

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-106044; File No. SR-TXSE-2026-018]

Self-Regulatory Organizations; Texas Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Offer Additional Tickets Under the Exchange’s Rodeo Program and Re-Open the Application Window for the Rodeo Program; and Permit Sponsored Participants to participate in the Rodeo Program together with a Sponsoring Member of the Exchange as Joint Participants

August 6, 2026.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on August 3, 2026, Texas Stock Exchange LLC (the “Exchange” or “TXSE”) filed with the Securities and Exchange Commission (“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: (i) offer up to an additional four tickets under the Program and re-open the application window for the Rodeo Program so that additional applicants may join the Program following the close of the initial application window; and (ii) permit Sponsored Participants to participate in the Program together with a Sponsoring Member of the Exchange as

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

joint Participants. The text of the proposed rule change is available on the Commission’s website (<https://www.sec.gov/rules/sro.shtml>) at the Exchange’s website (<https://www.txse.com/regulations/rules-filings>), 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 parts 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: (i) offer up to an additional four tickets under the Program and re-open the application window for the Rodeo Program so that additional applicants may join the Program following the close of the initial application window; and (ii) permit Sponsored Participants, as defined in TXSE Rule 1.005(dd),³ to participate in the Program together with a Sponsoring Member, as defined in TXSE Rule 1.005(cc),⁴ of the Exchange as joint participants in the Program (“Participants”).

The Exchange previously adopted the Rodeo Program to provide Members⁵ of the

³ As defined in TXSE Rule 1.005(dd), the term “Sponsored Participant” means a person that has entered into a sponsorship arrangement with a Sponsoring Member or Members pursuant to TXSE Rule 11.003.

⁴ As defined in TXSE Rule 1.005(cc), the term “Sponsoring Member” means a Member that is a registered broker or dealer and that has been designated by a Sponsored Participant to execute, clear, and settle transactions resulting from the System, as defined in TXSE’s Rules.

⁵ As defined in TXSE Rule 1.005(q), the term “Member” means any registered broker or dealer that has been admitted to membership in the Exchange. A Member has the status of a “member” of the Exchange as that term is defined in Section 3(a)(3) of the Act.

Exchange that submit an initial prepayment fee (the “Prepayment Fee”) with a ticket redeemable for warrants that provide the right to purchase equity in the Exchange’s parent holding company, TXSE Group Inc. (“TXSE Group”). As described in the Rodeo Program Release, such warrants vest upon the achievement of certain liquidity volume thresholds on the Exchange. The Rodeo Program commences on September 1, 2026 and runs for one year, concluding at the end of the business day on August 31, 2027 (the “Rodeo Period”), subject to Exchange notice.⁶

Each Member of the Exchange was eligible to become a Participant on a first-come first-served basis by submitting all required documentation for participation by May 1, 2026 and paying a \$250,000 Prepayment Fee by May 15, 2026. In order to be a Participant, a Member was required to: (i) be an approved Member of the Exchange in good standing;⁷ (ii) be a registered broker-dealer pursuant to Section 15 of the Exchange Act; (iii) qualify as an “accredited investor” as that term is defined in Regulation D under the Securities Act of 1933; (iv) have executed all required documentation for participation in the Rodeo Program by May 1, 2026, i.e., the warrant agreement and confidentiality agreement; and (v) have tendered the Prepayment Fee no later than May 15, 2026. A Participant is issued a “ticket,” which is redeemable in exchange for warrants representing 100,000 shares of TXSE Group Voting Common Stock (“TXSE Group Stock”),⁸ a portion of which is eligible to vest at the end of each three-month period during the Rodeo Period (each, a “Measurement Period”) based on the Participant’s achievement of a

⁶ As provided in the Rodeo Program Release, the Exchange may, in its sole discretion, delay the beginning of the Rodeo Period by issuing a circular to Participants notifying them of such delay at least two weeks in advance of September 1, 2026. Any such delay would push back the dates of the beginning and end of each of the Measurement Periods by the amount of the delay. Each Measurement Period would continue to be a three-month period and the Rodeo Period would remain a one-year period. The Exchange will not delay the beginning of the Rodeo Period by more than six months. See Rodeo Program Release at 16045.

⁷ For purposes of the Program, the term “good standing” means that a Member is not delinquent with respect to Exchange fees or other charges and is not suspended or barred from being a Member.

⁸ Shares are subject to the Eighth Amended and Restated Stockholders’ Agreement of TXSE Group Inc. as amended and of the Certificate of Formation of TXSE Group Inc.

specified percentage of Total Consolidated Volume⁹ (“TCV”) on the Exchange (the “Target Performance”). As provided in the Rodeo Program Release, the vesting requirements are as follows:¹⁰

Measurement Period	Target Performance	Shares Available for Vesting
1 (9/1/26 - 11/30/26)	0.025% TCV	10,000
2 (12/1/26 - 2/26/27)	0.05% TCV	20,000
3 (3/1/27 - 5/31/27)	0.075% TCV	30,000
4 (6/1/27 - 8/31/27)	0.125% TCV	40,000

The warrants of Participants that achieve Target Performance for a Measurement Period will be assigned an exercise price through the Exercise Price Competition which is based on the Participant’s Multiplier Adjusted Volume during the Measurement Period.¹¹ Participants that do not achieve the Target Performance but achieve at least 50% of the Target Performance are eligible for partial vesting, as described in the Rodeo Program Release.¹² The total number of tickets available under the Program was originally between three and 20 among all Participants

⁹ As described in the Rodeo Program Release, “Total Consolidated Volume” or “TCV” is calculated as the volume reported by all exchanges and trade reporting facilities to a consolidated transaction reporting plan during the applicable Measurement Period, subject to certain exclusions. See Rodeo Program Release at 16046.

¹⁰ See Rodeo Program Release at 16047.

¹¹ For each Measurement Period, all Participants that meet the Target Performance for a ticket (“Fully Vesting Participants”) will also be assigned the exercise price of their warrants based on the Participant’s ranking in total adjusted volume (“Multiplier Adjusted Volume”), calculated as total shares traded on the Exchange with certain types of transactions being subject to volume multipliers and thus counted as a multiple of the shares actually traded, as applicable, among other Fully Vesting Participants during that Measurement Period. The higher the rank of a Fully Vesting Participant’s Multiplier Adjusted Volume, the lower their exercise price will be. Fully Vesting Participants will be assigned an exercise price for their warrants based on the Fully Vesting Participant’s ranking in the Multiplier Adjusted Volume among all Fully Vesting Participants during a Measurement Period. Multiplier Adjusted Volume applies only to exercise price assignment and does not have any impact on vesting or the Target Performance for any Measurement Period. See Rodeo Program Release at 16047-16048.

¹² See Rodeo Program Release at 16045.

and each Participant may receive up to three tickets, in each case subject to the Exchange's discretion to allocate tickets as described in the Rodeo Program Release.¹³

Re-Opening of the Application Window

First, the Exchange proposes to re-open the application window for the Rodeo Program. Following the close of the initial application window, the Exchange has continued to receive interest from potential Participants that wish to participate in the Program but did not join during the initial application window. In order to expand access to and further the objectives of the Program, the Exchange proposes to permit eligible applicants to join the Program such that an eligible applicant may join the Program by executing all required documentation by August 14, 2026, and tendering the Prepayment Fee no later than August 24, 2026, in order to participate in the Program. The Exchange may extend either of these deadlines by up to 45 days upon notice to Members. Once an eligible applicant has executed all required documentation and tendered the Prepayment Fee in accordance with the foregoing, the applicant would be accepted into the Program and issued a ticket, subject to the cap described below.

A Participant that joins the Program as of the commencement of the Rodeo Period would have the opportunity to vest warrants and participate in the Exercise Price Competition with respect to each of the four Measurement Periods, on the same terms as Participants that joined during the initial application window. The Target Performance and the number of shares eligible to vest per ticket for each Measurement Period would remain as set forth in Rodeo Program Release.¹⁴

The Exchange is also proposing to offer an additional four tickets under the Program

¹³ Id.

¹⁴ See Rodeo Program Release at 16047.

representing 400,000 shares of TXSE Group Stock. The Rodeo Program Release provided that there was a 20 ticket cap and the Exchange retained discretion under certain circumstances to increase or reallocate for Members requesting multiple tickets. Under this new application window, the Exchange will not offer more than 4 additional tickets regardless of demand and tickets will be allocated on a first-come first-served basis based on when a firm submits all required documentation. Under the amended Program, no Participant may receive more than three tickets, inclusive of any tickets issued during the initial application window. Tickets and warrants will be non-transferable except to an affiliate of the Participant, subject to certain restrictions and conditions. The Prepayment Fee for a Participant that joins the Program under the re-opened application window would begin to apply to the Participant's Rodeo Exchange Fees¹⁵ upon the Participant joining the Program, and the expiration provisions applicable to any unused portion of the Prepayment Fee described in the Rodeo Program Release would be measured in the same manner described in the Rodeo Program Release. To the extent that the Exchange extends the deadline to participate in the Rodeo Program as provided above and a Participant joins the Rodeo Program after the beginning of the Rodeo Period (September 1, 2026), the Participant's trading activity would only begin to be attributed to the Rodeo Program after such firm becomes a Participant (i.e. submits all required documentation and payment to the Exchange).

Participation by Sponsored Participants as Joint Participants

Second, the Exchange proposes to amend the Program to permit Sponsored Participants to participate in the Program together with a Sponsoring Member (together, a "Joint

¹⁵ As described in the Rodeo Program Release, the Prepayment Fee may be applied to various Exchange fees, including connectivity fees, market data fees, and membership fees (collectively, "Rodeo Exchange Fees"), and excludes transaction fees. See Rodeo Program Release at 16045.

Participant”). For purposes of applying the Program to a Joint Participant, references to a Participant would apply to the Sponsored Participant, except where the context specifically refers to the obligations or status of the Sponsoring Member.¹⁶ A Sponsoring Member and its corresponding Sponsored Participant would together participate in the Program as follows.

A Sponsoring Member and the corresponding Sponsored Participant would together be deemed a Joint Participant in the Program for so long as the Sponsoring Member: (i) is an approved Member of the Exchange in good standing;¹⁷ (ii) is a registered broker-dealer pursuant to Section 15 of the Exchange Act; and (iii) qualifies as an “accredited investor” as that term is defined in Regulation D under the Securities Act of 1933; and for so long as the Sponsored Participant: (i) has entered into a sponsorship arrangement with the Sponsoring Member pursuant to TXSE Rule 11.003; (ii) qualifies as an “accredited investor” as that term is defined in Regulation D under the Securities Act of 1933; (iii) has executed all required documentation for participation in the Program (the warrant agreement and confidentiality agreement, each between the Sponsored Participant and the Exchange); (iv) has caused the Prepayment Fee for each ticket to be tendered on its behalf (by the Sponsoring Member); and (v) has identifiable trading volume on the Exchange that is directly attributable to the Sponsored Participant.

Even though the Sponsoring Member and the Sponsored Participant would together constitute a Joint Participant, the Target Performance and any other volume thresholds under the Program would be required to be met exclusively by the Sponsored Participant, and any ticket

¹⁶ This aspect of the proposal is modeled on a recent proposed rule change by 24X National Exchange LLC that similarly permits sponsored participants to be joint participants in that exchange’s warrant performance incentive program together with a sponsoring member. See Securities Exchange Act Release No. 105481 (May 13, 2026), 91 FR 28695 (May 18, 2026) (SR-24X-2026-16) (proposed rule change to amend the warrant performance incentive program of 24X National Exchange LLC to allow sponsored participants to be joint participants together with a sponsoring member).

¹⁷ For purposes of the Program, the term “good standing” means that a Member is not delinquent with respect to Exchange fees or other charges and is not suspended or barred from being a Member.

and warrants granted in connection with the Sponsored Participant's participation in the Program would be issued only to the Sponsored Participant. For the same reason, the Sponsored Participant's ranking in the Exercise Price Competition would be based on the Multiplier Adjusted Volume attributable to the Sponsored Participant. Where multiple Sponsored Participants seek to participate in the Program together with the same Sponsoring Member, each of the foregoing requirements would be required to be satisfied by each such Sponsored Participant, and each such Sponsored Participant would be treated as a separate Participant for purposes of the issuance of tickets and warrants and for purposes of the three-ticket cap, subject to the four ticket cap that the Exchange is making available under the Program.

A Sponsoring Member that chooses to participate in the Program together with a Sponsored Participant would not be precluded from also participating in the Program on its own as a Participant, provided that it satisfies the eligibility requirements applicable to Participants described above, including the tendering of a Prepayment Fee on its own behalf. Where a Sponsoring Member has tendered a Prepayment Fee on its own behalf in the process of becoming a Participant, that Prepayment Fee would be attributed only to the Sponsoring Member and not to any Sponsored Participant that wishes to participate in the Program together with the Sponsoring Member. Where a Sponsoring Member that is already a Participant wishes to additionally participate in the Program together with a Sponsored Participant, the Sponsoring Member would be required to cause an additional Prepayment Fee to be tendered for each such Sponsored Participant.

Sponsored Participants would be permitted to join the Program under the re-opened application window described above, on the same timing and terms applicable to other applicants. Accordingly, a Joint Participant may join the Program by executing all required

documentation by August 14, 2026, and causing the Prepayment Fee to be tendered no later than August 24, 2026 in order to participate as of the commencement of the Rodeo Period, including with respect to vesting and the Exercise Price Competition, unless such deadlines are extended as described above.

As with all TXSE Group Stock issued in connection with the Program, the total equity ownership of TXSE Group Stock, including any TXSE Group Stock purchased by a Sponsored Participant through the exercise of vested warrants, would remain subject to the ownership limitations of the Eighth Amended and Restated Stockholders' Agreement of TXSE Group Inc., as amended (the "TXSE Group Stockholders' Agreement"), and the Certificate of Formation of TXSE Group Inc., as amended (the "TXSE Group Certificate of Formation"), which limitations apply to a person together with its related persons.¹⁸

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,¹⁹ in general, and furthers the objectives of Section 6(b)(5) of the Act,²⁰ 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

¹⁸ See, e.g., Article Seventh(b) of the TXSE Group Certificate of Formation, which provides that no person, either alone or together with its related persons, may beneficially own, directly or indirectly, shares of stock of TXSE Group representing in the aggregate more than 40% of the then-outstanding shares of stock, and no Member, either alone or together with its related persons, may beneficially own, directly or indirectly, shares representing in the aggregate more than 20% of the then-outstanding shares. See also Section 14 of the TXSE Group Stockholders' Agreement.

¹⁹ 15 U.S.C. 78f(b).

²⁰ 15 U.S.C. 78f(b)(5).

public interest. Additionally, the Exchange believes the proposed rule change is consistent with the requirement in Section 6(b)(5) of the Act²¹ that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange also believes the proposed rule change is consistent with Section 6(b)(4) of the Act,²² which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its members and other persons using its facilities.

The Exchange believes that offering up to an additional four tickets and re-opening the application window is fair, reasonable, and not unfairly discriminatory because the re-opened window is available on the same terms and conditions to all eligible applicants, including Members seeking to participate directly and Sponsored Participants seeking to participate together with a Sponsoring Member as Joint Participants, and because it expands access to the Program to eligible applicants that did not join during the initial application window. The eligibility criteria for participation would remain objective and uniformly applied, and each applicant that joins under the re-opened window would participate in the Program on the same terms, conditions, and restrictions as other Participants, including the same Target Performance thresholds and the same number of shares eligible to vest per ticket for each Measurement Period.

The Exchange believes that permitting Sponsored Participants to participate in the Program together with a Sponsoring Member is fair, reasonable, and not unfairly discriminatory because it would be offered to all Sponsoring Members of the Exchange and their corresponding Sponsored Participants on the same terms and conditions. Permitting Sponsored Participants to

²¹ 15 U.S.C. 78f(b)(5).

²² 15 U.S.C. 78f(b)(4).

participate would expand access to the Program to persons that could not otherwise participate in the Program on their own, which the Exchange believes would benefit all market participants by providing greater liquidity on the Exchange and thereby perfecting the mechanism of a free and open market and a national market system. Because the Target Performance and other volume thresholds must be met exclusively by the Sponsored Participant based on volume that is identifiable and directly attributable to the Sponsored Participant, and because any ticket and warrants would be issued only to the Sponsored Participant, the Exchange believes that the participation of Sponsored Participants is consistent with the objective, volume-based structure of the Program that applies to all Participants.

In addition, the Exchange believes that the Program, as amended by the proposed rule change, would promote the long-term interests of the Exchange by providing incentives designed to encourage market participants to contribute to the growth and success of the Exchange by actively providing liquidity on the Exchange, and by providing additional investment and funding that could be used for the regulation and operation of the Exchange. The Exchange believes that the additional funds provided through the participation of additional Participants and Sponsored Participants would enable the Exchange to have greater capacity to carry out the purposes of the Act and to comply with the provisions of the Act, the rules and regulations thereunder, and the rules of the Exchange, which, in turn, would protect investors and the public interest. The ownership limitations of the TXSE Group Stockholders' Agreement and the TXSE Group Certificate of Formation would continue to apply to all TXSE Group Stock issued in connection with the Program.

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 rule change would increase both intermarket and intramarket competition by incentivizing both Participants and the new category of Joint Participants to direct their orders to the Exchange, which would enhance the quality of quoting and increase the volume of securities traded on the Exchange. To the extent that this purpose is achieved, the Exchange believes that all of the Exchange's market participants would benefit from the improved market liquidity, tighter quoting, and better prices that would result from the anticipated increase in order flow directed to the Exchange.

The Exchange also believes that any competitive burden on persons that do not participate in the Program is appropriate because the Program is designed to attract additional order flow to the Exchange, which would provide additional liquidity that enhances the quality of the Exchange's market and increases the volume of securities traded on the Exchange, to the benefit of all market participants. As a relatively new exchange competing for volume with much larger, established exchanges, the Exchange is likely to represent a nominal percentage of the average daily trading volume in equities in the near term. Accordingly, the Exchange does not believe that the Program, as amended by the proposed rule change, could impose any competitive harm on the equities markets or on market participants; rather, the proposed rule change represents an effort to attract order flow through an innovative pricing strategy and expands access to the Program to additional Participants and to Sponsored Participants, which would further competition by providing market participants with an additional option in determining where to execute orders and post liquidity.

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 written comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act²³ and paragraph (f) of Rule 19b-4²⁴ thereunder. 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 Commission will 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 proposal 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. Please include file number SR-TXSE-2026-018 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.

²³ 15 U.S.C. 78s(b)(3)(A).

²⁴ 17 CFR 240.19b-4(f).

All submissions should refer to File No. SR-TXSE-2026-018. 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 (<http://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-TXSE-2026-018 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.²⁵

Sherry R. Haywood,

Assistant Secretary.

²⁵ 17 CFR 200.30-3(a)(12).