SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-106966; File No. SR-LTSE-2026-31]

Self-Regulatory Organizations; Long-Term Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Article III, Section 3.6 of the LTSE Bylaws Regarding Vacancies on the Board of Directors

November 23, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),[1] and Rule 19b-4 thereunder,[2] notice is hereby given that on November 10, 2026, Long-Term Stock Exchange, Inc. ("LTSE" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III 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 Commission a proposed rule change to amend the Bylaws to amend Article III, Section 3.6 of the Bylaws regarding vacancies on the Exchange's Board of Directors to clarify board composition obligations during active candidate search and onboarding periods.

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.

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

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 the Bylaws to amend Article III, Section 3.6 of the Bylaws regarding vacancies on the Exchange's Board of Directors to clarify board composition obligations during active candidate search and onboarding periods.

Under Article III, Section 3.2(b)(ii) of the Bylaws, which describes the requisite composition of the Board, at least 20% of the total number of seats on the Board must be allocated to Member Representative Directors to ensure member market participants maintain fair representation in governance.[3] These individuals must be actively affiliated – as an officer, director, employee, or agent – with an LTSE-approved member firm.[4] Section 3.6(b) of the Bylaws also addresses the practical mechanics of managing mid-term vacancies of Member Representative Director seats. Currently, Section 3.6(b) mandates that when a Member Representative Director seat becomes vacant, the Member Nominating Committee must either

[3] See Bylaws, Art. III, Section 3.2(b)(ii) (providing that "the number of Member Representative Directors shall be at least twenty (20) percent of the Board … ."). There are currently two Member Representative Directors on the 10-person LTSE Board.

[4] See Bylaws, Art. I (Definitions), paragraph (s) (defining "Member Representative Director").

recommend a candidate or provide a vetted candidate list to fill the seat.[5] To prevent immediate technical non-compliance with Section 3.2(b), the current rule includes a narrow exception: if a vacancy occurs when six months or less remain in a Member Representative Director's term, the Board is not deemed in violation of the compositional requirement during the vacancy period ("safe harbor exception").[6]

The Exchange notes, however, that an unexpected vacancy occurring earlier than the six-month mark is not covered under the current safe harbor exception and therefore could create immediate governance strain, forcing either a rushed appointment or a technical regulatory breach.[7] To prevent this potential friction, LTSE proposes to expand the existing safe harbor exception to extend to any period in which the Exchange is performing reasonable due diligence to identify and onboard a qualified successor.[8] This change ensures that the Board has adequate time to perform comprehensive candidate vetting and regulatory background checks without compromising its governance obligations under the Act.

The Exchange also proposes a conforming change to remove the potentially confusing clause "during the period of vacancy" from current Section 3.6(b).

2. Statutory Basis

For the reasons discussed below, the Exchange believes that the proposed rule change is

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5 See Bylaws, Art. III, Section 3.6(b).

6 See id. (providing in relevant part that "if the remaining term of office of a Member Representative Director at the time of such Director's vacancy is not more than six (6) months, during the period of vacancy the Board shall not be deemed to be in violation of Section 3.2(b) by virtue of such vacancy.").

7 For example, if one of the two Member Representative Directors on LTSE's 10-person Board were to pass away, less than 20% of LTSE's Board would be composed of Member Representative Directors.

8 Proposed Section 3.6(b) provides that "if the remaining term of office of a Member Representative Director at the time of such Director's vacancy is not more than six (6) months, *or if the Company is performing reasonable due diligence to identify and onboard a successor,* the Board shall not be deemed to be in violation of Section 3.2(b) by virtue of such vacancy." *(Emphasis added.).*

consistent with the provisions of Section 6 of the Act,[9] in general, and furthers the objectives of Sections 6(b)(1), 6(b)(3), 6(b)(5), and 19(g)(1) of the Act.[10]

The proposal to enlarge the safe harbor exception by expanding it to include any period in which the Exchange is performing reasonable due diligence to identify and onboard a qualified successor is consistent with the Section 6(b)(3) of the Act. Under the current framework, an unexpected mid-term vacancy of a Member Representative Director could place artificial pressure on the Exchange and the Member Nominating Committee to conduct a truncated candidate search to mitigate technical non-compliance with Section 3.2(b). The proposal would provide the Board with a reasonable window for due diligence and ensure that the Member Nominating Committee has sufficient time to identify, interview, and evaluate candidates who meet all regulatory qualifications and genuinely reflect the interests of Exchange market participants. In this way, the proposal would enhance member representation, by enabling thorough vetting and prioritizing candidate quality over an arbitrary timeline, and safeguard the integrity and effectiveness of the member representation by providing a process that better ensures fair representation of Exchange members in selecting Member Representative Directors and administering Exchange affairs. The Exchange notes that the "reasonable due diligence" standard is an objective baseline: reasonable due diligence would require active, verifiable outreach and evaluation efforts, ensuring that the safe harbor could not be utilized to leave member representative positions vacant indefinitely.

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9 15 U.S.C. 78f.

10 15 U.S.C. 78f(b)(1), 15 U.S.C. 78f(b)(3), 15 U.S.C. 78f(b)(5), and 15 U.S.C. 78f(b)(3), and 15 U.S.C. 78s(g)(1), respectively.

The Exchange believes that the proposal would also further the objectives of Section 6(b)(5) of the Act[11] because it promotes just and equitable principles of trade and protects investors and the public interest by ensuring that all prospective Member Representative Directors undergo rigorous evaluation before joining the Board. The proposal would allow the Exchange to conduct thorough due diligence, including comprehensive background checks, statutory disqualification reviews under Section 3(a)(39) of the Act, and potential conflict-of-interest screenings, all of which protect market participants and the integrity of the Exchange's governance structure.

The Exchange believes that the proposed rule change is consistent with Section 6(b)(1) of the Act, which requires (among other things) that a national securities exchange be organized and have the capacity to be able to carry out the purposes of the Act and comply with its own rules. The Exchange believes that the proposal is consistent with Section 19(g)(1) of the Act, which also requires (among other things) that a national securities exchange comply with its own rules.

Under the current Bylaws, an unexpected vacancy on the Board – whether due to resignation, illness, disqualification, or other unforeseen departure – occurring prior to six months before the expiration of a Member Representative Director's term could otherwise result in an immediate technical non-compliance under Article III, Section 3.2(b). The proposed expanded safe harbor would allow the Exchange to avoid technical non-compliance and allow the Exchange to ensure continuous, orderly governance. This change would thus better organize the Exchange to comply with its own rules and discharge its duties under the Act.

[11] 15 U.S.C. 78f(b)(5).

Finally, removing the clause "during the period of vacancy" removes redundant and potentially ambiguous phrasing from Section 3.6(b), thereby fostering greater clarity and enabling the Exchange to more easily follow its rules, consistent with Section 6(b)(1) of the Act.

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 relates to the implementation of a more efficient and effective governance structure for LTSE. As such, the Exchange believes that it will have no effect on LTSE's competitive position.

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

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission shall: (a) by order approve or disapprove such proposed rule change, or (b) institute proceedings to determine whether the proposed rule change should be 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. Please include file number SR-LTSE-2026-31 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-2026-31. 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-2026-31 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.[12]

Vanessa A. Countryman,

Secretary.

[12] 17 CFR 200.30-3(a)(12).