

# SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-103604; File No. 10-249]

## **Texas Stock Exchange LLC; Notice of Filing of Amendment No. 2 to an Application for Registration as a National Securities Exchange under Section 6 of the Securities Exchange Act of 1934**

July 31, 2025.

On January 31, 2025, Texas Stock Exchange LLC (“TXSE”) filed with the Securities and Exchange Commission (“Commission”) a Form 1 application under the Securities Exchange Act of 1934 (“Exchange Act”), seeking registration as a national securities exchange under Section 6 of the Exchange Act.<sup>1</sup> On April 2, 2025, TXSE submitted Amendment No. 1 to its Form 1.<sup>2</sup> Notice of the amended application was published for comment in the Federal Register on April 10, 2025.<sup>3</sup> The Commission has received comments on the Form 1.<sup>4</sup> On July 9, 2025, the Commission instituted proceedings pursuant to Section 19(a)(1)(B) of the Exchange Act<sup>5</sup> to determine whether to grant or deny TXSE’s application for registration as a national securities exchange under Section 6 of the Exchange Act.<sup>6</sup> On July 29, 2025, TXSE filed a second amendment to its Form 1 application (“Amendment No. 2”).<sup>7</sup> The Commission is publishing this notice in order to solicit views of interested persons on TXSE’s Form 1, as amended.

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<sup>1</sup> 15 U.S.C. 78f.

<sup>2</sup> TXSE’s Form 1 as amended, including all its exhibits, is available at: <https://www.sec.gov/rules-regulations/other-commission-orders-notices-information/txse-form-1>.

<sup>3</sup> See Securities Exchange Act Release No. 102773 (Apr. 4, 2025), 90 FR 15375 (Apr. 10, 2025).

<sup>4</sup> The public comment file for TXSE’s Form 1 (File No. 10-249) is available on the Commission’s website at: <https://www.sec.gov/comments/10-249/10-249.htm>.

<sup>5</sup> 15 U.S.C. 78s(a)(1)(B).

<sup>6</sup> See Securities Exchange Act Release No. 103422 (July 9, 2025), 90 FR 31360 (July 14, 2025) (“OIP”).

<sup>7</sup> Amendment No. 2 is available on the Commission’s website at: <https://www.sec.gov/rules-regulations/other-commission-orders-notices-information/txse-form-1>.

## I. Description of TXSE

TXSE proposes to operate a fully automated limit order book for orders to buy and sell securities with a continuous automated matching function. TXSE would execute orders in price/time priority, and would “rank equally priced trading interest within the System in time priority in the following order: (i) The portion of a Limit Order with a Displayed instruction (including Market Maker Peg Orders); (ii) Limit Orders with a Non-Displayed instruction (including the Reserve Quantity of Limit Orders); and (iii) Orders with a Peg instruction (i.e., Primary Peg Orders, Midpoint Peg Orders and Market Peg Orders), ranked in priority based upon the time such orders were initially received by the System.”<sup>8</sup> TXSE would not maintain a physical trading floor. Liquidity would be derived from orders to buy and orders to sell submitted to TXSE electronically by its registered broker-dealer members from remote locations. TXSE proposes to have one class of membership open to registered broker-dealers, and also proposes to allow members to register under TXSE rules as market makers on TXSE and be subject to certain specified requirements and obligations set forth in TXSE’s proposed rules. TXSE would be a subsidiary of its parent company, TXSE Group Inc. (“TXSE Group”), which would directly hold 100% of the equity of TXSE. In turn, TXSE Group would be owned by a group of investors that are party to a stockholders’ agreement (“Stockholders’ Agreement”). The Stockholders’ Agreement would provide a 40% cap on beneficial ownership of stock of TXSE Group by any person (alone or together with its related persons) and would further cap beneficial ownership of TXSE Group by members of TXSE at 20%.

## II. Amendment No. 2 to TXSE’s Form 1

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<sup>8</sup> Proposed TXSE Rule 11.008. Capitalized terms used but not defined herein have the meanings specified in Exhibit B-1, as amended.

In Amendment No. 2, TXSE proposes to revise Exhibits A-3, B-1, C, D, D-1, E, E-1, F-1, F-2, F-6, F-7, F-8, F-10, F-16, H-6, H-14, H-17, J, and K principally to: (1) reflect that TXSE will not offer any outbound routing functionality and to conform its rules relating to trading halts to the rules of another self-regulatory organization; (2) reflect updates regarding its affiliates; (3) make technical and conforming changes to certain membership related-forms and listing forms, including the corporate governance certification form for issuers; and (4) update the list of shareholders indirectly owning 5% or more of TXSE. In Amendment No. 2, TXSE also proposes to add Exhibits D-2, D-3, D-4, D-5, and D-6 to provide unaudited financial statements for certain of TXSE's affiliates.

### III. Request for Written Comment

The Commission requests that interested persons provide written views and data with respect to TXSE's Form 1, as amended. Comments may be submitted by any of the following methods:

#### Electronic Comments:

- Use the Commission's internet comment form (<https://www.sec.gov/rules/other.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include file number 10-249 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 10-249. 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/other.shtml>). 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 10-249 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>9</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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<sup>9</sup> 17 CFR 200.30-3(a)(71)(ii).