

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 104272 / November 26, 2025

Admin. Proc. File No. 3-22553

In the Matter of the Application of

SHINECO, INC.

For Review of Action Taken by

THE NASDAQ STOCK MARKET LLC

ORDER DENYING STAY AND SETTING BRIEFING SCHEDULE

On October 1, 2025, The Nasdaq Stock Market LLC’s Listing and Hearing Review Council (“Listing Council”) affirmed a Nasdaq hearings panel’s determination to suspend trading in, and then delist, Shineco, Inc.’s common stock. Shineco filed an application for Commission review of Nasdaq’s determination and concurrently filed a motion for an emergency stay pending Commission review. Based on the record and briefing to date, we deny Shineco’s motion for a stay.

I. Background

Securities listed on The Nasdaq Capital Market are required to maintain a minimum closing bid price of one dollar per share (“Bid Price Rule”) for continued listing on the exchange.¹ If a security closes below that price for 30 consecutive business days, the issuer typically has at least 180 calendar days to regain compliance by meeting the Bid Price Rule for at least 10 consecutive business days.² Even if an issuer meets these requirements, however, Nasdaq has “broad discretionary authority” to suspend or delist securities immediately—without additional time to cure—based on any “event, condition, or circumstance” that makes continued listing “inadvisable or unwarranted.”³ Nasdaq also amended its listing rules in January 2025 to provide that Nasdaq will immediately suspend and delist securities that violate the Bid Price Rule, and not allow for a compliance period, if the company has effected a reverse stock split

¹ Nasdaq Rule 5550(a)(2).

² Nasdaq Rule 5810(c)(3)(A).

³ Nasdaq Rule 5101 (granting Nasdaq this discretion “in order to maintain the quality of and public confidence in its market” and “protect investors and the public interest”).

within the past year (the “Excessive Split Rule”).⁴ If an issuer appeals a delisting determination to a hearings panel, the suspension and delisting will ordinarily be stayed pending the panel’s review, and the panel may, among other things, provide the issuer up to 180 days to cure its deficiency.⁵ The issuer may appeal the panel’s determination to the Listing Council, which may grant an additional cure period of up to 180 days,⁶ and the Nasdaq Board of Directors may call a Listing Council decision for review.⁷

Shineco has been listed on Nasdaq since 2016. Over a three-year period beginning in September 2022, Nasdaq notified Shineco five separate times that the bid price of the company’s listed securities had closed at less than one dollar per share over the previous 30 consecutive business days and that the company had thus violated the Bid Price Rule. Shineco regained compliance after the first four of these violations, including through reverse stock splits in February 2024 and November 2024. On June 16, 2025, Nasdaq informed Shineco that it had again violated the Bid Price Rule and that, because the company had effected a reverse stock split within the prior year, its securities would be suspended effective June 25, 2025, and subsequently delisted.

Shineco appealed to a Nasdaq hearings panel, which stayed the suspension and delisting pending its review. After holding a one-day hearing, the panel issued a decision on July 25, 2025, finding that suspending and delisting Shineco’s securities—without providing additional time to cure—was appropriate because, among other things, the company had violated the Bid Price Rule five times over the prior three years and failed to demonstrate that its business development plan would allow it to “continue as a functioning operating company.”

Shineco appealed to the Listing Council, arguing in part that the hearing panel had deprived Shineco of fair notice of the panel’s retroactive application of the Excessive Split Rule when delisting the company’s securities. The Listing Council issued its decision on October 1, 2025, affirming the panel’s findings and determination. The Listing Council found that Shineco’s securities were subject to immediate suspension and delisting under the Excessive Split Rule and that the panel properly exercised its discretion in declining to grant Shineco additional time to cure because of the company’s “repeated cycles” of Bid Price Rule violations and reverse stock splits that have “not result[ed] in sustained compliance.” The Listing Council also found that affording the company “yet another 180-day grace period . . . would raise significant public interest concerns” by “diminish[ing]” the “reputation and quality of [Nasdaq’s] listing market” and generating “negative externalities that can unfairly affect other listed companies.” The Listing Council further found that, even if the Excessive Split Rule did not apply to Shineco, Nasdaq’s listing rules provided the hearings panel sufficient discretion to still delist the company’s securities.

⁴ Nasdaq Rule 5810(c)(3)(A)(iv).

⁵ Nasdaq Rule 5815(a)(1), (c)(1)(A).

⁶ Nasdaq Rule 5820(e)(4).

⁷ Nasdaq Rule 5825(a).

Nasdaq suspended trading in Shineco's securities effective October 7, 2025. On October 29, 2025, Nasdaq's Board declined to review the delisting determination, and on November 20, 2025, Nasdaq filed a Form 25 with the Commission to delist Shineco's securities.

II. Analysis

Exchange Act Section 19(d)(2) and Rule of Practice 401(d) authorize the Commission to stay challenged self-regulatory organization action.⁸ A stay is an "extraordinary remedy," and the movant bears the burden of establishing that relief is warranted.⁹ In determining whether to grant a stay, we consider whether (i) there is a strong likelihood that the movant will eventually succeed on the merits of the appeal; (ii) the movant will suffer irreparable harm without a stay; (iii) any other person will suffer substantial harm as a result of a stay; and (iv) a stay is likely to serve the public interest.¹⁰

The appropriateness of a stay turns on a weighing of the strengths of these four factors, though the first two are the most critical, and not all four must favor a stay for a stay to be granted.¹¹ A movant need not establish that it is likely to succeed on the merits to obtain a stay, but it must at least "raise[] a 'serious legal question' on the merits" and show that "the other factors weigh heavily in its favor."¹² "Because the moving party must not only show that there are 'serious questions' going to the merits, but must additionally establish that 'the balance of hardships tips *decidedly* in its favor,' its overall burden is no lighter than the one it bears under the 'likelihood of success' standard."¹³

Applying this standard, we deny Shineco's stay request because it has not shown a likelihood of success or raised a serious legal question on the merits and, although the company has shown that the irreparable harm factor weighs in its favor, the remaining factors ultimately weigh against a stay. We emphasize that our discussion here is necessarily preliminary, and that

⁸ 17 C.F.R. § 201.401; *see also* Exchange Act Section 19(d)(2), 15 U.S.C. § 78s(d)(2) (authorizing Commission to stay challenged self-regulatory organization action).

⁹ *Bloomberg L.P.*, Exchange Act Release No. 83755, 2018 WL 3640780, at *7 & n.44 (July 31, 2018).

¹⁰ *Bruce Zipper*, Exchange Act Release No. 82158, 2017 WL 5712555, at *3 & n.14 (Nov. 27, 2017).

¹¹ *Bloomberg*, 2018 WL 3640780, at *7 & n.46.

¹² *Zipper*, 2017 WL 5712555, at *6 (quoting *Sherley v. Sebelius*, 644 F.3d 388, 398 (D.C. Cir. 2011)).

¹³ *Id.* (quoting *Citigroup Glob. Mkts., Inc. v. VCG Special Opportunities Master Fund Ltd.*, 598 F.3d 30, 35 (2d Cir. 2010) (emphasis in original)); *see also Wash. Metro. Area Transit Comm'n v. Holiday Tours, Inc.*, 559 F.2d 841, 843 (D.C. Cir. 1977) (explaining that the "necessary 'level' or 'degree' of possibility of success will vary according to the court's assessment of the other factors").

we have based it on a review of only the record and arguments currently before us.¹⁴ Any final resolution must await the Commission’s determination of the merits of Shineco’s appeal.¹⁵

A. Shineco has not shown a likelihood of success or raised a serious legal question on the merits.

Shineco does not dispute that it violated the Bid Price Rule. Rather, it argues that Nasdaq’s decision to suspend and delist its securities was “arbitrary and capricious” because, Shineco asserts, the hearings panel’s decision was “devoid of analysis of facts essential to its decision” and the Listing Council’s “analysis of the substantive issues w[as] cursory.” We disagree.

Both the hearings panel and Listing Council stated that they considered the record in this matter, and their decisions provide detailed examinations of Shineco’s arguments, including the company’s repeated violations of the Bid Price Rule and its plan to regain compliance. The hearings panel determined that delisting Shineco immediately, without giving the company more time, was appropriate given its repeated violations of the Bid Price Rule and its failure to present a business development plan sufficient “to inspire confidence” that it would succeed. And the Listing Council found that the hearings panel properly exercised its discretion because, among other things, affording the company “yet another 180-day grace period” would “diminish[]” the “reputation and quality of [Nasdaq’s] listing market” and “unfairly affect other listed companies.”

Although Shineco argues that Nasdaq did not provide fair notice of its retroactive application of the Excessive Split Rule, we do not need to reach that argument. The Listing Council recognized that even if the Excessive Split Rule did not apply, Nasdaq had “broad discretionary authority” to determine that Shineco’s circumstances warranted suspending and delisting Shineco’s securities immediately to maintain the quality of and public confidence in its market and for the protection of investors and the public interest. And Shineco has not otherwise shown that Nasdaq failed to comply with its own rules or deprived the company of a fair procedure.¹⁶ We therefore find at this preliminary stage of the proceeding that Shineco has not shown a likelihood of success or raised a serious legal question on the merits.

B. The remaining factors weigh against a stay.

To establish irreparable harm, a movant must identify “an injury that is both certain and great and actual and not theoretical” and show that “the alleged harm will directly result from the

¹⁴ See *Zipper*, 2017 WL 5712555, at *3.

¹⁵ See *Bloomberg*, 2018 WL 3640780, at *7.

¹⁶ See *ABN AMRO Clearing Chi. LLC*, Exchange Act Release No. 83849, 2018 WL 3869452, at *2 (Aug. 15, 2018) (noting that “Section 19(b)(1) of the Exchange Act generally requires an SRO’s rules to be filed with and approved by the Commission” and explaining that an SRO must follow its own properly filed and approved rules).

action which the movant seeks to stay.”¹⁷ The Commission has previously stated that “the fact that an applicant may suffer financial detriment” generally does not amount to the “level of irreparable injury warranting issuance of a stay.”¹⁸ Nevertheless, “the destruction of a business, absent a stay, is more than just ‘mere’ economic injury, and rises to the level of irreparable injury.”¹⁹

Here, although Shineco does not claim that these harms will force it out of business, it suggests that a suspension and delisting will threaten its ability to “carry on as a going concern.” Shineco also represents that, since trading in its securities was suspended, Shineco’s business and personnel have “suffered grave harm,” including threats of physical injuries, a police investigation, the loss of an acquisition transaction, employee resignations and theft of company funds, lost revenue streams from strategic partnerships and subsidiaries, and significant loss of shareholder value. The company further represents that, upon delisting of its securities, “complex and critical transactions to restructure its major investments and lines of business” will be terminated and financing agreement defaults will be triggered, which “will subject Shineco to financial hardship to the likely point of bankruptcy.” Even assuming this constitutes irreparable harm, however, these considerations are outweighed by Shineco’s failure to show a likelihood of success or to raise a serious legal question on the merits.²⁰

The lack of a showing on the merits here is alone enough for us to deny Shineco’s motion, but Shineco also fails to establish that the final two factors—whether a stay would substantially harm others and would likely serve the public interest—favor relief. Shineco argues that there is a public interest in Nasdaq’s compliance with its rules in enforcing its listing standards and in providing a fair procedure for delisting determinations. We agree, but, as explained above, Shineco has not shown at this stage of the proceedings that Nasdaq has not complied with its rules or failed to provide a fair procedure. Moreover, there is a strong public interest in Nasdaq’s enforcing its listing standards.²¹ As the Commission has repeatedly emphasized, for example, Nasdaq’s listing standards are “important given investor expectations regarding the nature of securities that have achieved an exchange listing, and the role of an

¹⁷ *Zipper*, 2017 WL 5712555, at *4 & n.19 (cleaned up).

¹⁸ *Robert J. Prager*, Exchange Act Release No. 50634, 2004 WL 2480717, at *1 (Nov. 4, 2004).

¹⁹ *Minim, Inc.*, Exchange Act Release No. 102482, 2025 WL 606061, at *4 & n.20 (Feb. 25, 2025).

²⁰ *See, e.g., Lek Secs. Corp.*, Exchange Act Release No. 95014, 2022 WL 1769802, at *8 & n.25 (May 31, 2022) (“We do not dispute that the cease to act determinations will cause Lek to suffer irreparable harm. But Lek’s failure to raise a serious legal question on the merits means Lek has not met its burden for seeking a stay.”).

²¹ *Minim*, 2025 WL 606061, at *4.

exchange in overseeing its market and assuring compliance.”²² Meaningful listing standards are “of critical importance to financial markets and the investing public” in that they “help ensure that exchange-listed companies will have sufficient public float, investor base, and trading interest to provide the depth and liquidity to promote fair and orderly markets.”²³ And investors have the potential to be harmed by relying on the company’s listing on Nasdaq as an indication that the company meets Nasdaq’s listing requirements when, in fact, it has repeatedly fallen short of those standards and Nasdaq has found the company’s plans for regaining compliance to be inadequate.²⁴ Staying Shineco’s suspension and delisting would undermine these important purposes of Nasdaq’s listing standards.

* * *

For these reasons, while we acknowledge the potential irreparable harm that Shineco may suffer absent a stay, the other factors ultimately weigh against granting such relief, most significantly Shineco’s failure to raise a serious legal question or establish a sufficient likelihood of success on the merits. Accordingly, it is ORDERED that Shineco, Inc.’s motion for a stay pending Commission review of its appeal is denied.²⁵

It is further ORDERED that Nasdaq shall file a copy of the index to the record by December 10, 2025.²⁶ A brief in support of Shineco’s application for review shall be filed by December 24, 2025.²⁷ A brief in opposition shall be filed by January 7, 2026, and any reply

²² *E.g., Notice Of Filing Of Amendment No. 1 And Order Granting Accelerated Approval Of A Proposed Rule Change, As Modified By Amendment No. 1, To Modify Certain Initial Listing Liquidity Requirements*, 90 Fed. Reg. 12608, 12609 & n.24 (Mar. 18, 2025); *see also* Nasdaq Rule 5101 (“Nasdaq is entrusted with the authority to preserve and strengthen the quality of and public confidence in its market.”).

²³ *Order Granting Approval of a Proposed Rule Change to Modify the Application of the Minimum Bid Price Compliance Periods and the Delisting Appeals Process for Bid Price Non-Compliance in Listing Rules 5810 and 5815 Under Certain Circumstances*, 90 Fed. Reg. 8081, 8083 (Jan. 23, 2025); *see also* 15 U.S.C. § 78f(b)(5) (requiring that national securities exchange rules be designed, among other things, to “perfect the mechanism of a free and open market” and “protect investors and the public interest”).

²⁴ *See Tassaway, Inc.*, Exchange Act Release No. 11291, 1975 WL 161326, at *2 (Mar. 13, 1975) (“[P]rospective future investors . . . [are] entitled to assume that the securities in the system meet the system’s standards. Hence the presence in NASDAQ of non-complying securities could have a serious deceptive effect.”).

²⁵ Shineco’s motion includes a caption stating “oral argument request,” but the stay motion provides no further basis for or reference to oral argument regarding the stay. Because our Rules of Practice specify that “[r]equests for oral argument shall be made by separate motion,” and it does not appear oral argument would significantly aid the decisional process of the stay motion, we deny that apparent request. *See* Rule of Practice 451(a) and (b), 17 C.F.R. § 201.451(a), (b).

²⁶ *See* Rule of Practice 420(e); 17 C.F.R. § 201.420(e).

²⁷ *See* Rule of Practice 450(a); 17 C.F.R. § 201.450(a).

brief shall be filed by January 14, 2026. Failure to file a brief in support of the application may result in dismissal of this review proceeding.²⁸ No briefs other than those specified in this schedule may be filed without leave of the Commission.²⁹

The parties' attention is directed to the Commission's Rules of Practice governing content and length limitations.³⁰ Attention is further directed to the e-filing requirements in the Rules of Practice.³¹ And we remind the parties that any document filed with the Commission must also be served upon all participants in this proceeding and be accompanied by a certificate of service.³²

By the Commission.

Vanessa A. Countryman
Secretary

²⁸ See Rule of Practice 180(c); 17 C.F.R. § 201.180(c).

²⁹ See Rule of Practice 450(a), 17 C.F.R. § 201.450(a).

³⁰ See Rule of Practice 450(b) and (c), 17 C.F.R. § 201.450(b) and (c) (governing content and length); *see also* Rule of Practice 152, 17 C.F.R. § 201.152 (governing form).

³¹ See Rules of Practice 151, 152(a), 17 C.F.R. §§ 201.151, .152(a) (providing procedure for filing papers with the Commission and mandating electronic filing in the form and manner posted on the Commission's website); *Instructions for Electronic Filing and Service of Documents in SEC Administrative Proceedings and Technical Specifications*, <https://www.sec.gov/efapdocs/instructions.pdf>. Parties generally also must certify that they have redacted or omitted sensitive personal information from any filing. Rule of Practice 151(e), 17 C.F.R. § 201.151(e).

³² See Rule of Practice 150, 17 C.F.R. § 201.150 (requiring parties generally to serve each other with their filings); Rule of Practice 151(d), 17 C.F.R. § 201.151(d) ("Papers filed with the Commission . . . shall be accompanied by a certificate stating the name of the person or persons served, the date of service, the method of service, and the mailing address or email address to which service was made, if not made in person.").