

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104386; File No. SR-NYSEAMER-2025-72]

Self-Regulatory Organizations; NYSE American LLC; Notice of Filing of Proposed Rule Change to Amend Section 1003 of the NYSE American Company Guide

December 12, 2025.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (“Act”)² and Rule 19b-4 thereunder,³ notice is hereby given that, on December 3, 2025, NYSE American LLC (“NYSE American” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. 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 proposes to amend Section 1003 of the NYSE American Company Guide (the “Company Guide”) to establish that an issuer must maintain a certain global market capitalization and trading price per share in order to remain listed on the Exchange. The proposed rule change is available on the Exchange’s website at www.nyse.com, 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

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

In its filing with the Commission, the self-regulatory organization 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 those 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 parts of such statements.

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

1. Purpose

Section 1003 of the Company Guide sets forth minimum quantitative and qualitative continued listing standards for securities listed on the Exchange. Issuers of common stock are required to maintain certain quantitative minimum standards related to stockholders' equity⁴, publicly held shares⁵, public shareholders⁶ and aggregate market value of publicly held shares.⁷ In addition, Section 1003 also sets forth qualitative continued listing standards related to, among other things, operations contrary to public interest⁸ and reduction of operations.⁹

While the Exchange believes that its existing rules provide meaningful assurance that only financially sound and quality issuers remain listed on the Exchange, it has noticed a recent increase in companies that have either a (i) very small market capitalization, or (ii) very low trading price per share. The Exchange believes that an issuer having one or both of these characteristics is potentially susceptible to manipulation and more likely to experience trading

⁴ See Section 1003(a) of the Company Guide.

⁵ See Section 1003(b)(i)(A) of the Company Guide.

⁶ See Section 1003(b)(i)(B) of the Company Guide.

⁷ See Section 1003(b)(i)(C) of the Company Guide.

⁸ See Section 1003(f)(iii) of the Company Guide.

⁹ See Section 1003(c) of the Company Guide.

volatility in its shares. As such, the Exchange now proposes to amend Section 1003 to specify that an issuer must maintain a certain global market capitalization and trading price per share in order to remain listed on the Exchange.

Minimum Market Capitalization

Section 1003(b)(i) of the Company Guide enumerates circumstances where a class of common stock has sufficiently limited distribution of shares so as to warrant suspension and delisting. While reduced value of publicly held shares is grounds for suspension and delisting¹⁰, Section 1003(b)(i) does not contain a minimum market capitalization requirement. The Exchange now proposes to adopt new rule 1003(b)(i)(D) to specify that a company's class of common stock will be subject to immediate suspension and delisting if it has an average global market capitalization over a consecutive 30 trading-day period is less than \$5,000,000. The Exchange further proposes that a company falling below this standard will not be eligible to submit a compliance plan pursuant to Section 1009 of the Company Guide.

The Exchange believes it is appropriate to adopt a minimum market capitalization standard for continued listing because, in its experience, a company with a sustained market capitalization below \$5,000,000 is likely to be financially distressed and is increasingly susceptible to manipulation due to its small size. Accordingly, the Exchange does not believe that a company fitting this profile is appropriate for continued listing on the Exchange. The Exchange proposes to specify that a company subject to suspension and delisting for falling below proposed Section 1003(b)(i)(D) will not be eligible to follow the procedures to regain compliance set forth in Section 1009. In the Exchange's experience, a company trading at a

¹⁰ Section 1003(b)(i)(C) states that a class of common stock will be subject to suspension and delisting if its aggregate market value of shares publicly held is less than \$1,000,000 for more than 90 consecutive days.

sustained market capitalization below \$5,000,000 is unlikely to regain financial stability and it is therefore appropriate to subject it to immediate suspension and delisting.

Minimum Trading Price

Section 1003(f)(v) of the Company Guide states that the Exchange will consider initiating suspension and delisting procedures when a class of common stock is selling for a substantial period of time at a low price per share and its issuer fails to effect a reverse stock split to raise the per share trading price. In applying this rule, Exchange staff seeks to have proactive discussions with any issuer whose stock is trading below \$1.00 and initiates suspension and delisting when a stock trades below \$0.10 per share. Recently, the Exchange has become aware of an increasing industry-wide trend of low-priced stocks trading on national securities exchanges. The Exchange believes that low priced stocks have a greater chance of being manipulated or experiencing trading volatility. Accordingly, the Exchange believes it is appropriate to establish a minimum trading price for a security to remain listed on the Exchange.

The Exchange proposes to amend Section 1003(f)(v) to specify that if a security's close price per share is less than \$0.25 (the "Minimum Trading Price") on any trading day, the Exchange will immediately suspend trading and commence delisting proceedings. In the Exchange's experience securities that trade at abnormally low prices are typically unable to recover to any meaningful degree. Accordingly, the Exchange proposes to specify in Section 1003(f)(v) that a security that closes below the Minimum Trading Price will not be entitled to submit a plan to regain compliance pursuant to Section 1009 of the Company Guide. The Exchange proposes to make this change effective October 1, 2026. Providing a transition period before the rule is effective will afford issuers time to implement reverse stock splits to increase their share price before the new requirement is in place. The Exchange notes that its rules

prohibiting one or more reverse stock splits with a cumulative ratio of 200 shares or more to one in a two-year period will remain in place.¹¹

The Exchange also proposes to clarify that, consistent with its general authority under Section 1002(e) of the Company Guide to suspend trading in the event of any condition that makes further dealings on the Exchange unwarranted, it may suspend trading in a security that has experienced a precipitous decline and is at an abnormally low level even if such security has not fallen below the Minimum Trading Price at the market close. In the Exchange's experience, under those conditions a security's trading price is generally unable to recover and it is appropriate for the Exchange to take action.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Securities Exchange Act of 1934 (the "Act") generally¹² and furthers the objectives of Section 6(b)(5) of the Act¹³ in particular, in that it is designed to promote just and equitable principles of trade, 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.

In particular, the Exchange believes that establishing a minimum market capitalization and Minimum Trading Price for securities listed on the Exchange is designed to protect investors and the public interest and to remove impediments to and perfect the mechanism of a free and open market and a national market system because the Exchange believes that companies with small market capitalization or with a very low price per share are more susceptible to trading volatility and market manipulation. By adopting clear standards that

¹¹ See Section 1003(f)(vi) of the Company Guide.

¹² 15 U.S.C. 78f(b).

¹³ 15 U.S.C. 78f(b)(5).

prohibit such companies from remaining listed on the Exchange, the Exchange is therefore protecting investors and the public interest.

The Exchange has observed that the challenges facing companies with market capitalizations below \$5 million generally are not temporary and therefore immediate suspension from trading is warranted as a compliance period is unlikely to provide a sustained path to regaining compliance with Exchange rules. Further, a market capitalization below \$5 million can be a leading indicator of other financial concerns.

As discussed above, the Exchange believes that securities that trade below the Minimum Trading Price are more susceptible to trading volatility and market manipulation. The Exchange believes it is appropriate to establish a clear continued listing standard in this regard to limit the likelihood of problematic trading and provide clarity to listed issuers. Further, the Exchange believes it is appropriate to provide issuers with a transition period before effectiveness of the Minimum Trading Price requirement to afford time to implement a reverse stock split in anticipation of the new requirement.

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 notes that the proposed amendments would establish minimum market capitalization and trading price standards for issuers listed on the Exchange. The Exchange believes that issuers with very small market capitalization and securities that trade at very low prices are more likely to experience trading volatility and potentially be the subject of manipulation. The Exchange believes it is appropriate to address these concerns with the adoption of clear continued listing standards. The Exchange does not believe its proposed rules would impose any

burden on competition as all exchanges that list equity securities maintain a set of continued listing standards appropriate for companies listed on their respective exchange.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were solicited or received with respect to 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 up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) by order approve or disapprove the 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-NYSEAMER-2025-72 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-NYSEAMER-2025-72. 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-NYSEAMER-2025-72 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.¹⁴

Sherry R. Haywood,

Assistant Secretary.

¹⁴ 17 CFR 200.30-3(a)(12).