

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105774; File No. 4-897]

Self-Regulatory Organizations; Texas Stock Exchange LLC; Order Declaring Effective a Minor Rule Violation Plan

June 25, 2026.

On April 21, 2026, Texas Stock Exchange LLC (“TXSE” or the “Exchange”) filed with the Securities and Exchange Commission (“Commission”) a proposed minor rule violation plan (“MRVP” or “Plan”) pursuant to Section 19(d)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19d-1(c)(2) thereunder.² The proposed MRVP was published for comment in the Federal Register on May 4, 2026.³ The Commission received no comments on the proposal. This order declares the Exchange’s proposed MRVP effective.

The Exchange’s MRVP specifies the rule violations that will be included in the Plan and will have sanctions not exceeding \$2,500. Any violations resolved under the MRVP would not be subject to the provisions of Rule 19d-1(c)(1) of the Act,⁴ which requires that a self-regulatory organization (“SRO”) promptly file notice with the Commission of any final disciplinary action taken with respect to any person or organization.⁵ In accordance with

¹ 15 U.S.C. 78s(d)(1).

² 17 CFR 240.19d-1(c)(2).

³ See Securities Exchange Act Release No. 105335 (April 29, 2026), 91 FR 24024 (“Notice”).

⁴ 17 CFR 240.19d-1(c)(1).

⁵ The Commission adopted amendments to paragraph (c) of Rule 19d-1 to allow SROs to submit for Commission approval plans for the abbreviated reporting of minor disciplinary infractions. See Securities Exchange Act Release No. 21013 (June 1, 1984), 49 FR 23828 (June 8, 1984). Any disciplinary action taken by an SRO against any person for violation of a rule of the SRO which has been designated as a minor rule violation pursuant to such a plan filed with and declared effective by the Commission is not considered “final” for purposes of Section 19(d)(1) of the Act if the sanction imposed consists of a fine not exceeding \$2,500 and the sanctioned person has not sought an adjudication, including a hearing, or otherwise exhausted his administrative remedies.

Rule 19d-1(c)(2) under the Act,⁶ the Exchange proposed to designate certain specified rule violations as minor rule violations and requested that it be relieved of the prompt reporting requirements regarding such violations, provided it gives notice of such violations to the Commission on a quarterly basis.

The Exchange proposed to include in its MRVP the procedures included in TXSE Rule 8.015 (“Imposition of Fines for Minor Violation(s) of Rules”) and the violations included in TXSE Rule 8.015.01 (“List of Exchange Rule Violations and Recommended Fine Schedule Pursuant to TXSE Rule 8.015”).⁷ According to the Exchange’s proposed MRVP, under TXSE Rule 8.015(a), the Exchange may, in lieu of commencing a disciplinary proceeding as described in TXSE Rules 8.001 through 8.013, impose a fine on any Member (not to exceed \$2,500), associated person of a Member, or registered or non-registered employee of a Member, for any violation of a rule of the Exchange, which violation the Exchange shall have determined is minor in nature, as set forth in TXSE Rule 8.015.01. The Exchange may aggregate similar violations generally if the conduct was unintentional, there was no injury to public investors, or the

⁶ 17 CFR 240.19d-1(c)(2).

⁷ The Exchange received its grant of registration on September 30, 2025, which included approving the rules that govern the Exchange. Under the proposed MRVP, violations of the following rules would be appropriate for disposition under the MRVP: TXSE Rule 4.002 and Interpretations and Policies thereunder (requiring the submission of responses to Exchange requests for trading data within specified time periods); TXSE Rule 11.009(a)(5) (requirement to identify short sale orders as such); TXSE Rule 11.009(f) (requirement to comply with locked and crossed market rules); TXSE Rule 3.005 (relating to communications with the public); TXSE Rule 12.011 Interpretation and Policy .01 and Exchange Act Rule 604 (failure to properly display limit orders); TXSE Rule 4.002 and Interpretations and Policies thereunder (related to the requirement to furnish Exchange-related order, market and transaction data, as well as financial or regulatory records and information); TXSE Rule 11.018(a)(1) (requirement for Market Makers to maintain continuous two-sided quotations); and TXSE Rules 4.005 through 4.015 (failure to comply with the Consolidated Audit Trail compliance rules).

violations resulted from a single systemic problem or cause that has been corrected. In any action taken by the Exchange pursuant to TXSE Rule 8.015, the person against whom a fine is imposed shall be served with a written statement, signed by an authorized officer of the Exchange, setting forth (i) the rule or rules alleged to have been violated; (ii) the act or omission constituting each such violation; (iii) the fine imposed for each such violation; and (iv) the date by which such determination becomes final and such fine becomes due and payable to the Exchange. Pursuant to paragraph (c) of TXSE Rule 8.015, if the person against whom a fine is imposed pursuant to TXSE Rule 8.015 pays such fine, that payment shall be deemed to be a waiver of such person's right to a disciplinary proceeding under TXSE Rules 8.001 through 8.013 and any review of the matter by the Appeals Committee or by the Exchange Board. Any person against whom a fine is imposed pursuant to TXSE Rule 8.015 may contest such a finding pursuant to paragraph (d) of TXSE Rule 8.015 by filing with the Exchange not later than the date by which such determination must be contested (such date to be not less than 15 business days after the date of service of the written statement by the Exchange) a written response meeting the requirements provided in TXSE Rule 8.005 at which point the matter shall become a disciplinary proceeding subject to the provisions of TXSE Rules 8.001 through 8.013.⁸

According to the Exchange, upon the Commission's declaration of effectiveness of the MRVP, the Exchange will provide to the Commission a quarterly report for any actions taken on minor rule violations under the MRVP.⁹ The quarterly report will include: the Exchange's

⁸ See Notice, supra note 3, at 24024-25.

⁹ Id.

internal file number for the case, the name of the individual and/or organization, the nature of the violation, the specific rule provision violated, the fine imposed, the number of times the rule violation occurred, and the date of the disposition.¹⁰

The Exchange requested that the Commission deem any changes to the rules applicable to the Exchange's MRVP to be deemed modifications to the Exchange's MRVP.¹¹

The Commission finds that the proposal is consistent with the public interest, the protection of investors, or otherwise in furtherance of the purposes of the Act, as required by Rule 19d-1(c)(2) under the Act,¹² because the MRVP will permit the Exchange to carry out its oversight and enforcement responsibilities as an SRO more efficiently in cases where formal disciplinary proceedings are not necessary due to the minor nature of the particular violation.

In declaring the Exchange's MRVP effective, the Commission does not minimize the importance of compliance with Exchange rules and all other rules subject to the imposition of sanctions under Exchange Rule 8.015. Violation of an SRO's rules, as well as Commission rules, is a serious matter. However, Exchange Rule 8.015 provides a reasonable means of addressing violations that do not rise to the level of requiring formal disciplinary proceedings, while providing greater flexibility in handling certain violations. The Commission expects the Exchange to continue to conduct surveillance and make determinations based on its findings, on a case-by-case basis, regarding whether a violation requires formal disciplinary action or whether a sanction under the MRVP is appropriate.

¹⁰ Id.

¹¹ Id.

¹² 17 CFR 240.19d-1(c)(2).

IT IS THEREFORE ORDERED, pursuant to Rule 19d-1(c)(2) under the Act,¹³ that the proposed MRVP for TXSE, File No. 4-897 be, and hereby is, declared effective.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁴

Sherry R. Haywood,

Assistant Secretary.

¹³ Id.

¹⁴ 17 CFR 200.30-3(a)(44).