

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-106637; File No. SR-TXSE-2026-039]

**Self-Regulatory Organizations; Texas Stock Exchange LLC; Notice of Filing and
Immediate Effectiveness of a Proposed Rule Change to Implement a Restricted Stock Units
Incentive Program**

October 8, 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 October 7, 2026, Texas Stock Exchange LLC (the “Exchange” or “TXSE”) filed with the Securities and Exchange Commission (“Commission”) a 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 Securities and Exchange Commission (“Commission”) a proposal to adopt Rodeo II on the Exchange. 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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 implement Rodeo II to provide the first ten issuers of corporate securities that on or before December 31, 2026 either transfer their primary listing to TXSE or dually list on TXSE (the "Founding Partners"), subject to certain requirements below, with restricted stock units of the Exchange's parent holding company, TXSE Group Inc. ("TXSE Group"), that will vest over the course of two years.³ Qualifying listings completed beginning on October 5, including those completed before the commencement of the Program, are eligible to participate.⁴ Rodeo II will commence on October 7, 2026 and run until the earliest of: (i) the allocation of all available awards; (ii) December 31, 2026; or (iii) the Exchange, in its sole discretion, terminates the Program. If there are more than ten Founding Partners on or before December 31, 2026, TXSE may, in its sole discretion, increase the total number of restricted share awards to 15 upon providing notice on its website. Any such increase would be subject to the same requirements applicable to the first 10 awards. Founding Partners may be, but are not required to be, current investors in TXSE Group, and the Exchange anticipates both current investors and new participants participating in the Program. The total equity ownership of TXSE Group Stock shall be subject to the ownership limitations of the Eighth Amended and Restated

³ The Exchange notes that it launched its corporate listing business on October 5, 2026, and currently has five issuers that would satisfy qualifications (i), (ii), (iii), and (v) below to receive restricted stock units under the Program. Their participation remains subject to execution of all required Program documentation.

⁴ Each award would consist of 100,000 restricted stock units in TXSE Group, in total representing 2.94% of the fully diluted outstanding shares of TXSE Group as of June 30, 2026.

Stockholders' Agreement of TXSE Group Inc. as amended (the "TXSE Group Stockholders' Agreement") and of the Certificate of Formation of TXSE Group Inc. (the "TXSE Group Certificate of Formation").⁵

The purpose of Rodeo II is to promote the long-term interests of the Exchange by providing incentives designed to recognize the contribution of qualifying issuers that transferred their listings to TXSE at the launch of its corporate listing business, attract additional qualifying primary and dual listings, and encourage all Founding Partners to retain their listings on TXSE for at least two years, as further described below. Founding Partners' equity interest in TXSE Group will also help to align long-term incentives among corporate issuers more broadly, the Exchange, and its parent company by adding more corporate issuers to TXSE Group's ownership group and more specifically for the Founding Partners by providing issuers with the opportunity to share in the benefits of TXSE's increased enterprise value.

To be eligible to be a Founding Partner, a company must: (i) be a United States domiciled issuer whose primary listing consist solely of either: (a) common stock issued by a corporation (including an operating company or a business development company regulated under the Investment Company Act of 1940); (b) master limited partnership units; or (c) common shares of

⁵ See, e.g., Section 14 of the TXSE Group Stockholders' Agreement, which states that "any Stockholder, either alone or together with its Related Persons (as defined in the Certificate of Formation), that is also a member of the Texas Stock Exchange (or its successor), may not beneficially own directly or indirectly shares of stock of the Company representing in the aggregate more than 20% of the then-outstanding shares of stock of the Company."; Article SEVENTH(b)(1)(A) and (B) of the TXSE Group Certificate of Formation, which states that "no Person, either alone or together with its Related Persons, shall be permitted at any time to beneficially own, directly or indirectly, shares of stock of the Corporation representing in the aggregate more than 40% of the then-outstanding shares of stock of the Corporation; and no Member, either alone or together with its Related Persons, may beneficially own, directly or indirectly, shares of stock of the Corporation representing in the aggregate more than 20% of the then-outstanding shares of stock of the Corporation."

a real estate investment trust (“REIT”);⁶ (ii) satisfy, or have satisfied at the time of listing, the Exchange’s quantitative listing standards applicable to the transfer of a primary listing or addition of a dual listing of such securities to TXSE, and receive, or have received, approval to list from TXSE Regulation; (iii) (a) for primary listings, have a trailing 90-trading day average market capitalization of at least \$3.5 billion at the time of the primary listing transfer or at the end of the first trading day that the applicant is primarily listed on TXSE; or (b) for dual listings, have a market cap of at least \$100 billion; (iv) execute all required Program documentation, including a subscription agreement, listing application, and confidentiality agreement; (v) complete or have completed the transfer of a primary listing or a dual listing, as applicable, of a qualifying class of equity securities to the Exchange which shall be deemed completed upon the first Opening Auction in the equity security on the Exchange.

Where an issuer satisfies the above conditions, they will receive 100,000 restricted stock units (the “Rodeo Units”) within sixty days following completion of the listing. Rodeo Units will vest in two tranches subject to the maintenance of the applicable continued listing standards on the Exchange as follows:

- For primary listings:
 - Fifty percent of the Rodeo Units will vest upon the first anniversary of the issuer’s continuous primary listing on the Texas Stock Exchange, provided that the issuer remains primarily listed on the Exchange as of such date; and
 - Fifty percent of the Rodeo Units will vest on the second anniversary of the

⁶ For the avoidance of doubt the following are not eligible: special purpose acquisition companies (SPACs), exchange traded products & funds, closed-end funds (other than BDCs), structured products, royalty trusts, or issuers domiciled outside of the United States.

issuer's continuous primary listing on the Texas Stock Exchange, provided that the issuer remains primarily listed on the Exchange as of such date.

- For dual listings:
 - Fifty percent of the Rodeo Units will vest upon the first anniversary of the issuer's continuous listing (whether a dual listing or a primary listing) on the Texas Stock Exchange, provided that the issuer remains listed on the Exchange as of such date; and
 - Fifty percent of the Rodeo Units will vest on the second anniversary of the issuer's continuous listing (whether a dual listing or a primary listing) on the Texas Stock Exchange, provided that the issuer remains listed on the Exchange as of such date.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,⁷ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁸ 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 Act⁹ that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange also

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(5).

⁹ 15 U.S.C. 78f(b)(5).

believes the proposed rule change is consistent with Section 6(b)(4) of the Act,¹⁰ 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.

TXSE notes that the Exchange operates in a highly competitive marketplace for the listing of companies.¹¹ The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. The Exchange believes that the ever-shifting market share among exchanges with respect to new listings and the transfer of existing listings between competitor exchanges demonstrates that issuers can choose different listing markets in response to fee changes and this proposal is designed to help the Exchange both compete for new listings and retain existing listings. Moreover, new competitors, such as the Exchange, can enter the space, as well as existing exchanges currently without listing programs and new fee arrangements, such as Rodeo II, act to further enhance new entrants' ability to compete in the listings business. Accordingly, competitive forces constrain the Exchange's listing fees and incentive programs like Rodeo II can have a direct effect on the ability of TXSE to compete for new listings and retain existing listings.

The Exchange believes that the proposal is equitable and not unfairly discriminatory because participation is available on the same terms to qualifying issuers that have already transferred their listings to TXSE and to qualifying issuers that subsequently transfer their primary listings or dually list on the Exchange, subject to the Program's eligibility criteria and

¹⁰ 15 U.S.C. 78f(b)(4).

¹¹ The Justice Department has noted the intense competitive environment for exchange listings. See "NASDAQ OMX Group Inc. and Intercontinental Exchange Inc. Abandon Their Proposed Acquisition Of NYSE Euronext After Justice Department Threatens Lawsuit" (May 16, 2011), available at http://www.justice.gov/atr/public/press_releases/2011/271214.htm.

award limits. Including the five issuers that transferred their listings at the launch of the Exchange's corporate listing business recognizes their contribution to establishing TXSE as a corporate listing venue and provides an incentive for them to maintain their listings through the applicable vesting dates. Providing the same award and applying the same listing-based vesting conditions to existing and subsequent qualifying participants supports the Program's objectives of attracting and retaining an initial group of corporate issuers and aligning their long-term interests with the growth of the Exchange. The eligibility criteria are objective and apply equally to existing and subsequent qualifying participants. The eligibility criteria are equitable and not unfairly discriminatory in that the Exchange is trying to attract companies of a particular type (U.S. domiciled corporations, MLPs, and REITs) and size (greater than \$3.5 billion market cap for primary listing and \$100 billion for dual listing) to list on the Exchange in order to help establish its corporate listing business. The Exchange believes that these are reasonable and not unfairly discriminatory because they represent the types of companies that the Exchange wants to attract and retain and it wants to provide additional incentives for such companies to list and remain listed on the Exchange. The Exchange has focused the Program on these types of companies because it believes attracting and retaining an initial group of these issuers will help establish TXSE as a competitive corporate listing venue and encourage additional issuers to list on the Exchange. As noted above, the competition for listings is robust and the Exchange believes that Rodeo II will enhance competition between the exchanges for listings.

Further to this point, an equity interest in TXSE Group is intended to align participating issuers' long-term interests with the development of the Exchange's listing business. The Exchange intends to develop separate incentive programs for other security types, tailored to their respective characteristics and the Exchange's objectives in attracting those listings. The

Exchange believes that attracting companies that meet these criteria will bring greater future value to TXSE as a listing venue than companies that do not meet these criteria.

The Exchange believes that having higher standards for participation for dual-listings is reasonable and not unfairly discriminatory because the Exchange wants to incentivize primary listings on TXSE. The Exchange prioritizes primary listings because they establish TXSE as an issuer's principal listing venue and provide the foundation for a durable corporate listing franchise. Attracting primary listings across a broader range of eligible issuers can help demonstrate the Exchange's capabilities and encourage subsequent listings. The Exchange therefore believes broader eligibility for primary listings is consistent with the Program's objective of developing its corporate listing business.

For dual listings, the Exchange has established a higher market capitalization threshold because the issuer retains its primary listing on another exchange. The Exchange believes that attracting issuers with a market capitalization of at least \$100 billion can provide particular visibility and recognition for TXSE among other prospective issuers. The threshold is intended to focus the Program's equity incentives on dual listings that the Exchange believes can make a substantial contribution to establishing its corporate listing franchise.

The Exchange also believes that Founding Partners' equity interest in TXSE Group will help to align long-term incentives among corporate issuers more broadly, the Exchange, and its parent company by adding more corporate issuers to TXSE Group's ownership group and more specifically for the Founding Partners by providing issuers with the opportunity to share in the benefits of TXSE's increased enterprise value.

The Exchange believes that the vesting period is equitable and reasonable because it ensures that only issuers that transfer to the Exchange and remain listed on the Exchange for at

least one year will partially vest and for two years will fully vest. The Exchange believes that requiring Founding Partners to remain listed for a period of two years in order to fully vest will further help establish the Exchange as a listing venue.¹² As noted above, Founding Partners may be, but are not required to be, current investors in TXSE Group, and the Exchange anticipates both current and potential new investors to participate in the Program. The total equity ownership of TXSE Group Stock shall be subject to the ownership limitations of the TXSE Group Stockholders' Agreement and the TXSE Group Certificate of Formation.¹³

The Exchange believes the Rodeo II Program is equitable and reasonable because attracting and retaining listings from the type and size of companies that the Program is intended to attract will, in addition to benefitting the Exchange's listing business, also help to attract and retain additional liquidity and transaction volume on the Exchange. Such additional liquidity will benefit all market participants by providing tighter quoting and better prices on the Exchange, all of which works to perfect the mechanism for a free and open market and national market system.

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 will improve competition by aligning

¹² As noted above, if ten awards are granted and fully vest, the Founding Partners ownership stake as part of Rodeo II would represent 2.94% of the fully diluted outstanding shares of TXSE Group.

¹³ See, e.g., Section 14 of the TXSE Group Stockholders' Agreement, which states that "any Stockholder, either alone or together with its Related Persons (as defined in the Certificate of Formation), that is also a member of the Texas Stock Exchange (or its successor), may not beneficially own directly or indirectly shares of stock of the Company representing in the aggregate more than 20% of the then-outstanding shares of stock of the Company."; Article SEVENTH(b)(1)(A) and (B) of the TXSE Group Certificate of Formation, which states that "no Person, either alone or together with its Related Persons, shall be permitted at any time to beneficially own, directly or indirectly, shares of stock of the Corporation representing in the aggregate more than 40% of the then-outstanding shares of stock of the Corporation; and no Member, either alone or together with its Related Persons, may beneficially own, directly or indirectly, shares of stock of the Corporation representing in the aggregate more than 20% of the then-outstanding shares of stock of the Corporation."

long-term incentives among corporate issuers with the Exchange's parent company and providing qualifying existing issuers with an incentive to remain listed on the Exchange and additional qualifying issuers with an incentive to list and remain listed on the Exchange.

The Exchange believes that the proposed rule change would increase both intermarket and intramarket competition by encouraging qualifying issuers already listed on TXSE to maintain their listings and encouraging additional qualifying issuers to transfer their primary listings or dually list on the Exchange. The five issuers that transferred their listings at the launch of the Exchange's corporate listing business have contributed to establishing TXSE as a listing venue. Their continued listing, together with additional qualifying listings, would help develop the Exchange's corporate listing business and encourage other issuers to consider TXSE as their listing venue. To the extent that there is an additional competitive burden on non-Founding Partners, the Exchange believes that this is appropriate because the development of an additional competitive listing venue would benefit all issuers.

Although five issuers have already transferred their listings to TXSE, retaining those issuers and attracting additional qualifying issuers remain important to developing a durable corporate listing business. Rodeo II is limited to an initial group of ten qualifying issuers, subject to the potential increase to fifteen described above. The Exchange believes that a program of this limited scope would enhance its ability to compete for and retain listings without imposing an inappropriate burden on competition. Additional primary listing transfers would increase TXSE's listings and reduce listings on competing venues, while retention of existing listings and additional dual listings would support the development of TXSE's listing business. The Program would also provide qualifying issuers with an additional factor to consider when choosing whether to list or remain listed on TXSE.

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 Act¹⁴ and Rule 19b-4(f)(2)¹⁵ 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 (<https://www.sec.gov/rules/sro.shtml>);
- or
- Send an e-mail to rule-comments@sec.gov. Please include File No. SR-TXSE-2026-039 on the subject line.

Paper Comments:

¹⁴ 15 U.S.C. 78s(b)(3)(A).

¹⁵ 17 CFR 240.19b-4(f)(2).

- 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-2026-039. 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-2026-039 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.¹⁶

Sherry R. Haywood,
Assistant Secretary.

¹⁶ 17 CFR 200.30-3(a)(12).