SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-106181; File No. SR-TXSE-2026-021]

Self-Regulatory Organizations; Texas Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend the Exchange's Warrant Performance Incentive Program to Add ETPs to the Definition of Liquidity Improvement Symbols and High-Volume Symbols

August 24, 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 14, 2026, Texas Stock Exchange LLC (the "Exchange" or "TXSE") filed with the Securities and Exchange Commission ("Commission") a proposed rule change to amend the Exchange's warrant performance incentive program (the "Rodeo Program" or the "Program")[3] to add ETPs[4] to the definition of Liquidity Improvement Symbols and High-Volume Symbols.

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 the Rodeo Program to add ETPs to the definition of Liquidity Improvement Symbols and High-Volume Symbols. 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

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

2 17 CFR 240.19b-4.

3 Securities Exchange Act Release No. 105090 (March 26, 2026), 91 FR 16044 (March 31, 2026) (SR-TXSE-2026-003) (the "Rodeo Program Release").

4 For purposes of this proposal, the term ETP shall mean any security described in Chapter 17 of the Exchange's rulebook.

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 add exchange traded funds to the definition of Liquidity Improvement Symbols[5] and High-Volume Symbols[6] for purposes of calculating the Enhanced Liquidity Symbol Multiplier as part of the Program.

The Exchange previously adopted the Rodeo Program to provide Members[7] of the 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

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5 As provided in the Rodeo Program Release, Liquidity Improvement Symbols are symbols that the Exchange believes could benefit from tighter spreads and price improvement opportunities and deeper liquidity.

6 As provided in the Rodeo Program Release, High-Volume Symbols are generally high-volume symbols that have an average spread of greater than $0.01 and/or trade on away markets more intraday than on their primary listing market.

7 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.

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.[8]

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.[9] In order to be a Participant, a Member was required to: (i) be an approved Member of the Exchange in good standing;[10] (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"),[11] 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

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8 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.

9 The Exchange subsequently submitted a proposal to re-open the application window for the Program and to make the Program available to Sponsored Participants. See Securities Exchange Act Release No. 106044 (August 6, 2026), 91 FR 51756 (August 11, 2026) (SR-TXSE-2026-018) (the "Rodeo Re-Opening Release").

10 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.

11 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.

Participant's achievement of a specified percentage of Total Consolidated Volume[12] ("TCV") on the Exchange (the "Target Performance"). As provided in the Rodeo Program Release, the vesting requirements are as follows:[13]

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.[14] 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.[15] The total number of tickets available under the Program was originally between three and 20 among all Participants 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.[16] As provided in the Rodeo Re-Opening Release, there are currently up to four tickets available for both Members

[12] 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.

[13] See Rodeo Program Release at 16047.

[14] See Rodeo Program Release at 16047-16048.

[15] See Rodeo Program Release at 16045.

[16] Id.

and Sponsored Participants that meet all necessary requirements.

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.

Multiplier Adjusted Volume

In calculating each Fully Vesting Participant's Multiplier Adjusted Volume,[17] the volume multipliers are:

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17 Multiplier Adjusted Volume is calculated as follows: ((number of shares in transactions that do not qualify for a multiplier) + (number of shares in transactions that qualify for Intraspread Multiplier x 2) + (number of shares in transactions eligible for the Auction Multiplier x 10) + (number of shares in transactions that qualify for the Add Displayed Volume Multiplier x 1.2) + (number of shares in transactions that qualify for the ELS Multiplier x 2)) / (number of tickets issued to the Fully Vesting Participant). Transactions may qualify for more than one multiplier except that a transaction that is eligible for the Auction Multiplier is not eligible for other multipliers. For example, a transaction that would qualify for the ELS Multiplier and the Intraspread Multiplier will receive both the ELS Multiplier of 2x and the Intraspread Multiplier of 2x, as further explained in the example below.

(i) Intraspread Multiplier: transactions for which the adding order added non-displayed liquidity and the execution occurs within the NBBO[18] are subject to a 2x multiplier;

(ii) Auction Multiplier: transactions in Opening Auctions[19] and Closing Auctions[20] for which the order is an Eligible Auction Order[21] in securities for which TXSE is the primary listing market are subject to a 10x multiplier;

(iii) Add Displayed Volume Multiplier: transactions for which the order adds displayed liquidity to the Exchange are subject to a 1.2x multiplier; and

(iv) Enhanced Liquidity Symbol ("ELS") Multiplier: transactions in securities that are included in a list of securities which the Exchange believes could benefit from enhanced liquidity are subject to a 2x multiplier, including Liquidity Improvement Symbols and High-Volume Symbols (collectively "ELSM Securities"),[22] both defined below. The Exchange will apply several objective factors related to each security's trading characteristics and designate the securities that meet certain

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18 As provided in Rule 1.005(r), the term "NBBO" means the national best bid or offer.

19 Opening Auction functionality is described in Rule 11.022(b).

20 Closing Auction functionality is described in Rule 11.022(c).

21 As provided in Rule 11.022(a)(8), the term "Eligible Auction Order" means any MOO, LOO, LLOO, MOC, LOC or LLOC order (each as defined below) that is entered in compliance with its respective cutoff for an Opening Auction (as defined below) or Closing Auction (as defined below), any RHO order prior to the Opening Auction, any limit or market order not designated to exclusively participate in the Closing Auction entered during the Quote-Only Period (as defined below) of an IPO Auction subject to the below restrictions, and any limit or market order not designated to exclusively participate in the Opening Auction or Closing Auction entered during the Quote-Only Period of a Halt Auction (as defined below).

22 The Exchange will publish the list of ELSM Securities on its website at least 15 calendar days prior to the start of the Rodeo Program Period. The Exchange will also publish the list of ELSM Securities for a new Measurement Period on its website at least 15 calendar days prior to the beginning of the Measurement Period. The Exchange does not generally expect to change the list of ELSM Securities within a Measurement Period, but where it does make changes within a Measurement Period (e.g. new listings on TXSE), it will post notice of any changes to its website along with an updated list of ELSM Securities at least one day prior to such changes going into effect.

thresholds with respect to these factors as Liquidity Improvement Symbols[23] or High-Volume Symbols.[24]

Currently, to be considered as Liquidity Improvement Symbols or High-Volume Symbols, a security must satisfy TXSE's initial listing standards under Rule 16.310, which relate to the Exchange's listing requirements for common stock of domestic companies.[25] Similarly, the Rodeo Program Release provides that all TXSE-listed corporate securities will also be ELSM Securities (including both primary and dual-listings) in addition to the universe of securities selected as Liquidity Improvement Symbols and High-Volume Symbols.

Proposed Changes

The Exchange is proposing to expand the definition of Liquidity Improvement Symbols and High-Volume Symbols to include ETPs and to provide that all TXSE-listed securities, including ETPs listed on TXSE, will be considered ELSM Securities. Specifically, the Exchange is proposing: (i) that all Liquidity Improvement Symbols and High-Volume Symbols must either meet the initial listing requirements for common stock of domestic companies under Rule 16.310 or be an ETP; and (ii) that all TXSE-listed corporate securities and ETPs will also be ELSM Securities, including both primary and dual-listings in addition to the Liquidity Improvement Symbols and High-Volume Symbols. The Exchange is not proposing to make any additional changes to the Program and all calculations related to the Program will otherwise remain the same as described in the Rodeo Program Release.

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23 The factors for Liquidity Improvement Symbols are average daily volume, off-exchange volume, auction dislocation, quoted and effective spreads, and whether a symbol trades on away markets more intraday than on their primary listing market.

24 The factors for determining High-Volume Symbols include trading volume, average spread, and whether a symbol trades on away markets more intraday than on their primary listing market.

25 See Rule 16.310.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,[26] in general, and furthers the objectives of Section 6(b)(5) of the Act,[27] 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 public interest. Additionally, the Exchange believes the proposed rule change is consistent with the requirement in Section 6(b)(5) of the Act[28] 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,[29] 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 including ETPs as ELSM Securities for purposes of the Exercise Price Competition, both by adding ETPs to the definition of Liquidity Improvement Symbols and High-Volume Symbols and providing that all TXSE-listed corporate securities and ETPs will also be ELSM Securities, is consistent with the Act for the same reasons that including securities meeting the requirements of Rule 16.310 is consistent with the Act as provided in the Rodeo Program Release. The proposed change would provide Participants an additional incentive to provide liquidity in ETPs on the Exchange, which the Exchange believes may

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[26] 15 U.S.C. 78f(b).

[27] 15 U.S.C. 78f(b)(5).

[28] 15 U.S.C. 78f(b)(5).

[29] 15 U.S.C. 78f(b)(4).

promote tighter spreads, price improvement opportunities, and execution quality for investors. The proposed change would also create additional competition among Participants to provide qualifying liquidity in ETPs during each Measurement Period. By applying the ELS Multiplier to qualifying ETP transactions, the Exchange seeks to encourage trading behavior that may improve market quality in ETPs without changing the Program's Target Performance requirements or the vesting criteria for any Participant. The Exchange believes that the benefits associated with increased liquidity in eligible corporate securities, including improved quoting and execution opportunities, would similarly accrue to ETPs. Further, by adding TXSE-listed ETPs to the definition of ELSM Securities, the Exchange believes that the proposal will further enhance liquidity in ETPs listed on the Exchange to the benefit of its ETP listing program. Accordingly, the Exchange believes that expanding ELSM Securities to include ETPs would benefit investors, the Exchange, and the broader market.

As such, 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 in both corporate securities and ETPs.

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 proposed rule change would expand the universe of securities eligible for the Enhanced Liquidity Symbol Multiplier to include ETPs, thereby permitting Participants to receive multiplier credit for qualifying transactions in ETPs in the same manner as qualifying transactions in eligible corporate securities.

The Exchange believes that the proposed rule change would enhance intramarket competition by providing Participants an additional incentive to compete to provide liquidity in ETPs on the Exchange. Any resulting increase in liquidity, tighter spreads, and price-improvement opportunities in ETPs would benefit market participants trading on the Exchange. The proposed rule change would apply uniformly to all Participants in the Rodeo Program and would not alter the Target Performance requirements or the manner in which Multiplier Adjusted Volume is used to assign exercise prices.

The Exchange also believes that the proposed rule change may enhance intermarket competition by enabling the Exchange to compete more effectively for ETP order flow. As a new exchange, the Exchange seeks to encourage liquidity provision and improve market quality through the Rodeo Program. The proposed rule change provides an additional incentive for Participants to direct qualifying ETP order flow to the Exchange, while leaving market participants free to execute orders on other trading venues. Accordingly, the Exchange does not believe that the proposed rule change will impose any significant burden on competition.

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 Act[30] and Rule 19b-4(f)(2)[31] thereunder. At any time within 60 days of the filing of the proposed

30 15 U.S.C. 78s(b)(3)(A).

31 17 CFR 240.19b-4(f)(2).

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 (https://www.sec.gov/rules/sro.shtml); or
- Send an e-mail to rule-comments@sec.gov. Please include File No. SR-TXSE-2026-021 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 No. SR-TXSE-2026-021. This file number should be included on the subject line if e-mail 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-TXSE-2026-021 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.[32]

J. Matthew DeLesDernier,

Deputy Secretary.

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[32] 17 CFR 200.30-3(a)(12).