust their order routing practices, the Exchange does not believe its proposed fee change can impose any burden on intermarket competition.

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

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

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

This proposed rule change establishes dues, fees or other charges among its members and, as such, may take effect upon filing with the Commission pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>13</sup> and paragraph (f)(2) of Rule 19b-4 thereunder.<sup>14</sup> 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.

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<sup>13</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>14</sup> 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 email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include file number SR-LTSE-2026-11 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-2026-11. 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 filing 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-2026-11 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.<sup>15</sup>

**J. Matthew DeLesDernier,**

*Deputy Secretary.*

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