



SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105563; File No. SR-NYSEAMER-2026-43]

Self-Regulatory Organizations; NYSE American LLC; Notice of Filing and Immediate Effectiveness of Proposed Change of Amendments to the Rule 8000 and Rule 9000 Series May 27, 2026.

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 May 19, 2026, NYSE American LLC (“NYSE American” 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 proposes amendments to the Rule 8000 and Rule 9000 Series to harmonize the Exchange’s disciplinary rules with recent changes to the disciplinary rules of the Financial Industry Regulatory Authority (“FINRA”) on which the Exchange disciplinary rules are modeled. The proposed rule change is available on the Exchange’s website at www.nyse.com and at the principal office of the Exchange.

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 self-regulatory organization 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 those statements may be examined at the

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts 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 amendments to the Rule 8000 (Investigations and Sanctions) and Rule 9000 Series (Code of Procedure) contained in Section 10 (Disciplinary Rules) of the Exchange’s Office Rules to (i) automatically stay effectiveness of specified expulsions of member organizations, membership cancellations, and denials of applications for continued membership of disqualified member organizations to allow for Securities and Exchange Commission (“Commission” or “SEC”) review under Section 19 of the Act,⁴ and (ii) provide authority for Exchange staff and adjudicators to grant respondents and applicants the opportunity to seek a stay or take other appropriate action before certain sanctions or regulatory measures (other than the above-mentioned expulsions, membership cancellations, or denials of continued membership applications) take effect.

The proposed rule change would harmonize the Exchange’s disciplinary rules with those of FINRA, and would apply to decisions issued in expedited proceedings under the Rule 9550 Series (Expedited Proceedings), disciplinary proceedings under the Rule 9300 Series (Review of Disciplinary Proceeding by Exchange Board of Directors), eligibility proceedings under the Rule 9520 Series (Eligibility Proceedings), and cease and desist orders under the Rule 9800 series

⁴ See, e.g., 15 U.S.C. 78s(e) & (f). FINRA sought to align its disciplinary rules relating to the effectiveness of expulsions in expedited proceedings with the ruling of the United States Court of Appeals for the D.C. Circuit in Alpine Securities Corp. v. FINRA, 121 F.4th 1314 (D.C. Cir. 2024), cert. denied (June 2, 2025) (No. 24–904) (remanding to the district court with instructions to enter a limited preliminary injunction enjoining FINRA from expelling Alpine Securities until the Commission has reviewed any expulsion that FINRA may order in the pending expedited proceeding against Alpine Securities or the time for Alpine Securities to seek SEC review of an expulsion has passed). See Securities Exchange Act Release No. 103228 (June 11, 2025), 90 FR 25689 (June 17, 2025) (SR-FINRA-2025-004) (“Release 103228”). In its filing, FINRA noted that this litigation is ongoing and that FINRA does not waive any rights or arguments it may have in connection with this or any other pending or future matter. See id., 90 FR at 25690, n.7. The Exchange similarly notes that by harmonizing its rules with FINRA, it similarly does not waive any rights or arguments it may make in connection with matters relating to these rules or to the issues presented in the Alpine litigation in any pending or future matter. See also note 7, infra.

(Temporary and Permanent Cease and Desist Orders), as well as expulsions of member organizations under Rule 8320 (Payment of Fines, Other Monetary Sanctions, or Costs; Summary Action for Failure to Pay).

The proposed rule change would not apply to any other sanction or Exchange action against a member organization, associated person, or other person subject to the Exchange's jurisdiction.

Background and Proposed Rule Change

In 2016, the Exchange adopted rules relating to investigation, discipline, and sanctions, and other procedural rules based on the rules of its affiliate New York Stock Exchange LLC and FINRA.⁵ Rules 8320, 9269, 9310, 9524, 9527, 9557, 9558, 9559, 9840, 9850 and 9870 are based on, and are substantively similar to, each respective FINRA rule.

Recently, FINRA amended its disciplinary rules to provide that specified expulsions of member firms, cancellations of membership, and denials of applications for continued membership of disqualified member firms would not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC completes its review under Section 19 of the Act.⁶ FINRA's changes applied to decisions issued in expedited proceedings under the FINRA Rule 9550 Series, disciplinary proceedings under the FINRA Rule 9300 Series, and eligibility proceedings under the FINRA Rule 9520 Series and Funding Portal Rule 900(b), as well as expulsions of member firms under FINRA Rule 8320 (for failure to pay fines, monetary sanctions, and costs), cancellations of membership, and denials of applications for continued

⁵ See Securities Exchange Act Release No. 77241 (February 26, 2016), 81 FR 11311 (March 3, 2016) (SR-NYSEMKT-2016-30).

⁶ See Release 103228, 90 FR at 25689 and 15 U.S.C. 78s(e) & (f). Pursuant to the Act, an application for review of a determination by FINRA or the Exchange, such as the imposition of a final disciplinary sanction or denial of membership, must be filed with the SEC within 30 days after notice is filed with the SEC and received by the aggrieved person applying for review. See 15 U.S.C. 78s(d). See also SEC Rule of Practice 420(b), 17 CFR 201.420(b) (providing that the SEC will not extend this 30-day period absent a showing of extraordinary circumstances).

membership.⁷ In addition, FINRA also amended provisions of the FINRA Rule 9000 Series (Code of Procedure) that require or allow for a sanction (e.g., a suspension or bar) or other regulatory measure (such as a denial of a statutory disqualification application, imposition of a cease and desist order, or imposition of conditions, requirements or restrictions) to take effect immediately. The amendments provided FINRA staff and adjudicators authority to grant respondents and applicants, where appropriate, the opportunity to seek a stay from the SEC or take other appropriate action before the sanction or other regulatory measure takes effect, and in certain instances, would expressly prescribe such amount of time by rule.⁸

The Exchange proposes to harmonize its disciplinary rules with the recent changes by FINRA. To effectuate these changes, the Exchange would make the following changes to Rules 8320, 9269, 9310, 9524, 9527, 9557, 9558, 9559, 9840, 9850 and 9870, as follows.

- Rule 8320(b) provides for a summary suspension until a fine or monetary sanction is paid to the Exchange consistent with subsection (a). A subsection (2) would be added to Rule 8320(b) that would provide that an expulsion under paragraph (b)(1) of the Rule would not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC either completes its review under Exchange Act Section 19 or otherwise orders. The existing text of Rule 8320(b) would become Rule 8320(b)(1) and existing subsections (1) and (2) would become subsections 8320(b)(1)(A) and (B), respectively. The text of the

⁷ FINRA proposed to stay the effectiveness of actions against member firms that could result in a sanction or action that shares the relevant characteristics of the sanction at issue in the Alpine matter, specifically expulsions imposed in full disciplinary proceedings and under FINRA Rule 8320 (for failure to pay fines, monetary sanctions, and costs), cancellations of membership, and denials of applications for continued membership. See Release 103228, 90 FR at 25690. Like expulsions in expedited proceedings, these latter FINRA actions are not currently stayed under FINRA rules by the filing of an application for SEC review, and once the FINRA action becomes final and effective, the firm is no longer a FINRA member. However, unlike an expulsion, if a member firm's membership has been cancelled, the firm can reapply for FINRA membership by submitting a new Form BD and Form NMA as part of the new member application process. See id., at n.8.

⁸ See Securities Exchange Act Release No. 103285 (June 17, 2025), 90 FR 26667 (June 23, 2025) (SR-FINRA-2025-006) ("Release 103285").

current rule would remain unchanged. The proposed rule change is substantively the same as rule text added to FINRA Rule 8320(b)(2) with one difference. The Exchange proposes to add the phrase “or otherwise orders” to the proposed language to reflect the fact that the Commission retains authority over its own proceedings, including the authority to determine, either on its own motion or by motion of a party to the respective proceeding, when an expulsion should become effective.

- Rule 9269(d) provides that in the case of default decisions issued by a Hearing Officer, unless otherwise provided in the default decision, the sanctions shall become effective on a date to be determined by the Exchange’s regulatory staff, except that a bar or expulsion becomes effective immediately upon the default decision becoming the final disciplinary action of the Exchange. The Exchange would restructure Rule 9269(d) into three subparagraphs. New subparagraphs (d)(1) and (3) would contain existing rule text. New subparagraph (d)(2)(A) would be amended to provide that unless otherwise provided in the default decision, “a sanction (other than a bar or expulsion) specified in a decision constituting final disciplinary action of Exchange for purposes of SEA Rule 19d-1(c)(1) shall become effective on a date to be determined by Regulatory Staff” and new subparagraph (d)(2)(B) amended to provide that “a bar or expulsion specified in a decision shall become effective immediately upon the default decision becoming the final disciplinary action of the Exchange for purposes of SEA Rule 19d-1(c)(1).” As FINRA noted, this proposed amendment would achieve consistency with the structure of Rule 9268(f), which governs the effectiveness of sanctions in other disciplinary decisions.⁹

⁹ See Release 103285, 90 FR at 26669.

- The following new subsection (e) would be added to Rule 9310, which governs review of disciplinary proceedings by the Exchange’s Board of Directors (the “Board”): “Unless the Exchange Board of Directors otherwise specifically directs, a sanction (other than a bar, an expulsion, or a permanent cease and desist order) specified in a decision constituting final disciplinary action of the Exchange for purposes of SEA Rule 19d-1(c)(1) shall become effective on a date to be determined by the Exchange. A bar or a permanent cease and desist order shall become effective upon service of the decision constituting final disciplinary action of the Exchange, unless otherwise specified therein. An expulsion shall not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC either completes its review under Exchange Act Section 19 or otherwise orders.” The proposed text is substantively the same as FINRA Rule 9360 (Effectiveness of Sanctions), including the text FINRA added, except for the phrase “or otherwise orders” that the Exchange proposes to include for the reasons discussed above.¹⁰
- Rule 9524(a), governing requests for Board review, would be amended by adding the following clause in the first sentence of the Rule: “an application for relief from eligibility requirements pursuant to Rule 9522(e)(2) or.” The proposed language has no analogue in the FINRA rule. The Exchange would add the

¹⁰ The Exchange notes that pursuant to Rule 9310(a), any party may require a review by the Exchange Board of Directors of any determination or penalty imposed by a Hearing Panel or Extended Hearing Panel under the Rule 9200 Series. Pursuant to Rule 9268(e), if a request for review is not timely filed pursuant to Rule 9310, a Hearing Panel decision shall constitute final disciplinary action of the Exchange for purposes of Exchange Act Rule 19d-1(c)(1), at which time all bars or expulsions shall become immediately effective pursuant to Rule 9268(f). Further, Rule 8310(b) provides that each party to a proceeding resulting in a sanction (sanctions are defined in Rule 8310(a)(4) and include expulsions) shall be deemed to have assented to the imposition of the sanction unless such party files a written application for review or relief pursuant to the Rule 9000 Series. Accordingly, consistent with amended FINRA Rule 9370, the proposed rule changes do not provide a stay where a member firm has defaulted or has failed to exhaust its administrative remedies through the Exchange’s appellate process. See Release 103228, 90 FR at 25691 n.17.

proposed language to provide clarity and internal consistency to its rule since an application for relief pursuant to Rule 9522(e)(2) would also be eligible for Board review pursuant to Rule 9524.

In addition, the Exchange would add the following new sentence to the end of Rule 9524(b), which governs reviews of eligibility proceedings by the Board: “A decision to deny an application for a disqualified member organization’s continued membership shall not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC either completes its review under Exchange Act Section 19 or otherwise orders.” The proposed language is substantively similar to the rule language FINRA added to its Rule 9524 with the exception of the phrase “or otherwise orders,” which the Exchange proposes to include for the reasons described above.¹¹

- Rule 9527 governs applications to the SEC for review of eligibility proceedings and would be amended by adding the following third sentence to the Rule: “Pursuant to Rule 9524(b), a decision to deny an application for a disqualified member’s continued membership shall not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC either completes its review under Exchange Act Section 19 or otherwise orders.” The proposed rule change is substantively the same as rule text FINRA added to its Rule 9527 with the exception of the phrase “or otherwise orders,” which the Exchange proposes to include for the reasons described above.

¹¹ Rule 9524 is similar to FINRA Rule 9524 except for, among other things, the fact that the Exchange’s Board reviews disciplinary appeals and the Exchange does not utilize FINRA’s National Adjudicatory Council (“NAC”) for this purpose.

- The Rule 9550 Series provides for the initiation and prosecution of expedited proceedings, including, among others, proceedings under Rule 9557 for member organizations experiencing operational or financial difficulties that may have led to noncompliance with provisions of Rules 470, 471, 4110 - Equities, 4120 - Equities and 4130 - Equities.

Pursuant to Rule 9557(a) and (c), the Exchange will issue a notice setting forth the specific grounds and factual basis for the action and the requirements or restrictions being imposed. Under current Rule 9557(d), such requirements or restrictions are immediately effective. Pursuant to Rule 9557(f), the failure to comply with these requirements or restrictions shall be deemed to “result in automatic and immediate suspension” without further notice, unless Exchange staff issues a letter of withdrawal of the requirements or restrictions. A member organization served with a Rule 9557 notice may file a written request for a hearing with the Office of Hearing Officers, and under Rule 9557(d), a timely request for a hearing stays the effectiveness of the notice, unless the Exchange’s Chief Executive Officer (“CEO”) (or such other senior officer as the CEO may designate) determines otherwise. Under current Rule 9559(n)(3), if a Hearing Panel approves the requirements or restrictions imposed in the Rule 9557 notice and finds that the respondent has not complied with them, the Hearing Panel must impose an immediate suspension. Under current Rule 9559(o)(4)(A), the Hearing Panel’s written order is effective when issued.

Rule 9557(d) would be amended to provide that the requirements and restrictions imposed by a notice under Rule 9557(a) are immediately effective “[u]nless otherwise specified therein.” Consistent with FINRA’s filing, the proposed rule change would give Exchange staff authority to afford the member an opportunity

to take action before a requirement or restriction takes effect.¹² Like FINRA, the Exchange also proposes a conforming change to Rule 9557(c)(3), which addresses the contents of a notice issued under Rule 9557, to reflect amended paragraph (d).

Rule 9557(f) would be amended to provide that Exchange staff will issue a notice of suspension in the event the member fails to comply with the requirements or restrictions imposed under the Rule. Following FINRA, the Exchange proposes that such suspension would be effective five business days after service of the notice pursuant to paragraph (b).¹³ Rule 9557(f) also would be amended to include certain procedural requirements for issuance and service of a notice of suspension and would, like the FINRA rule, comprise five new subparagraphs, as follows:

- Rule 9557(f)(1) would be titled “Notice of Suspension” and the phrases “without further notice from FINRA staff” and “and immediately” would be removed and the phrase “effective five business days after service of a notice of suspension issued by FINRA staff” would be added.
- Rule 9557(f)(2) would be titled “Service of Notice of Suspension.” The proposed rule text provides that Exchange staff shall serve the member subject to a notice of suspension issued under new paragraph (f) in accordance with the service provisions in Rule 9557(b).
- Rule 9557(f)(3) would be titled “Contents of Notice of Suspension” and would provide that “[a] notice of suspension issued and served under this

¹² See Release 103285, 90 FR at 26670.

¹³ According to FINRA, five business days is a reasonable and sufficient amount of time for a firm to take action (such as comply with the original notice of requirements or restrictions, or file a notice of appeal and request a stay with the SEC) without undermining the purpose of Rule 9557, which is designed to ensure that FINRA can respond to emergency circumstances, such as when a firm is experiencing financial or operational difficulty. See Release 103285, 90 FR at 26670.

paragraph (f) shall identify the requirements and restrictions with which the member is alleged to have not complied and shall contain a statement of facts specifying the alleged failure. The notice of suspension shall state when Exchange action will take effect and explain what the respondent must do to avoid such action.” According to FINRA, the proposed provision is substantially similar to the requirements relating to the contents of notices relating to disciplinary proceedings and other expedited proceedings under existing rules.¹⁴

- Rule 9557(f)(4) would be titled “Effective Date” and would state that the effective date for a notice of suspension issued and served under new Rule 9557(f) shall become effective five business days after service of such notice.
- Rule 9557(f)(5) would be titled “Application to SEC for Review” and would provide that “[a] notice of suspension issued and served under this paragraph (f) constitutes final action by the Exchange. The right to have any action under this paragraph reviewed by the SEC is governed by Section 19 of the Exchange Act.”

The Exchange would make conforming changes to Rule 9557(c)(5) relating to contents of a notice to reflect amended paragraph (f) to remove “without further notice from FINRA staff” and add “effective five business days after service of a notice of suspension.”

Finally, following FINRA, the Exchange proposes several additional conforming and clarifying changes to Rule 9557.¹⁵ First, the Exchange would add “of requirements or restrictions” to the title and introductory text and “paragraph a” to the introductory text of Rule 9557(c) in order to clarify that this paragraph addresses the initial notice issued

¹⁴ See id.

¹⁵ See Release 103285, 90 FR at 26669-70.

under Rule 9557 prescribing the requirements or restrictions imposed under the Rule. Second, the Exchange would remove “immediate” from Rule 9557(c)(9) to reflect proposed amendments to Rule 9559(n) discussed below. Third, in Rule 9557(e), the Exchange would add “other than a notice of suspension under paragraph (f)” to clarify that paragraph (e) does not apply to notices of suspension. Fourth, Rule 9557(g)(2)(B) would be amended to remove “by a notice” and “immediately” and to add “in accordance with this Rule” to account for the two types of notices that can be issued under proposed Rule 9557(f) and the revisions throughout Rule 9557 that will provide a brief period of time for respondents to seek a stay before a suspension takes effect.

The proposed changes to Rule 9557 are substantively the same as rule text added to FINRA Rule 9557.

- Rule 9558 authorizes the Exchange’s CEO or such other senior officer as the CEO may designate to provide written authorization to Exchange staff to issue on a case-by-case basis written notices that “summarily” suspends a member organization or covered person who has been and is expelled or suspended from any self-regulatory organization or barred or suspended from being associated with a member organization of any self-regulatory organization; suspends a member organization that is in such financial or operating difficulty that Exchange staff determines and so notifies the Commission that the member organization cannot be permitted to continue to do business as a member organization with safety to investors, creditors, other member organizations, or the Exchange; or limits or prohibits any person with respect to access to services offered by the Exchange if paragraphs (a)(1) or (2) of the Rule or the provisions of Section 6(d)(3) of the Act applies to such person or, in the case of a person who is not a member organization or covered person, if the Exchange’s CRO or such other senior officer as the CRO may designate determines that such person does

not meet the qualification requirements or other prerequisites for such access and such person cannot be permitted to continue to have such access with safety to investors, creditors, member organizations, or the Exchange, and so notifies the SEC. Under current Rule 9558(d), a prohibition or suspension set forth in the notice is immediately effective. Under Rule 9558(e), a member or person served with a notice may file a written request for a hearing with the Office of Hearing Officers. A timely request for a hearing shall not stay the effectiveness of a Rule 9558 notice, unless the Chief Hearing Officer or the Hearing Officer assigned to the matter otherwise orders for good cause shown, and the member or person must separately request a stay. The Exchange proposes to amend Rule 9558(d) to add “unless otherwise specified therein” to provide the Exchange with the authority to afford respondents an opportunity to take appropriate action before the requirements or restrictions imposed in the notice take effect. The proposed change to Rule 9558(d) is substantively the same as rule text added to FINRA Rule 9558(d).

- The Exchange would make the following changes to Rules 9559(n)(3), (o)(4)(a), (p)(6) and 9559(r).

Rule 9559 sets forth uniform hearing procedures for expedited proceedings under the Rule 9550 Series. In conformity with the proposed amendments to Rule 9557, the Exchange would remove “immediate” from Rule 9559(n)(3) and add “unless otherwise specified therein” to Rule 9559(o)(4)(A) to provide adjudicators authority to grant respondents a brief amount of time to seek a stay from the SEC before a suspension becomes effective.

Subsection (p) governs the contents of the written decision under 9559(o)(4)(B) issued under the Rule, and subsection (p)(6) provides that it must include a “statement describing any sanction, requirement, restriction or limitation imposed,

the reasons therefore, and the date upon which such sanction, requirement, restriction or limitation¹⁶ shall become effective.” The Exchange would add the following clause after “effective”: “, except that an expulsion or cancellation of membership shall not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC either completes its review under Exchange Act Section 19 or otherwise orders.”

Rule 9559(r) governs applications to the SEC for review and provides that the “right to have any action pursuant to this Rule reviewed by the SEC is governed by Section 19 of the Exchange Act. The filing of an application for review by the SEC shall not stay the effectiveness of final Exchange action, unless the SEC otherwise orders.” The Exchange would add the following sentence at the end of subsection (r): “Pursuant to paragraph (p)(6) of this Rule, an expulsion or cancellation of membership shall not become effective until the time for filing an application for review with the SEC has expired and no such application is filed or, if such an application is timely filed, until the SEC either completes its review under Exchange Act Section 19 or otherwise orders.”

The proposed changes to Rule 9559(p)(6) and (r) are substantively the same as rule text added to FINRA Rule 9559(p)(6) and (r) with the exception of the phrase “or otherwise orders,” which the Exchange proposes to include for the reasons described above.

- The Rule 9800 Series sets forth procedures for issuing temporary and permanent cease and desist orders. Pursuant to Rule 9870, temporary and permanent cease and desist orders issued pursuant to the Rule 9800 Series constitute final and

¹⁶ As adopted, Rule 9559(p)(6) does not also contain a reference to “obligation” like the FINRA rule. The Exchange does not propose to add the term at this time.

immediately effective disciplinary sanctions imposed by the Exchange. Under current Rule 9840(d),¹⁷ temporary and permanent cease and desist orders are effective when service of the Hearing Panel’s written decision is complete. At any time after the Office of Hearing Officers serves the order, a party may apply under Rule 9850 to have the order modified, set aside, limited or suspended. Under Rule 9850, the filing of an application for review of a temporary or permanent cease and desist order with a Hearing Panel shall not stay the effectiveness of the order. Under Rule 9870, the filing of an application for review of a temporary or permanent cease and desist order with the SEC shall not stay the effectiveness of the order unless the SEC otherwise orders.

The Exchange proposes to add “unless otherwise specified therein” to Rules 9840(d) and 9870 to provide adjudicators under the rules the authority to grant applicants an opportunity to seek a stay from the SEC or take other appropriate action before the temporary or permanent cease and desist order takes effect. In addition, the Exchange would add “unless the Chief Hearing Officer or the Deputy Hearing Officer assigned to the matter otherwise orders for good cause shown” to Rule 9850 to provide authority to stay the effectiveness of a temporary or permanent cease and desist order upon the filing of an application for review by the Hearing Panel, where appropriate. The proposed changes to Rule 9840(d), 9850 and 9870 are substantively the same as rule text added to FINRA Rule 9840(f),¹⁸ 9850 and 9870.

No other changes to the NYSE American disciplinary rules are proposed.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of

¹⁷ The FINRA analogue to NYSE American Rule 9840(d) is FINRA Rule 9840(f).

¹⁸ See note 17, supra.

the Act,¹⁹ in general, and furthers the objectives of Section 6(b)(5) of the Act,²⁰ in that it is designed to prevent fraudulent and manipulative acts and practices, 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 by strengthening the Exchange's ability to oversee and police its marketplace. In addition, the Exchange believes that the proposed rule change is designed to provide a fair procedure for prohibiting or limiting any person with respect to access to services offered by the Exchange or a member thereof consistent with the objectives of Section 6(b)(7).²¹

The Exchange believes that the proposed rule change furthers the objectives of the Act by harmonizing Exchange rules modeled on FINRA rules with respect to the effectiveness of expulsions in expedited proceedings, and other Exchange actions against member organizations that may result in a sanction or action that shares the relevant characteristics of such expulsions, to allow for Commission review under Section 19 of the Act.²² As previously noted, the proposed changes are substantively the same as those recently made to the FINRA disciplinary rules. As such, the proposed rule change would facilitate rule harmonization among self-regulatory organizations with respect to the effectiveness of expulsions in certain types of Exchange actions, thereby fostering cooperation and coordination with persons engaged in facilitating transactions in securities and will remove impediments to and perfect the mechanism of a free and open market and a national market system.

Like FINRA, the Exchange believes that any potential risk to investor protection posed by aligning the Exchange's rules with FINRA could be mitigated by several factors. In cases where an expulsion, cancellation of membership, or denial of an application for continued

¹⁹ 15 U.S.C. 78f(b).

²⁰ 15 U.S.C. 78f(b)(5).

²¹ 15 U.S.C. 78f(b)(7).

²² See, e.g., 15 U.S.C. 78s(e) & (f).

membership has been appealed to the SEC, the Exchange will seek expeditious resolution and, where appropriate, may take additional steps to prevent customer harm during the pendency of an appeal of a disciplinary decision imposing an expulsion or cancellation of membership. The Exchange also notes that information about disciplinary proceedings and sanctions against member organizations is available on the Exchange's website and through FINRA's BrokerCheck, which would enable investors to obtain information regarding whether a member organization is subject to any adverse regulatory action that is the subject of a pending application for SEC review.²³

Further, the Exchange believes that the proposed rule change will provide member organizations and interested parties notice and clarity regarding the effectiveness of expulsions, membership cancellations, and denials of applications for continued membership under Exchange rules. The Exchange accordingly believes that the proposed rule change will enable the Exchange to continue to administer a fair procedure for disciplining member organizations consistent with the goals of investor protection.

Finally, the Exchange believes that the proposed rule changes to the Rule 9000 Series, i.e., the proposed changes to Rules 9269(d), 9557(c), (d) & (f), 9559(n)(3), (o)(4)(a), 9558, 9840(a) and 9870, would further the goal of providing a fair process for member organizations and associated persons because it would provide Exchange staff and adjudicators authority to grant respondents and applicants an opportunity to seek a stay from the Commission or take other appropriate action before a sanction (e.g., a suspension or a bar) or other regulatory measure (such as a statutory disqualification denial, imposition of a cease and desist order or imposition of conditions, requirements or restrictions) takes effect. In addition, the proposed changes to Rule 9557(f) and conforming changes to Rule 9559 provide a fair process for issuing a notice of suspension to members experiencing financial or operational difficulties in the event

²³ Rule 8313(d) provides that the Exchange shall provide notice to the public if a disciplinary decision of the Exchange is appealed to the SEC and the notice shall state whether the effectiveness of the decision has been stayed pending the outcome of proceedings before the SEC.

that they fail to comply with restrictions or requirements imposed by Exchange staff. Like FINRA, the Exchange believes the proposed amendments will not impede the prompt resolution of cases and the remediation of issues the rules are designed to address because the proposed rule change provides Exchange staff and adjudicators authority to briefly delay the effectiveness of sanctions and other regulatory measures and does not mandate a delay in every case. Hence, where appropriate, the Exchange, like FINRA, would have authority under the amended rules to allow the sanctions or other regulatory measures to take effect immediately in accordance with Exchange protocol and precedent. Further, the Exchange believes that the proposed changes to Rule 9557 and conforming changes to Rule 9559 provide a streamlined process for suspending members, if necessary, to address the potential risks posed by members experiencing financial or operational difficulties.²⁴

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 not intended to address competitive issues but rather is intended solely to stay the effectiveness of specified Exchange actions to permit Commission review, thereby providing greater harmonization with FINRA rules. In so doing, the Exchange is not imposing new or additional costs or impacts on member organizations or investors while allowing the Exchange to administer a fair procedure for disciplining member organizations consistent with the goals of investor protection.

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

No written comments were solicited or received with respect to 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)(iii) of

²⁴ See Release 103285, 90 FR at 26672-73.

the Act²⁵ and Rule 19b-4(f)(6) thereunder.²⁶ 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 Act and Rule 19b-4(f)(6)(iii) thereunder.

A proposed rule change filed under Rule 19b-4(f)(6)²⁷ normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),²⁸ the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest.

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)²⁹ of the Act to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

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

²⁵ 15 U.S.C. 78s(b)(3)(A)(iii).

²⁶ 17 CFR 240.19b-4(f)(6).

²⁷ 17 CFR 240.19b-4(f)(6).

²⁸ 17 CFR 240.19b-4(f)(6)(iii).

²⁹ 15 U.S.C. 78s(b)(2)(B).

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-NYSEAMER-2026-43 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-NYSEAMER-2026-43. 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-NYSEAMER-2026-43 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.³⁰

Sherry R. Haywood,

Assistant Secretary.

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³⁰ 17 CFR 200.30-3(a)(12).