

# SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104474; File No. SR-LTSE-2025-28]

## **Self-Regulatory Organizations; Long-Term Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Exchange Rules 11.180 and Rule 14.002 to Conform With Recent Amendment to Definition of Round Lot under Rule 600 of Regulation NMS**

December 19, 2025.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on December 17, 2025, Long-Term Stock Exchange, Inc. (“LTSE” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

### **I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change**

The Exchange is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to amend Exchange Rules 11.180 and Rule 14.002 to conform with a recent amendment to the definition of Round Lot under Rule 600 of Regulation NMS recently approved by the Commission.<sup>3</sup>

The text of the proposed rule change is available at the Exchange’s website at <https://longtermstockexchange.com/> and at the principal office of the Exchange.

---

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

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

<sup>3</sup> See Securities Exchange Act Release No. 101070 (September 18, 2024), 89 FR 81620 (October 8, 2024) (S7-30-22).

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend Exchange Rules 11.180 and 14.002 to conform with a recent amendment to the definition of Round Lot under Rule 600 of Regulation NMS recently approved by the Commission.<sup>4</sup> The Exchange also proposes to make conforming non-substantive changes to Exchange Rules 11.151(a)(1), Two-Sided Quote Obligation, 11.220, Priority of Orders, and 14.310, Initial Listing Requirements for Primary Equity Securities.

In 2020, the Commission adopted amendments to Regulation NMS to modernize the NMS information provided within the national market system for the benefit of market participants and to better achieve Section 11A’s goals of assuring “the availability to brokers, dealers, and investors of information with respect to quotations for and transactions in securities that is prompt, accurate, reliable, and fair” (“MDI Rules”).<sup>5</sup> These changes included an amendment to Rule 600 of Regulation NMS to include a definition of “round lot” that assigns each NMS stock to a round lot size based on the stock’s average closing price. Prior to this

---

<sup>4</sup> See supra note 3.

<sup>5</sup> See Securities Exchange Act Release No. 90610 (December 9, 2020), 86 FR 18596 (April 9, 2021) (“MDI Adopting Release”).

change, a “round lot” was not defined in the Act or Regulation NMS. The definition of a “round lot” was included in the rules of each exchange, including Exchange Rules 11.180 and 14.002, which typically defined a “Round Lot” as 100 shares, but they also allowed the exchange, or the primary listing exchange for the stock, discretion to define it otherwise.

In light of delays in the implementation of the MDI Rules, including the definition of round lot, on September 18, 2024, the Commission, among other things, accelerated the implementation of the round lot definition. The Commission also revised the round lot definition as set forth below.<sup>6</sup> Rule 600(b)(93) of Regulation NMS, as adopted by the MDI Rules and as amended in 2024,<sup>7</sup> defines a round lot for NMS stocks<sup>8</sup> that have an average closing price on the primary listing exchange during the prior Evaluation Period<sup>9</sup> of: (1) \$250.00 or less per share as 100 shares; (2) \$250.01 to \$1,000.00 per share as 40 shares; (3) \$1,000.01 to \$10,000.00 per share as 10 shares; and (4) \$10,000.01 or more per share as 1 share. For any security that becomes an NMS Stock during an operative period, as described in Rule 600(b)(93)(iv),<sup>10</sup> a round lot is 100 shares. Adjustments to the round lot size for a security will occur on a semiannual basis and the calculation of the average closing price on the primary listing exchange will be based on a one month “Evaluation Period.”

---

<sup>6</sup> See supra note 3.

<sup>7</sup> Id.

<sup>8</sup> “NMS stock” is defined under Regulation NMS as any NMS security other than an option. 17 CFR 242.600(b)(65).

<sup>9</sup> Rule 600(b)(93)(iii) of Regulation NMS defines the Evaluation Period as (A) all trading days in March for the round lot assigned on the first business day in May and (B) all trading days in September for the round lot assigned on the first business day of November during which the average closing price of an NMS stock on the primary listing exchange shall be measured by the primary listing exchange to determine the round lot for each NMS stock.

<sup>10</sup> Pursuant to Rule 600(b)(93)(iv) of Regulation NMS the round lot assigned under this section shall be operative on: (A) The first business day of May for the March Evaluation Period and continue through the last business day of October of the calendar year; and (B) The first business day of November for the September Evaluation Period and continue through the last business day of April of the next calendar year.

The implementation of the Commission’s revised definition was required to be completed on November 3, 2025, and the Commission provided temporary exemptive relief to exchanges from the requirement to file proposed rule changes to amend their rules to reflect the round lot definition in Rule 600(b)(93) of Regulation NMS until 30 calendar days following the end of the lapse of appropriations.<sup>11</sup> The Exchange now proposes to amend Exchange Rules 11.180 and 14.002 to conform with the definition of Round Lot under Rule 600 of the Regulation NMS.

Exchange Rule 11.180(q)(1) provides that “[o]ne hundred (100) shares or any multiple thereof shall constitute a Round Lot, unless an alternative number of shares is established as a Round Lot by the listing exchange for the security.” The Exchange proposes to replace this definition with a sentence that explicitly refers to the definition of round lots under Rule 600 of Regulation NMS. As a result, the above sentence will be deleted and replaced with the following, “For any NMS stock, the “Round Lot” shall be the size assigned by the primary listing market pursuant to Rule 600 of Regulation NMS under the Exchange Act.”

Similarly, Exchange Rule 14.002(a)(1) provides ““Round Lot” or “Normal Unit of Trading” means 100 shares of a security[,]” and provides that the Exchange may determine when a “Round Lot” would not mean 100 shares. The Exchange now proposes to also amend Exchange Rule 14.002(a)(1) to explicitly refer to the definition of a round lot under Rule 600 of Regulation NMS. Again, the Exchange proposes these changes solely to conform the Exchange’s definition of Round Lot under Exchange Rule 11.180(q)(1) and Exchange Rule 14.002(a)(1) to the new definition of Round Lot under Rule 600 of Regulation NMS.

The Exchange also proposes to make conforming non-substantive changes to Exchange

---

<sup>11</sup> See Securities Exchange Act Release No. 104172 (Oct. 31, 2025) (Order Granting Temporary Exemptive Relief).

Rule 11.151(a)(1), Two-Sided Quote Obligation. Exchange Rule 11.151(a)(1) currently provides that “[u]nless otherwise designated, a ‘normal unit of trading’ shall be 100 shares.” The Exchange proposes to replace the aforementioned sentence with a sentence that conforms to the newly adopted definition of Round Lot in the Exchange’s Rulebook. As a result, the above sentence will be removed and replaced with the following: “[u]nless otherwise designated, a ‘normal unit of trading’ shall be a Round Lot as defined in Exchange Rule 11.180.” The Exchange also proposes to make conforming non-substantive changes to Exchange Rules 11.220, Priority of Orders and 14.310, Initial Listing Requirements for Primary Equity Securities. The Exchange proposes to capitalize the term Round Lot in each of these rules. The purpose of these changes is to provide greater clarity to exchange members and the public regarding the Rulebook. The Exchange does not propose any additional changes to these rules.

#### Implementation Date

The proposed rule changes will be implemented on December 12, 2025.

#### 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,<sup>12</sup> in general, and furthers the objectives of Section 6(b)(1)<sup>13</sup> in particular, in that it enables 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, and to enforce compliance by its exchange members and persons associated with its exchange members, with the provisions of the Act, the rules and regulations thereunder, and the rules of the Exchange. The Exchange also believed that the proposed rule change is consistent with Section 6(b)(5) of the Act<sup>14</sup> in that it is designed to

---

<sup>12</sup> 15 U.S.C. 78f(b).

<sup>13</sup> 15 U.S.C. 78f(b)(1).

<sup>14</sup> 15 U.S.C. 78f(b)(5).

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.

The Exchange proposes to amend Exchange Rules 11.180 and 14.002 to conform with the definition of Round Lot under Rule 600 of the Regulation NMS that is to be implemented in November 2025.<sup>15</sup> These changes are being proposed solely to conform the Exchange's definition of "Round Lot" under Exchange Rules 11.180 and 14.002 to the new definition of Round Lot under Rule 600 of Regulation NMS. The Exchange also proposes to make conforming nonsubstantive changes to Rules 11.151(a)(1), Two-Sided Quote Obligation, 11.220, Priority of Orders, and 14.310, Initial Listing Requirements for Primary Equity Securities. These changes are limited to capitalizing the term Round Lot in each of these rules to conform with the changes to Exchange Rules 11.180 and 14.002.

The proposed rule changes would reduce potential investor and market participant confusion and therefore remove impediments to and perfect the mechanism of a free and open market and a national market system by ensuring that the Exchange's rules properly reflect the requirements of Rule 600 of Regulation NMS. The Exchange also believes that the proposed rule changes would remove impediments to and perfects the mechanism of a free and open market by ensuring that persons subject to the Exchange's jurisdiction, regulators, and the investing public can more easily navigate and understand the Exchange's rules. The proposed rule changes would not be inconsistent with the public interest and the protection of investors because investors will not be harmed and in fact would benefit from the increased transparency and clarity, thereby

---

<sup>15</sup> See supra note 3.

reducing potential confusion.

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 Exchange believes the proposed rule changes do not impose any burden on intramarket or intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule changes to amend the definition of Round Lot are not intended to address competitive issues but rather are concerned solely with amending the Exchange's Rules to conform with the amended definition of Round Lot under Rule 600 of the Regulation NMS.<sup>16</sup> The proposed rule change to capitalize the term Round Lot in additional rules is conforming and non-substantive in nature, and is not intended to address competitive issues.

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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act<sup>17</sup> and Rule 19b-4(f)(6)<sup>18</sup> thereunder. 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; 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

---

<sup>16</sup> Id.

<sup>17</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>18</sup> 17 CFR 240.19b-4(f)(6).

Section 19(b)(3)(A) of the Act<sup>19</sup> and Rule 19b-4(f)(6)<sup>20</sup> thereunder.

A proposed rule change filed under Rule 19b-4(f)(6)<sup>21</sup> normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),<sup>22</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 proposed rule change may become operative immediately upon filing. The Exchange states that the proposed changes will not adversely impact investors and are solely designed to comply with the revised definition of Round Lot under Rule 600 of Regulation NMS recently approved by the Commission.<sup>23</sup> The Exchange also states that it is the public interest for the Rulebook to be specific, clear, and transparent, and that the proposed change would promote those interests. For these reasons, and because the proposed rule change does not raise any novel legal or regulatory issues, the Commission finds that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest. Therefore, the Commission hereby waives the 30-day operative delay and designates the proposed rule change to be operative upon filing.<sup>24</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

---

<sup>19</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>20</sup> 17 CFR 240.19b-4(f)(6). 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>21</sup> 17 CFR 240.19b-4(f)(6).

<sup>22</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>23</sup> See supra note 3.

<sup>24</sup> For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).



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 to determine whether the proposed rule 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 (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include file number SR-LTSE-2025-28 on the subject line.

##### Paper Comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to file number SR-LTSE-2025-28. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<https://www.sec.gov/rules/sro.shtml>). Copies of the filing will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection.

All submissions should refer to file number SR-LTSE-2025-28 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>25</sup>

**Sherry R. Haywood,**  
*Assistant Secretary.*

---

<sup>25</sup> 17 CFR 200.30-3(a)(12), (59).