

## **SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-104545; File No. SR-24X-2025-17]**

### **Self-Regulatory Organizations; 24X National Exchange LLC; Notice of Filing of a Proposed Rule Change to Further Extend the Temporary Exemption from the Ownership and Voting Limitations in the Limited Liability Agreement of 24X Bermuda Holdings LLC**

January 6, 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 December 23, 2025, 24X National Exchange LLC (“24X” or the “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Exchange filed the proposal as a “non-controversial” proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>3</sup> and Rule 19b-4(f)(6) thereunder.<sup>4</sup> 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 Commission a proposed rule change to revise the Limited Liability Company Operating Agreement of 24X Bermuda Holdings LLC (the “24X Bermuda Holdco Agreement”) to extend the temporary exemption from the ownership and voting limitations set forth in Section 9.2(g) of the 24X Bermuda Holdco LLC Agreement with respect

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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> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>4</sup> 17 CFR 240.19b-4(f)(6).

to Dmitri Galinov and his Related Persons until December 14, 2030. 24X Bermuda Holdings LLC (“24X Bermuda Holdco”) wholly owns 24X US Holdings LLC, which, in turn, wholly owns the Exchange. The text of the proposed rule change is available on the Exchange’s website (<https://equities.24exchange.com/regulation>) 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 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 Exchange 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 Exchange is filing with the Commission a proposed rule change to revise the Third Amended and Restated Limited Liability Company Operating Agreement of 24X Bermuda Holdings LLC (the “24X Bermuda Holdco Agreement”) to extend the temporary exemption from the ownership and voting limitations set forth in Section 9.2(g) of the 24X Bermuda Holdco LLC Agreement with respect to Dmitri Galinov and his Related Persons until December 14, 2030. 24X Bermuda Holdings LLC (“24X Bermuda Holdco”) wholly owns 24X US Holdings LLC, which, in turn, wholly owns the Exchange.

a. Background

i. Temporary Exemption from Ownership and Voting Limitations

The 24X Bermuda Holdco LLC Agreement includes restrictions on the ability to own and vote units in 24X Bermuda Holdco (“Units”).<sup>5</sup> As the SEC stated in its approval order for the registration of the Exchange, “[t]hese limitations are designed to prevent any party to the 24X Bermuda LLC Agreement from exercising undue control over the operation of the Exchange and to ensure that the Exchange and the Commission are able to carry out their regulatory obligations under the Exchange Act.”<sup>6</sup>

The relevant ownership limitation in the 24X Bermuda Holdco LLC Agreement provides that, for so long as 24X Bermuda Holdco shall control, directly or indirectly, 24X, no Person, either alone or together with its Related Persons,<sup>7</sup> are permitted to own, directly or indirectly, of record or beneficially, more than forty percent of the then issued and outstanding Units.<sup>8</sup>

In addition, with regard to the voting limitation, the 24X Bermuda Holdco LLC Agreement provides that no Person, alone or together with its Related Persons, may, directly, indirectly, or pursuant to any voting trust, agreement, plan or other arrangement, vote or cause the voting of Units or give any consent or proxy with respect to Units representing more than 20% of the voting power of the then issued and outstanding Units.<sup>9</sup> Nor may any Person, either alone or together with its Related Persons, enter into any agreement, plan or other arrangement with any other Person, either alone or together with its Related Persons, under circumstances that

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<sup>5</sup> See Section 9.2 of the 24X Bermuda Holdco LLC Agreement.

<sup>6</sup> See Securities Exchange Act Rel. No. 101777 (Nov. 27, 2024), 89 FR 97092, 97095 (Dec. 6, 2024) (“24X Registration Approval Order”).

<sup>7</sup> For the definition of a Related Person, see Section 1.49 of the 24X Bermuda Holdco LLC Agreement.

<sup>8</sup> Section 9.2(a)(i) of the 24X Bermuda Holdco LLC Agreement. While Section 9.2(a)(ii) of the 24X Bermuda Holdco LLC Agreement also sets forth an ownership restriction that applies to 24X Exchange Members, this provision does not apply to Dmitri Galinov; the ownership limitation that does apply to Dmitri Galinov and his Related Persons is set forth in Section 9.2(a)(i) of the 24X Bermuda Holdco LLC Agreement.

<sup>9</sup> Section 9.2(a)(iii) of the 24X Bermuda Holdco LLC Agreement.

would result in the Units that are subject to such agreement, plan or other arrangement not being voted on any matter or matters or any proxy relating thereto being withheld, where the effect of such agreement, plan or other arrangement would be to enable any Person, either alone or together with its Related Persons, to vote, possess the right to vote, or cause the voting of Units that would represent more than 20% of such voting power.<sup>10</sup>

As set forth in Section 9.2(g)(i) of the 24X Bermuda Holdco LLC Agreement, Dmitri Galinov and his Related Persons have a temporary exemption from the ownership limitation set forth in Section 9.2 of the 24X Bermuda Holdco LLC Agreement until nine months after the Commission grants 24X’s application for registration as a national securities exchange or until two months after 24X commences operation, if later than nine months.<sup>11</sup> Further, the 24X Bermuda Holdco LLC Agreement states that if Dmitri Galinov and his Related Persons do not comply with the ownership limitation in Section 9.2 of the 24X Bermuda Holdco LLC Agreement within the applicable time period, then 24X Bermuda shall redeem all of the Units the holding of which by Dmitri Galinov and/or his Related Persons results in a violation of Section 9.2 for a price per Unit, as applicable, equal to the lesser of (a) book value or (b) Fair Market Value of such Units.<sup>12</sup>

Dmitri Galinov and his Related Persons also have a temporary exemption from the voting limitation set forth in Section 9.2 of the 24X Bermuda Holdco LLC Agreement until nine months after the Commission grants 24X’s application for registration as a national securities exchange

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<sup>10</sup> *Id.*

<sup>11</sup> Section 9.2(g)(i) of the 24X Bermuda Holdco LLC Agreement. On September 25, 2025, this exemption was extended until two months after the Exchange commenced operations. *See* Securities Exchange Act Release No. 10453 (September 25, 2025), 90 FR 47111 (September 30, 2025) (“Two-Month Extension Release”). The Exchange commenced operations on October 14, 2025. Therefore, the exemption was extended until December 14, 2025.

<sup>12</sup> *Id.*

or until two months after 24X commences operation, if later than nine months, but only with respect to any vote regarding any merger, consolidation or dissolution of the 24X Bermuda or any sale of all or substantially all of the assets of the 24X Bermuda.<sup>13</sup>

When the Commission approved the original limited temporary exemption in Section 9.2(g) of the 24X Bermuda Holdco LLC Agreement from the ownership limitation and voting imitations set forth in Section 9.2 of the 24X Bermuda Holdco LLC Agreement for Dmitri Galinov and his Related Persons as consistent with the Exchange Act, the Commission determined that the limited, defined period time in which the exemption would be in place would prevent Dmitri Galinov and his Related Persons from exercising undue control over 24X and minimize the possibility that 24X’s ability to carry out its self-regulatory responsibilities under the Exchange Act could be impaired.<sup>14</sup> In addition, the Commission noted that, because the exemption from the voting limitation applies only with respect to the limited situations involving any merger, consolidation or dissolution of 24X Bermuda Holdco or any sale of all or substantially all of the assets of the 24X Bermuda Holdco, the exemption would not permit undue control over 24X or impair the regulatory responsibilities of 24X.<sup>15</sup> The Commission further noted that the “temporary exemption is designed to afford Dmitri Galinov and his Related Persons the ability to protect the investment they have already made in the establishment of 24X that is over the current ownership limitation, represented by 24X to be 3.29% of the Units of all outstanding Units.”<sup>16</sup> Finally, the Commission noted that the Commission has approved other temporary exemptions from the ownership or voting limitations included in the governance

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<sup>13</sup> Section 9.2(g)(ii) of the 24X Bermuda Holdco LLC Agreement.

<sup>14</sup> 24X Registration Approval Order at 97098.

<sup>15</sup> *Id.*

<sup>16</sup> *Id.* The excess percentage is now 3.07% of the Units of all outstanding Units.

documents of owners of a national securities exchange.<sup>17</sup>

ii. Ownership by Dmitri Galinov and his Related Persons

Exhibit K of 24X's Form 1 describes Dmitri Galinov and his Related Person's 43.07% ownership of 24X Bermuda Holdco. Absent the exemption, such ownership would exceed the 40% ownership limitation set forth in the 24X Bermuda Holdco LLC Agreement. Specifically, Exhibit K of 24X's Form 1 describes their ownership as follows:

Dmitri Galinov owns 7,000,000 Common Units and 179,215 Seed-3 Preferred Units, for a total of 7,179,215 Units for all classes outstanding. Dmitri Galinov is a Related Person of KNG CAPITAL LLC, Tanya Nazarov-Kenneally, and Vladimir Nazarov. KNG CAPITAL LLC owns 320,616 Seed-1 Preferred Units, which represents 1.84% of all classes of outstanding Units. Tanya Nazarov-Kenneally owns 1794 Seed-3 Preferred Units, which represents 0.01% of all classes of outstanding Units. Vladimir Nazarov owns 7176 Seed-3 Preferred Units, which represents 0.04% of all classes of outstanding Units. Accordingly, on an aggregate basis, Dmitri Galinov, together with his Related Persons, owns 43.07% of the Units of all classes of outstanding Units.<sup>18</sup>

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<sup>17</sup> See Securities Exchange Act Release No. 49067 (Jan. 13, 2004), 69 FR 2761 (Jan. 20, 2004) (order granting approval to a proposed rule change by the Boston Stock Exchange Inc. Relating to the LLC Operating Agreement of the Proposed New Exchange Facility to be Operated by the Boston Options Exchange Group LLC) (approval of an exemption from a voting limitation for a period of 10 years for an owner of the BOX facility). See also Securities Exchange Act Release No. 42455 (Feb. 24, 2000), 65 FR 11388 (Mar. 2, 2000) (order granting registration of the International Securities Exchange LLC) (approval of an exemption from an ownership limitation for period of 10 years for certain founders of the exchange).

<sup>18</sup> Exhibit K of 24X Form 1 at footnote 2.

iii. Expiration of Temporary Exemption

The Commission granted 24X's application for registration as a national securities exchange on November 27, 2024; therefore, nine months after such date was August 27, 2025. 24X commenced operation on October 14, 2025. Two months after October 14, 2025 is December 14, 2025, which is the later of the two dates. Therefore, the temporary exemption expired on December 14, 2025.

b. Extension of Temporary Exemption from Ownership and Voting Limitations

The Exchange proposes to revise the 24X Bermuda Holdco LLC Agreement to extend the temporary exemption from the ownership and voting limitations set forth in Section 9.2(g) of the 24X Bermuda Holdco LLC Agreement with respect to Dmitri Galinov and his Related Persons until December 14, 2030, which will be the fifth anniversary of the date on which 24X commenced operation. Accordingly, with these changes, the temporary exemption would be in place until December 14, 2030, rather than December 14, 2025. In addition, the Exchange proposes to amend Sections 9.2(g)(i) and (ii) of the 24X Bermuda Holdco LLC Agreement to state that the temporary exemptions would only remain in place provided Dmitri Galinov and his Related Persons ownership percentage in 24X Bermuda Holdco does not exceed the current ownership level of 43.07% of 24X Bermuda Holdco LLC. This five-year extension would allow the Exchange to dilute Dmitri Galinov and his Related Person's ownership in Bermuda Holdco LLC, make any necessary rule filings to implement any dilution transaction(s), and for the Commission to consider such filing(s).

The first sentence of Section 9.2(g)(i) of the 24X Bermuda LLC Agreement currently states the following:

Dmitri Galinov and his Related Persons shall have a temporary exemption from the limitation on ownership set forth in Section 9.2 above until nine (9) months after the date of approval by the SEC of 24X National Exchange's Form 1 application to register as a national securities exchange or until two months after commencement of the operation of the national securities exchange, if later than nine (9) months.

The Exchange proposes to replace this sentence with the following sentence:

Dmitri Galinov and his Related Persons shall have a temporary exemption from the limitation on ownership set forth in Section 9.2 above until December 14, 2030 so long as the ownership percentage of Dmitri Galinov and his Related Persons in the Company does not exceed 43.07% during such period.

Similarly, Section 9.2(g)(ii) of the 24X Bermuda LLC Agreement currently states the following:

Dmitri Galinov and his Related Persons shall have a temporary exemption from the voting limitations set forth in Section 9.2 above until nine (9) months after the date of approval by the SEC of 24X National Exchange's Form 1 application to register as a national securities exchange or until two months after commencement of the operation of the national securities exchange, if later than nine (9) months, but only with respect to any vote regarding any merger, consolidation or dissolution of the Company or any sale of all or substantially all of the assets of the Company.

The Exchange proposes to revise this provision to state the following:

Dmitri Galinov and his Related Persons shall have a temporary exemption from the voting limitations set forth in Section 9.2 above until December 14, 2030 so long as the ownership percentage of Dmitri Galinov and his Related Persons in the Company does not exceed 43.07% during such exemption, but only with respect to

any vote regarding any merger, consolidation or dissolution of the Company or any sale of all or substantially all of the assets of the Company.

The proposed five-year extension of the temporary exemption would provide a reasonable accommodation to a new entrant in the exchange market by allowing 24X Bermuda Holdco to avoid the expense of redeeming all of the Units the holding of which by Dmitri Galinov and/or his Related Persons results in a violation of Section 9.2 for a price per Unit, as applicable, equal to the lesser of (a) book value or (b) Fair Market Value of such Units. Such funds instead may be used with regard to the operation and regulation of the Exchange.

Furthermore, the reasons that the Commission cited for approving the temporary exemption in Section 9.2(g) of the 24X Bermuda Holdco LLC Agreement as consistent with the Exchange Act also support the approval of the extension of the exemption. First, the limited, defined period of time in which the extension would be in place and the limited amount by which the ownership interest may exceed 40% would serve to prevent Dmitri Galinov and his Related Persons from exercising undue control over 24X and minimize the possibility that 24X's ability to carry out its self-regulatory responsibilities under the Exchange Act could be impaired. Second, because the exemption from the voting limitation would continue to apply only with respect to the limited situations involving any merger, consolidation or dissolution of 24X Bermuda Holdco or any sale of all or substantially all of the assets of the 24X Bermuda Holdco, it would not permit undue control over 24X or impair the regulatory responsibilities of 24X. Third, the extension of the temporary exemption is designed to afford Dmitri Galinov and his Related Persons the ability to protect the investment they have already made in the establishment of 24X that is over the current ownership limitation, which is by only 3.07% of the Units of all outstanding Units. Fourth, as the Commission previously noted, the Commission has approved

other temporary exemptions from the ownership or voting limitations included in the governance documents of owners of a national securities exchange, including exemptions that last longer than five years.<sup>19</sup>

## 2. Statutory Basis

The Exchange believes that its proposed rule change is consistent with Section 6(b) of the Exchange Act<sup>20</sup> in general, and furthers the objectives of Section 6(b)(5) of the Exchange Act<sup>21</sup> in particular, 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 mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with Section 6(b)(5) of the Exchange Act<sup>22</sup> requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange also believes that the proposed rule change would further the objectives of Section 6(b)(1) of the Act,<sup>23</sup> in particular, in that such amendments enable the Exchange to be so organized as to have the capacity to be able to carry out the purposes of the Act and to comply

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<sup>19</sup> See Securities Exchange Act Release No. 49067 (Jan. 13, 2004), 69 FR 2761 (Jan. 20, 2004) (order granting approval to a proposed rule change by the Boston Stock Exchange Inc. Relating to the LLC Operating Agreement of the Proposed New Exchange Facility to be Operated by the Boston Options Exchange Group LLC) (approval of an exemption from a voting limitation for a period of 10 years for an owner of the BOX facility). See also Securities Exchange Act Release No. 42455 (Feb. 24, 2000), 65 FR 11388 (Mar. 2, 2000) (File No. 10-127) (order granting registration of the International Securities Exchange LLC) (approval of an exemption from an ownership limitation for period of 10 years for certain founders of the exchange).

<sup>20</sup> 15 U.S.C. 78f.

<sup>21</sup> 15 U.S.C. 78f(b)(5).

<sup>22</sup> See *id.*

<sup>23</sup> 15 U.S.C. 78f(b)(1).

with the provisions of the Act, the rules and regulations thereunder, and the rules of the Exchange.

The proposed five-year extension of the temporary exemption would provide a reasonable accommodation to a new entrant in the exchange market by allowing the avoidance of the expense of redeeming all of the Units in excess of the ownership limitations of Dmitri Galinov and/or his Related Persons. Such funds instead may be used with regard to the operation and regulation of the Exchange. The defined period of time in which the extension would be in place and the limited amount by which the ownership interest may exceed 40% would serve to prevent Dmitri Galinov and his Related Persons from exercising undue control over 24X and minimize the possibility that 24X's ability to carry out its self-regulatory responsibilities under the Exchange Act could be impaired. The proposed five-year extension would provide the Exchange more time to accomplish the required dilution.

Furthermore, the extension of the exemption would not undermine the goals of the ownership and voting limitations. Because the exemption from the voting limitation would continue to apply only with respect to the limited situations involving any merger, consolidation or dissolution of 24X Bermuda Holdco or any sale of all or substantially all of the assets of the 24X Bermuda Holdco, it would not permit undue control over 24X or impair the regulatory responsibilities of 24X. The extension of the temporary exemption is designed to afford Dmitri Galinov and his Related Persons the ability to protect the investment they have already made in the establishment of 24X that is over the current ownership limitation, which is by only 3.07% of the Units of all outstanding Units of 24X Bermuda Holdco. The temporary exemption is consistent with other temporary exemptions from the ownership or voting limitations approved

by the Commission with regard to other national securities exchanges, including exemptions that last longer than five years.<sup>24</sup>

**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 Exchange Act. The Exchange believes that the proposed extension of the temporary exemption from the ownership and voting limitations would enhance competition. By providing 24X, a new entrant to the exchange market, with additional time to address the regulatory requirements regarding the dilution of the indirect ownership interest of Dmitri Galinov and his Related Persons in the Exchange, the Exchange may avoid the expense of redeeming all of the Units in excess of the ownership limitations of Dmitri Galinov and/or his Related Persons, and instead may use such funds with regard to the operation and regulation of the Exchange. In addition, the proposed rule change would enhance competition by allowing additional time for the Exchange to seek to increase the diversity of indirect ownership of the Exchange. Furthermore, the temporary exemption is consistent with other temporary exemptions from the ownership or voting limitations approved by the Commission with regard to other national securities exchanges.

**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**

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition;

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*See note 17, supra.*

and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>25</sup> and Rule 19b-4(f)(6)<sup>26</sup> thereunder.

A proposed rule change filed under Rule 19b-4(f)(6)<sup>27</sup> normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b4(f)(6)(iii),<sup>28</sup> the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest. The Commission has approved other temporary exemptions from the ownership or voting limitations included in exchange governance documents,<sup>29</sup> and the proposal does not raise any novel regulatory issues. Accordingly, the Commission designates the proposed rule change to be operative upon filing.<sup>30</sup>

At any time within 60 days of the filing of the 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

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<sup>25</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>26</sup> 17 CFR 240.19b-4. In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

<sup>27</sup> 17 CFR 240.19b-4(f)(6).

<sup>28</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>29</sup> See supra note 17.

<sup>30</sup> For purposes only of waiving the 30-day operative delay, the Commission also has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

Commission shall institute proceedings 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:

##### Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>);  
or
- Send an e-mail [to rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-24X-2025-17 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-24X-2025-17. 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-24X-2025-17 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>31</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

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<sup>31</sup> 17 CFR 200.30-3(a)(12).