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Page 1 of * 31

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No. * SR 2021 - * 04
Amendment No. (req. for Amendments *)

Filing by Long-Term Stock Exchange, Inc.
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	Rule		
			<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 Section 806(e)(1) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 Section 3C(b)(2) * <input type="checkbox"/>
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Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Proposed rule change to (i) amend LTSE's independence standards with respect to director business relationships for NYSE dually-listed companies, and (ii) amend the definition of "Family Member" solely for purposes of director independence determinations.

Contact Information

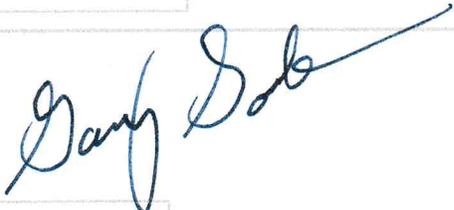
Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Nawreen Last Name * Sattar
Title * Deputy Chief Regulatory Office and Associate General Counsel
E-mail * nawreen@longtermstockexchange.com
Telephone * (646) 430-0578 Fax

Signature

Pursuant to the requirements of the Securities Exchange of 1934, Long-Term Stock Exchange, Inc. has duty caused this filing to be signed on its behalf by the undersigned thereunto duty authorized.

Date 08/19/2021 (Title *)
By Gary Goldsholle Chief Regulatory Officer and General Counsel
(Name *)



Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

Form 19b-4 Information *

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Proposed Rule Change - (Part 1_19b4

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

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Proposed Rule Change - (Part 2_Ext

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A - Notice of Proposed Rule Change, Security-Based Swap Submission, or Advanced Notice by Clearing Agencies *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2- Notices, Written Comments, Transcripts, Other Communications

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Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit Sent As Paper Document

Exhibit 3 - Form, Report, or Questionnaire

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Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit Sent As Paper Document

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

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Proposed Rule Change - (Part 3_Exhil

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) under the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² Long-Term Stock Exchange, Inc. (“LTSE” or the “Exchange”) is filing with the Securities and Exchange Commission (“Commission”) a proposal to amend LTSE Rule 14.405(a)(2) and Supplementary Material .01 (Definition of Independence) under LTSE Rule 14.405(a) (“Supplementary Material”) to (i) adopt provisions conforming LTSE’s independence standards with respect to listed company (“Company”)³ directors’ “business relationships” with the corresponding standards of the New York Stock Exchange (“NYSE”) Rule 303.A.02(b)(v) and relevant parts of the related NYSE Commentary and Disclosure Requirement for NYSE-listed Companies seeking to dually list on LTSE, and (ii) amend the definition of “Family Member” solely for purposes of director independence determinations under LTSE Rule 14.405(a)(2). LTSE has filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act,⁴ and Rule 19b4(f)(6) thereunder,⁵ which renders the proposed rule change effective upon filing with the Commission.

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1. The text of the proposed rule change is attached as Exhibit 5.

(b) The Exchange does not believe that the proposed rule change will have any direct effect, or any significant indirect effect, on any other Exchange rule in effect at the time of this filing.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ “Company” means the issuer of a security listed or applying to list on the Exchange. See LTSE Rule 14.002(a)(5).

⁴ 15 U.S.C. 78s(b)(3)(A).

⁵ 17 CFR 240.19b-4(f)(6).

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

Senior management of the Exchange has approved the proposed rule change pursuant to delegated authority. No further action is required under the Exchange's governing documents. Therefore, the Exchange's internal procedures with respect to the proposed rule change are complete.

The person on the Exchange staff prepared to respond to questions and comments on the proposed rule change is:

Nawreen Sattar
Deputy Chief Regulatory Officer and Associate General Counsel
Long-Term Stock Exchange, Inc.
(646) 430-0578

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

(a) Purpose

The Exchange proposes to amend Rule 14.405(a)(2) and related Supplementary Material to adopt a provision conforming LTSE's independence standards with respect to directors' business relationships with the corresponding standard of NYSE Rule 303.A.02(b)(v) and related Commentary and Disclosure Requirement, in order to accommodate NYSE-listed Companies seeking to dually list⁶ their securities on LTSE. The Exchange also proposes to amend the definition of "Family Member" solely for purposes of director independence under LTSE Rule

⁶ See LTSE Rule 14.210(a) (permitting a Company to have a class of securities that has been approved for listing on another national securities exchange).

14.405(a)(2)⁷ to conform it to the corresponding definitions of the NYSE⁸ and the Nasdaq Stock Market LLC (“Nasdaq”).⁹

LTSE rules require Companies to meet certain standards related to director independence, including that a majority of the board of the directors of the Company be independent directors,¹⁰ and that the Company’s audit, compensation, and nominating¹¹ committees be comprised solely of independent directors.¹² LTSE Rule 14.405(a)(2) defines “Independent Director” as “a person other than an Executive Officer or employee of the Company or any other individual having a relationship which, in the opinion of the Company’s board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.”

LTSE Rule 14.405(a)(2) also provides a list of certain relationships that preclude a board finding of director independence¹³ (the “Bright-Line Independence Tests”), including a director who is, or has a Family Member who is, a partner in, or a controlling Shareholder or an Executive Officer of, any organization to which the Company made, or from which the Company received, payments for property or services in the current or any of the past three fiscal years that

⁷ This definition of Family Member is not applicable to LTSE Rule 5.110 (Supervision), which pertains to Member supervision and aligns with a corresponding FINRA rule.

⁸ See General Commentary to Section 303A.02(b) of NYSE Listed Company Manual (defining “immediate family member”).

⁹ See Nasdaq Rule 5605(a)(2) (defining “Family Member”).

¹⁰ LTSE Rule 14.405(b)(1).

¹¹ If the Company does not have a nominating committee, under LTSE Rule 14.405(e), nominees for directors must be selected or recommended by independent directors constituting a majority of the board’s independent directors in a vote in which only independent directors participate.

¹² See LTSE Rule 14.405(c)(3)(A) (regarding audit committee composition); LTSE Rule 14.405(d)(2)(A) (regarding compensation committee composition); LTSE Rule 14.405(e)(1) (regarding nominating committee composition).

¹³ See Supplementary Material, LTSE Rule 14.405(a)(2).01 (noting that “[t]hese objective measures provide transparency to investors and Companies, facilitate uniform application of the rules, and ease administration”).

exceed 5% of the recipient's (i.e., that of the organization or the Company) consolidated gross revenues for that year, or \$200,000, whichever is more (with certain exceptions).¹⁴ This rule is referred to as the "business relationships" provision.¹⁵ Related Supplementary Material provides further guidance to Companies regarding the significance of director independence and application of the independence standards.

The proposed rule change would establish an alternative business relationships provision based on the corresponding provisions of the NYSE Rule 303.A.02(b)(v)¹⁶ and adopt relevant parts of the related NYSE Commentary and Disclosure Requirement, solely applicable to NYSE-listed Companies seeking to dually list on LTSE. While NYSE's and LTSE's respective business relationship provisions are similar, the NYSE standard employs different percentages and minimums. Specifically, NYSE uses a threshold of 2% of the recipient's consolidated gross revenues or \$1 million, whichever is more. In many situations, the NYSE provision will be more restrictive with a threshold of 2% versus 5%. However, at the lowest levels, the LTSE standard is more restrictive with a minimum of \$200,000 versus \$1 million.¹⁷ The Commentary and Disclosure Requirement noted under NYSE Rule 303.A.02(b)(v) clarify application of the rule

¹⁴ See LTSE Rule 14.405(a)(2)(D) (exceptions to this rule apply for (i) payments arising solely from investments in the Company's securities; or (ii) payments under non-discretionary charitable contribution matching programs).

¹⁵ LTSE's "business relationships" provision in Rule 14.405(a)(2)(D) is identical to Nasdaq Rule 5605(a)(2)(D).

¹⁶ NYSE Rule 303.A.02(b)(v) precludes situations where "[t]he director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the listed company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues."

¹⁷ In addition, the NYSE standard only covers the prior three fiscal years (not including current year as per the LTSE standard) and does not include Family Members who are partners or controlling shareholders of the subject organization. The LTSE standard uses the term "organizations" instead of "companies" and thus may be interpreted to be broader in scope in that respect.

and call for disclosure of Company contributions to tax exempt organizations in which any independent director serves as an executive officer provided that the same financial thresholds of Rule 303.A.02(b)(v) are met.

As a result of the differences discussed above, a NYSE-listed Company seeking to dually list on LTSE may have to reassess the independence of its directors notwithstanding the fact that the Company is already listed on the NYSE. Differences in comparable listing standards based on the same general principles (e.g., ensuring directors exercise independent judgment) may be burdensome for Companies needing to conduct duplicative analyses of director independence.¹⁸ To better accommodate dual listings of NYSE-listed companies, the proposed rule change would provide an alternative business relationships provision in a new paragraph (H) to LTSE Rule 14.405(a)(2) substantially identical to NYSE Rule 303.A.02(b)(v) and add relevant parts of NYSE's related Commentary and Disclosure Requirement to LTSE Supplemental Material, solely for NYSE-listed Companies.

The Exchange is also proposing to amend the definition of "Family Member" solely for purposes of director independence under LTSE Rule 14.405(a)(2) to mean "a person's spouse, parents, children, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law, and anyone (other than domestic employees) who shares such person's home."

Under the current LTSE Rule 14.405(a)(2), "Family Member" means "a person's spouse,

¹⁸ See Amendment No. 3 to [SR-NASDAQ 2019-049](#) at 8 (noting that "Nasdaq has heard from its listed companies and their legal counsel that the current situation, where each market has a different definition [of "Family Member"], complicates the preparation by listed companies of director and officer questionnaires that the companies need in order to analyze director independence. In particular, this creates an added and unnecessary burden when a company transfers its listing from one national securities exchange to another. In such case, a director may have already filled out an annual questionnaire based on the prior listing exchange's definition of a family member, but need[s] to answer additional questions because the definition of the exchange the listing is transferred to is phrased differently").

parents, children and siblings, whether by blood, marriage or adoption, or anyone residing in such person's home."¹⁹ The purpose of this rule change is to exclude domestic employees who share the director's home (given that the definition is not meant to cover commercial relationships), and stepchildren who do not share the director's home (in which case, depending on facts and circumstances, such relationships may be attenuated in nature), from the type of relationships that always preclude a board from finding that a director is independent, as described below.²⁰

The proposed rule change would also conform LTSE's definition of a "Family Member" for purposes of Rule 14.405(a)(2) to the corresponding definition of "Family Member" applicable to Companies listed on the NYSE and Nasdaq. Depending on the facts and circumstances, minor variations²¹ between LTSE's current definition and that of NYSE or Nasdaq could create need for interpretation and require additional independence assessments for NYSE or Nasdaq-primary listed Companies seeking to dually list securities on LTSE or transfer their listing to LTSE. To reduce this additional compliance burden on such Companies, the Exchange's proposed definition of "Family Member" would be identical to NYSE and Nasdaq's corresponding definitions for purposes of determining director independence.²² This revision will

¹⁹ See LTSE Rule 14.405(a)(2).

²⁰ For the avoidance of doubt, a stepchild who shares the same home with a director would continue to be considered a Family Member under the Bright-Line Independence Tests, because the definition of a Family Member will include anyone (other than domestic employees) who shares the director's home.

²¹ For example, the current LTSE definition of "Family Member" in Rule 14.405(a)(2) does not exclude domestic employees residing in the director's home.

²² Section 303A.02 of the NYSE Listed Company Manual states that "[a]n 'immediate family member' includes a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such person's home." The definition of "Family Member" for purposes of Nasdaq Listing Rule 5605(a)(2) was modified to be identical to

not affect the additional independence criteria for audit committee members set forth in LTSE Rule 14.405(c)(2), which incorporate the independence requirements of SEC Rule 10A-3 promulgated under the Act.²³

Notwithstanding these changes, LTSE notes that Company boards must affirmatively determine that directors do not have relationships that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director pursuant to LTSE rules 14.405(a)(2) and 14.405(a)(2).01. To comply with LTSE's rules, LTSE will expect the boards of listed Companies to continue to elicit through director questionnaires the information necessary to make independence determinations, which will need to include questions about stepchild relationships. LTSE believes that it is appropriate for the board to review a relationship between a director and a stepchild who does not share a home with the director or a relationship between a director and a domestic employee under such facts and circumstances test. The board's assessment goes beyond applying the Bright-Line Independence Tests to ensure that any individual serving as an independent director has no relationship that would impair his or her independence.

(b) Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,²⁴ in general, and furthers the objectives of Section 6(b)(5) of the Act,²⁵ in particular, because 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

that of NYSE. See Securities Exchange Act Release No. 88210 (February 13, 2020), 85 FR 9816 (February 20, 2020).

²³ 15 U.S.C. 78f.

²⁴ Id.

²⁵ 15 U.S.C. 78f(b)(5).

persons engaged in facilitating transactions in securities, 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. Further, the Exchange believes that the proposal is not designed to permit unfair discrimination between issuers or to regulate by virtue of any authority conferred by the Act matters not related to the purposes of the Act or the administration of the Exchange, for the reasons set forth below.

By aligning certain of the Exchange's corporate governance requirements more closely with those of the NYSE and Nasdaq, as explained above, the proposed rule change is designed to remove impediments to and perfect the mechanism of a free and open market. The proposed rule change with respect to director business relationships and the definition of Family Member is consistent with the Act in that it adopts a definition of director independence that has already been approved by the Commission and has been in force for nearly 20 years.²⁶

LTSE's current business relationships provision set forth in LTSE Rule 14.405(a)(2)(D) is identical to that of Nasdaq Rule 5605(a)(2)(D). Companies that utilize Nasdaq as their primary listing exchange and seek to dually list on LTSE do not currently have any added compliance burden with respect to this rule. As drafted, the proposed rule change would apply only to NYSE-primary listed Companies seeking to dually list on LTSE and remove their additional compliance burden of having to assess director independence in accordance with disparate Bright-Line Independence Tests regarding director business relationships. A Company seeking a

²⁶ See Securities Exchange Act Release No. 48745 (November 4, 2003), 68 FR 64154 (November 12, 2003), available at https://www.sec.gov/rules/sro/34-48745.htm#P83_24538 (noting that "the Commission believes that these proposed rule changes, as amended, are reasonable and appropriate and serve the interests of the investing public").

primary listing on LTSE or a Company with a primary listing exchange other than NYSE would be required to satisfy the current business relationships provision in Rule 14.405(a)(2)(D).

The Exchange also believes that its proposed rule change is fair and not unfairly discriminatory because it alleviates the additional compliance burdens currently faced by NYSE-primary listed Companies that seek to dually list on LTSE. Given that LTSE Rule 14.405(a)(2)(D) currently in effect is identical to the corresponding provision of Nasdaq Rule 5605(a)(2)(D), the proposed rule change brings NYSE-primary listed Companies in parity with Nasdaq-primary listed Companies if they seek to dually list their securities on LTSE.

The proposed rule change with respect to modification of the definition of “Family Member” in LTSE Rule 14.405(a)(2) to conform to the corresponding definition of Nasdaq Rule 5605(a)(2) and NYSE Rule 303.A.02 also alleviates the compliance burden on LTSE dually-listed Companies. In the recent past, the Commission has approved Nasdaq’s proposed modification of Rule 5605(a)(2)’s definition of “Family Member” for purposes of director independence determinations.²⁷ Prior to such modification, the Nasdaq definition in Rule 5605(a)(2) was identical to that of LTSE Rule 14.405(a)(2). Nasdaq also noted in Amendment No. 3 to its related rule filing proposal that its purpose was to alleviate unnecessary burdens posed on listed companies due to differences in phrasing of corresponding rules across exchanges.²⁸ Specifically, LTSE Rule 14.405(a)(2) includes directors’ domestic employees and stepchildren in the definition of “Family Member,” as described above, even though based on

²⁷ See Securities Exchange Act Release No. 88210 (February 13, 2020), 85 FR 9816 (February 20, 2020).

²⁸ See SR-NASDAQ 2019-049 Amendment No. 3 at 11. Amendment No. 3 replaces and supersedes the original proposal in its entirety and is available at https://listingcenter.nasdaq.com/assets/rulebook/nasdaq/filings/SR-NASDAQ-2019-049_Amendment_3.pdf.

facts and circumstances, relationships with stepchildren may be attenuated and those with domestic employees are generally commercial in nature. The Commission has previously approved the proposed definition as consistent with Section 6(b)(5) of the Act.²⁹ As such, LTSE believes that Commission approval of this proposed rule change would be consistent with its prior decision and promote competition.

LTSE holds that it is important for investors to have confidence that individuals serving as independent directors do not have a relationship with the Company that would impair their independence. The Company's board has a responsibility to make an affirmative determination that no such relationships exist. The proposed rule change furthers the Exchange's objective to support Companies in long-term value creation by removing the need for burdensome and duplicative independence assessments while retaining effective and longstanding mechanisms for ensuring director independence.

4. 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 not necessary or appropriate in furtherance of the purposes of the Act. These changes are intended to alleviate compliance burdens on dually-listed Companies by conforming LTSE rules with those of two other exchanges in the case of the definition of "Family Member," and one other exchange with respect to the business relationships provision regarding director independence determinations where such Company is seeking to dually list its securities. Thus, the proposed rule change would eliminate requirements that burden issuers without an offsetting benefit in protecting shareholders. As such, these changes are neither intended to, nor expected to, impose any burden on competition.

²⁹ See Securities Exchange Act Release No. 88210 (February 13, 2020), 85 FR 9816 (February 20, 2020).

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

Written comments were neither solicited nor received.

6. Extension of Time Period for Commission Action

Not applicable.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2) or Section 19(b)(7)(D)

The proposed rule change is filed for immediate effectiveness pursuant to Section 19(b)(3)(A) of the Act³⁰ and Rule 19b-4(f)(6)³¹ in that it effects a change that: (i) does not significantly affect the protection of investors or the public interest, and (ii) does not impose any significant burden on competition. Furthermore, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change under that subsection at least five business days prior to the date of filing, or such shorter time as designated by the Commission. The Exchange has provided such notice.

The Exchange believes that the proposed rule change meets the criteria of Rule 19b4(f)(6)³² because the proposed rule change merely adopts a definition of director independence that has already been approved by the Commission and has been in force for nearly 20 years.³³ The Exchange also believes that the proposal would not significantly affect the protection of investors or the public interest; rather, the proposed rule change will benefit

³⁰ 15 U.S.C. 78s(b)(3)(A).

³¹ 17 CFR 240.19b-4(f)(6).

³² Id.

³³ See Securities Exchange Act Release No. 48745 (November 4, 2003), 68 FR 64154 (November 12, 2003), available at https://www.sec.gov/rules/sro/34-48745.htm#P83_24538 (noting that “the Commission believes that these proposed rule changes, as amended, are reasonable and appropriate and serve the interests of the investing public”).

investors and the public interest by alleviating the additional compliance burdens currently faced by Companies seeking to dually list on the Exchange. The Exchange anticipates that its first dual listings will take effect by the end of August 2021 and that the proposed rule change will be helpful for the Companies that plan to list on this timeline.³⁴ In addition, the Exchange does not believe that the proposal raises any new or novel issues not previously considered by the Commission in that the provisions at issue have been approved by the Commission³⁵ and in effect at other exchanges for a considerable period.³⁶ In light of these considerations, the Exchange requests that the Commission waive the requirement that the rule change, by its terms, not become operative for 30 days after the date of the filing as set forth in Rule 19b-4(f)(6)(iii),³⁷ so the Exchange can implement the proposed rule change immediately.

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

³⁴ See “The Long-Term Stock Exchange Announces First Listing Commitments”, available at <https://ltse.com/articles/asana-twilio-to-list-pr>.

³⁵ See Securities Exchange Act Release No. 48745 (November 4, 2003), 68 FR 64154 (November 12, 2003), available at https://www.sec.gov/rules/sro/34-48745.htm#P83_24538 (noting that “the Commission believes that these proposed rule changes, as amended, are reasonable and appropriate and serve the interests of the investing public”).

³⁶ See NYSE Rule 303.A.02(b)(v) (regarding the NYSE business relationships provision); Nasdaq Rule 5605(a)(2) and NYSE Rule 303.A.02 (regarding “Family Member” definition under each exchange’s rules); Securities Exchange Act Release No. 48745 (November 4, 2003), 68 FR 64154 (November 12, 2003) (approving NYSE’s proposal to amend its business relationships provision and definition of “immediate family member”); Securities Exchange Act Release No. 88210 (February 13, 2020) (approving Nasdaq’s proposal to modify the definition of a “Family Member” to conform to the corresponding provision of NYSE).

³⁷ 17 CFR 240.19b-4(f)(6)(iii).

Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

8. Proposed Rule Change Based on the Rules of Another Self-Regulatory Organization or of the Commission

Not applicable.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

Exhibit 1 – Form of Notice of the Proposed Rule Change for Publication in the Federal Register.

Exhibit 5 – Text of the Proposed Rule Change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34- ; File No. SR-LTSE-2021-04]

[Date]

Self-Regulatory Organizations; Long-Term Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend the Director “Business Relationships” Provision and Definition of “Family Member” For Purposes of LTSE Rule 14.405(a)(2) and Supplementary Material .01 (Definition of Independence)

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),³⁸ and Rule 19b-4 thereunder,³⁹ notice is hereby given that on August [X], 2021, Long-Term Stock Exchange, Inc. (“LTSE” 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

LTSE proposes to amend LTSE Rule 14.405(a)(2) and Supplementary Material .01 (Definition of Independence) under LTSE Rule 14.405(a) (“Supplementary Material”) to (i) adopt provisions conforming LTSE’s independence standards with respect to listed company (“Company”)⁴⁰ directors’ “business relationships” with the corresponding standards of the New York Stock Exchange (“NYSE”) Rule 303.A.02(b)(v) and relevant parts of the related NYSE Commentary and Disclosure Requirement for NYSE-listed Companies seeking to dually list on

³⁸ 15 U.S.C. 78s(b)(1).

³⁹ 17 CFR 240.19b-4.

⁴⁰ “Company” means the issuer of a security listed or applying to list on the Exchange. See LTSE Rule 14.002(a)(5).

LTSE, and (ii) amend the definition of “Family Member” solely for purposes of director independence determinations under LTSE Rule 14.405(a)(2). LTSE has filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act,⁴¹ and Rule 19b4(f)(6) thereunder,⁴² which renders the proposed rule change effective upon filing with the Commission.

II. Self-Regulatory Organization’s Statement on the Purpose of, and Statutory Basis for, the Proposed Rule Change

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 these statements may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The Exchange proposes to amend Rule 14.405(a)(2) and related Supplementary Material to adopt a provision conforming LTSE’s independence standards with respect to directors’ business relationships with the corresponding standard of NYSE Rule 303.A.02(b)(v) and related Commentary and Disclosure Requirement, in order to accommodate NYSE-listed Companies seeking to dually list⁴³ their securities on LTSE. The Exchange also proposes to amend the definition of “Family Member” solely for purposes of director independence under LTSE Rule

⁴¹ 15 U.S.C. 78s(b)(3)(A).

⁴² 17 CFR 240.19b-4(f)(6).

⁴³ See LTSE Rule 14.210(a) (permitting a Company to have a class of securities that has been approved for listing on another national securities exchange).

14.405(a)(2)⁴⁴ to conform it to the corresponding definitions of the NYSE⁴⁵ and the Nasdaq Stock Market LLC (“Nasdaq”).⁴⁶

LTSE rules require Companies to meet certain standards related to director independence, including that a majority of the board of the directors of the Company be independent directors,⁴⁷ and that the Company’s audit, compensation, and nominating⁴⁸ committees be comprised solely of independent directors.⁴⁹ LTSE Rule 14.405(a)(2) defines “Independent Director” as “a person other than an Executive Officer or employee of the Company or any other individual having a relationship which, in the opinion of the Company’s board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.”

LTSE Rule 14.405(a)(2) also provides a list of certain relationships that preclude a board finding of director independence⁵⁰ (the “Bright-Line Independence Tests”), including a director who is, or has a Family Member who is, a partner in, or a controlling Shareholder or an Executive Officer of, any organization to which the Company made, or from which the Company received, payments for property or services in the current or any of the past three fiscal years that

⁴⁴ This definition of Family Member is not applicable to LTSE Rule 5.110 (Supervision), which pertains to Member supervision and aligns with a corresponding FINRA rule.

⁴⁵ See General Commentary to Section 303A.02(b) of NYSE Listed Company Manual (defining “immediate family member”).

⁴⁶ See Nasdaq Rule 5605(a)(2) (defining “Family Member”).

⁴⁷ LTSE Rule 14.405(b)(1).

⁴⁸ If the Company does not have a nominating committee, under LTSE Rule 14.405(e), nominees for directors must be selected or recommended by independent directors constituting a majority of the board’s independent directors in a vote in which only independent directors participate.

⁴⁹ See LTSE Rule 14.405(c)(3)(A) (regarding audit committee composition); LTSE Rule 14.405(d)(2)(A) (regarding compensation committee composition); LTSE Rule 14.405(e)(1) (regarding nominating committee composition).

⁵⁰ See Supplementary Material, LTSE Rule 14.405(a)(2).01 (noting that “[t]hese objective measures provide transparency to investors and Companies, facilitate uniform application of the rules, and ease administration”).

exceed 5% of the recipient's (i.e., that of the organization or the Company) consolidated gross revenues for that year, or \$200,000, whichever is more (with certain exceptions).⁵¹ This rule is referred to as the "business relationships" provision.⁵² Related Supplementary Material provides further guidance to Companies regarding the significance of director independence and application of the independence standards.

The proposed rule change would establish an alternative business relationships provision based on the corresponding provisions of the NYSE Rule 303.A.02(b)(v)⁵³ and adopt relevant parts of the related NYSE Commentary and Disclosure Requirement, solely applicable to NYSE-listed Companies seeking to dually list on LTSE. While NYSE's and LTSE's respective business relationship provisions are similar, the NYSE standard employs different percentages and minimums. Specifically, NYSE uses a threshold of 2% of the recipient's consolidated gross revenues or \$1 million, whichever is more. In many situations, the NYSE provision will be more restrictive with a threshold of 2% versus 5%. However, at the lowest levels, the LTSE standard is more restrictive with a minimum of \$200,000 versus \$1 million.⁵⁴ The Commentary and Disclosure Requirement noted under NYSE Rule 303.A.02(b)(v) clarify application of the rule

⁵¹ See LTSE Rule 14.405(a)(2)(D) (exceptions to this rule apply for (i) payments arising solely from investments in the Company's securities; or (ii) payments under non-discretionary charitable contribution matching programs).

⁵² LTSE's "business relationships" provision in Rule 14.405(a)(2)(D) is identical to Nasdaq Rule 5605(a)(2)(D).

⁵³ NYSE Rule 303.A.02(b)(v) precludes situations where "[t]he director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the listed company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues."

⁵⁴ In addition, the NYSE standard only covers the prior three fiscal years (not including current year as per the LTSE standard) and does not include Family Members who are partners or controlling shareholders of the subject organization. The LTSE standard uses the term "organizations" instead of "companies" and thus may be interpreted to be broader in scope in that respect.

and call for disclosure of Company contributions to tax exempt organizations in which any independent director serves as an executive officer provided that the same financial thresholds of Rule 303.A.02(b)(v) are met.

As a result of the differences discussed above, a NYSE-listed Company seeking to dually list on LTSE may have to reassess the independence of its directors notwithstanding the fact that the Company is already listed on the NYSE. Differences in comparable listing standards based on the same general principles (e.g., ensuring directors exercise independent judgment) may be burdensome for Companies needing to conduct duplicative analyses of director independence.⁵⁵ To better accommodate dual listings of NYSE-listed companies, the proposed rule change would provide an alternative business relationships provision in a new paragraph (H) to LTSE Rule 14.405(a)(2) substantially identical to NYSE Rule 303.A.02(b)(v) and add relevant parts of NYSE's related Commentary and Disclosure Requirement to LTSE Supplemental Material, solely for NYSE-listed Companies.

The Exchange is also proposing to amend the definition of "Family Member" solely for purposes of director independence under LTSE Rule 14.405(a)(2) to mean "a person's spouse, parents, children, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law, and anyone (other than domestic employees) who shares such person's home."

Under the current LTSE Rule 14.405(a)(2), "Family Member" means "a person's spouse,

⁵⁵ See Amendment No. 3 to [SR-NASDAQ 2019-049](#) at 8 (noting that "Nasdaq has heard from its listed companies and their legal counsel that the current situation, where each market has a different definition [of "Family Member"], complicates the preparation by listed companies of director and officer questionnaires that the companies need in order to analyze director independence. In particular, this creates an added and unnecessary burden when a company transfers its listing from one national securities exchange to another. In such case, a director may have already filled out an annual questionnaire based on the prior listing exchange's definition of a family member, but need[s] to answer additional questions because the definition of the exchange the listing is transferred to is phrased differently").

parents, children and siblings, whether by blood, marriage or adoption, or anyone residing in such person's home."⁵⁶ The purpose of this rule change is to exclude domestic employees who share the director's home (given that the definition is not meant to cover commercial relationships), and stepchildren who do not share the director's home (in which case, depending on facts and circumstances, such relationships may be attenuated in nature), from the type of relationships that always preclude a board from finding that a director is independent, as described below.⁵⁷

The proposed rule change would also conform LTSE's definition of a "Family Member" for purposes of Rule 14.405(a)(2) to the corresponding definition of "Family Member" applicable to Companies listed on the NYSE and Nasdaq. Depending on the facts and circumstances, minor variations⁵⁸ between LTSE's current definition and that of NYSE or Nasdaq could create need for interpretation and require additional independence assessments for NYSE or Nasdaq-primary listed Companies seeking to dually list securities on LTSE or transfer their listing to LTSE. To reduce this additional compliance burden on such Companies, the Exchange's proposed definition of "Family Member" would be identical to NYSE and Nasdaq's corresponding definitions for purposes of determining director independence.⁵⁹ This revision will

⁵⁶ See LTSE Rule 14.405(a)(2).

⁵⁷ For the avoidance of doubt, a stepchild who shares the same home with a director would continue to be considered a Family Member under the Bright-Line Independence Tests, because the definition of a Family Member will include anyone (other than domestic employees) who shares the director's home.

⁵⁸ For example, the current LTSE definition of "Family Member" in Rule 14.405(a)(2) does not exclude domestic employees residing in the director's home.

⁵⁹ Section 303A.02 of the NYSE Listed Company Manual states that "[a]n 'immediate family member' includes a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such person's home." The definition of "Family Member" for purposes of Nasdaq Listing Rule 5605(a)(2) was modified to be identical to

not affect the additional independence criteria for audit committee members set forth in LTSE Rule 14.405(c)(2), which incorporate the independence requirements of SEC Rule 10A-3 promulgated under the Act.⁶⁰

Notwithstanding these changes, LTSE notes that Company boards must affirmatively determine that directors do not have relationships that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director pursuant to LTSE rules 14.405(a)(2) and 14.405(a)(2).01. To comply with LTSE's rules, LTSE will expect the boards of listed Companies to continue to elicit through director questionnaires the information necessary to make independence determinations, which will need to include questions about stepchild relationships. LTSE believes that it is appropriate for the board to review a relationship between a director and a stepchild who does not share a home with the director or a relationship between a director and a domestic employee under such facts and circumstances test. The board's assessment goes beyond applying the Bright-Line Independence Tests to ensure that any individual serving as an independent director has no relationship that would impair his or her independence.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,⁶¹ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁶² in particular, because 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

that of NYSE. See Securities Exchange Act Release No. 88210 (February 13, 2020), 85 FR 9816 (February 20, 2020).

⁶⁰ 15 U.S.C. 78f.

⁶¹ Id.

⁶² 15 U.S.C. 78f(b)(5).

persons engaged in facilitating transactions in securities, 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. Further, the Exchange believes that the proposal is not designed to permit unfair discrimination between issuers or to regulate by virtue of any authority conferred by the Act matters not related to the purposes of the Act or the administration of the Exchange, for the reasons set forth below.

By aligning certain of the Exchange's corporate governance requirements more closely with those of the NYSE and Nasdaq, as explained above, the proposed rule change is designed to remove impediments to and perfect the mechanism of a free and open market. The proposed rule change with respect to director business relationships and the definition of Family Member is consistent with the Act in that it adopts a definition of director independence that has already been approved by the Commission and has been in force for nearly 20 years.⁶³

LTSE's current business relationships provision set forth in LTSE Rule 14.405(a)(2)(D) is identical to that of Nasdaq Rule 5605(a)(2)(D). Companies that utilize Nasdaq as their primary listing exchange and seek to dually list on LTSE do not currently have any added compliance burden with respect to this rule. As drafted, the proposed rule change would apply only to NYSE-primary listed Companies seeking to dually list on LTSE and remove their additional compliance burden of having to assess director independence in accordance with disparate Bright-Line Independence Tests regarding director business relationships. A Company seeking a

⁶³ See Securities Exchange Act Release No. 48745 (November 4, 2003), 68 FR 64154 (November 12, 2003), available at https://www.sec.gov/rules/sro/34-48745.htm#P83_24538 (noting that "the Commission believes that these proposed rule changes, as amended, are reasonable and appropriate and serve the interests of the investing public").

primary listing on LTSE or a Company with a primary listing exchange other than NYSE would be required to satisfy the current business relationships provision in Rule 14.405(a)(2)(D).

The Exchange also believes that its proposed rule change is fair and not unfairly discriminatory because it alleviates the additional compliance burdens currently faced by NYSE-primary listed Companies that seek to dually list on LTSE. Given that LTSE Rule 14.405(a)(2)(D) currently in effect is identical to the corresponding provision of Nasdaq Rule 5605(a)(2)(D), the proposed rule change brings NYSE-primary listed Companies in parity with Nasdaq-primary listed Companies if they seek to dually list their securities on LTSE.

The proposed rule change with respect to modification of the definition of “Family Member” in LTSE Rule 14.405(a)(2) to conform to the corresponding definition of Nasdaq Rule 5605(a)(2) and NYSE Rule 303.A.02 also alleviates the compliance burden on LTSE dually-listed Companies. In the recent past, the Commission has approved Nasdaq’s proposed modification of Rule 5605(a)(2)’s definition of “Family Member” for purposes of director independence determinations.⁶⁴ Prior to such modification, the Nasdaq definition in Rule 5605(a)(2) was identical to that of LTSE Rule 14.405(a)(2). Nasdaq also noted in Amendment No. 3 to its related rule filing proposal that its purpose was to alleviate unnecessary burdens posed on listed companies due to differences in phrasing of corresponding rules across exchanges.⁶⁵ Specifically, LTSE Rule 14.405(a)(2) includes directors’ domestic employees and stepchildren in the definition of “Family Member,” as described above, even though based on

⁶⁴ See Securities Exchange Act Release No. 88210 (February 13, 2020), 85 FR 9816 (February 20, 2020).

⁶⁵ See SR-NASDAQ 2019-049 Amendment No. 3 at 11. Amendment No. 3 replaces and supersedes the original proposal in its entirety and is available at https://listingcenter.nasdaq.com/assets/rulebook/nasdaq/filings/SR-NASDAQ-2019-049_Amendment_3.pdf.

facts and circumstances, relationships with stepchildren may be attenuated and those with domestic employees are generally commercial in nature. The Commission has previously approved the proposed definition as consistent with Section 6(b)(5) of the Act.⁶⁶ As such, LTSE believes that Commission approval of this proposed rule change would be consistent with its prior decision and promote competition.

LTSE holds that it is important for investors to have confidence that individuals serving as independent directors do not have a relationship with the Company that would impair their independence. The Company's board has a responsibility to make an affirmative determination that no such relationships exist. The proposed rule change furthers the Exchange's objective to support Companies in long-term value creation by removing the need for burdensome and duplicative independence assessments while retaining effective and longstanding mechanisms for ensuring director independence.

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 not necessary or appropriate in furtherance of the purposes of the Act. These changes are intended to alleviate compliance burdens on dually-listed Companies by conforming LTSE rules with those of two other exchanges in the case of the definition of "Family Member," and one other exchange with respect to the business relationships provision regarding director independence determinations where such Company is seeking to dually list its securities. Thus, the proposed rule change would eliminate requirements that burden issuers without an offsetting benefit in protecting shareholders. As such, these changes are neither intended to, nor expected to, impose any burden on competition.

⁶⁶ See Securities Exchange Act Release No. 88210 (February 13, 2020), 85 FR 9816 (February 20, 2020).

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

Written comments were neither solicited nor received.

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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act⁶⁷ and Rule 19b-4(f)(6) thereunder.⁶⁸ The proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition. Furthermore, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change under that subsection at least five business days prior to the date of filing, or such shorter time as designated by the Commission. The Exchange has provided such notice.

A proposed rule change filed under Rule 19b-4(f)(6)⁶⁹ normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),⁷⁰ the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay, so that the proposal may become operative immediately upon filing. The Exchange believes that the proposed rule change meets the criteria of Rule 19b-4(f)(6)⁷¹ because the proposed rule change merely adopts a definition of director independence that has already been approved by the Commission and has been in force for nearly 20 years.⁷² The Exchange

⁶⁷ 15 U.S.C. 78s(b)(3)(A).

⁶⁸ 17 CFR 240.19b-4(f)(6).

⁶⁹ 17 CFR 240.19b-4(f)(6).

⁷⁰ 17 CFR 240.19b-4(f)(6)(iii).

⁷¹ 17 CFR 240.19b-4(f)(6).

⁷² See Securities Exchange Act Release No. 48745 (November 4, 2003), 68 FR 64154

also believes that the proposal would not significantly affect the protection of investors or the public interest; rather, the proposed rule change will benefit investors and the public interest by alleviating the additional compliance burdens currently faced by Companies seeking to dually list on the Exchange. The Exchange anticipates that its first dual listings will take effect by the end of August 2021 and that the proposed rule change will be helpful for the Companies that plan to list on this timeline.⁷³ In addition, the Exchange does not believe that the proposal raises any new or novel issues not previously considered by the Commission in that the provisions at issue have been approved by the Commission⁷⁴ and in effect at other exchanges for a considerable period.⁷⁵ In light of these considerations, the Commission has granted this request and the proposed rule change has become effective pursuant to Section 19(b)(3)(A)⁷⁶ of the Act and Rule 19b-4(f)(6)(iii)⁷⁷ thereunder.

(November 12, 2003), available at https://www.sec.gov/rules/sro/34-48745.htm#P83_24538 (noting that “the Commission believes that these proposed rule changes, as amended, are reasonable and appropriate and serve the interests of the investing public”).

⁷³ See “The Long-Term Stock Exchange Announces First Listing Commitments”, available at <https://ltse.com/articles/asana-twilio-to-list-pr>.

⁷⁴ See Securities Exchange Act Release No. 48745 (November 4, 2003), 68 FR 64154 (November 12, 2003), available at https://www.sec.gov/rules/sro/34-48745.htm#P83_24538 (noting that “the Commission believes that these proposed rule changes, as amended, are reasonable and appropriate and serve the interests of the investing public”).

⁷⁵ See NYSE Rule 303.A.02(b)(v) (regarding the NYSE business relationships provision); Nasdaq Rule 5605(a)(2) and NYSE Rule 303.A.02 (regarding “Family Member” definition under each exchange’s rules); Securities Exchange Act Release No. 48745 (November 4, 2003), 68 FR 64154 (November 12, 2003) (approving NYSE’s proposal to amend its business relationships provision and definition of “immediate family member”); Securities Exchange Act Release No. 88210 (February 13, 2020) (approving Nasdaq’s proposal to modify the definition of a “Family Member” to conform to the corresponding provision of NYSE).

⁷⁶ 15 U.S.C. 78s(b)(3)(A).

⁷⁷ 17 CFR 240.19b-4(f)(6)(iii).

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 shall institute proceedings to determine whether the proposed rule 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 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 (<http://www.sec.gov/rules/sro.shtml>);
- or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-LTSE-2021-04 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Vanessa Countryman, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549.

All submissions should refer to File Number SR-LTSE-2021-04. 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 (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed

rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549 on official business days between the hours of 10:00 am and 3:00 pm. Copies of the filing also will be available for inspection and copying at the principal office of LTSE and on its Internet website at <https://longtermstockexchange.com/>.

All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-LTSE-2021-04 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁷⁸

⁷⁸ 17 CFR 200.30-3(a)(12).

EXHIBIT 5 – TEXT OF PROPOSED RULE CHANGE

Proposed new language is underlined; proposed deletions are [bracketed]

LONG-TERM STOCK EXCHANGE RULE BOOK

* * *

Rule 14.405. Board of Directors and Committees

(a) (1) No change.

(2) “Independent Director” means a person other than an Executive Officer or employee of the Company or any other individual having a relationship which, in the opinion of the Company’s board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. For purposes of this LTSE Rule, “Family Member” means a person’s spouse, parents, children, [and] siblings, [whether by blood, marriage or adoption, or anyone residing in] mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law, and anyone (other than domestic employees) who shares such person’s home. The following persons shall not be considered independent:

(A)-(G) No change.

(H) in the case of a Company whose Dually-Listed securities are primary-listed on the NYSE, in lieu of paragraph (D) the following provision shall apply: the director is a current employee, or a Family Member is a current executive officer, of a company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million or 2% of such other company’s consolidated gross revenues. This provision is subject to related Supplementary Material as noted below.

****Supplementary Material******.01 Definition of Independence**

[No change to paragraphs except as noted below]

Under paragraph (D), f[F]or purposes of determining whether a lawyer is eligible to serve on an audit committee, Rule 10A-3 under the Act generally provides that any partner in a law firm that receives payments from the issuer is ineligible to serve on that issuer’s audit committee. In determining whether a director may be considered independent for purposes other than the audit committee, payments to a law firm would generally be considered under LTSE Rule 14.405(a)(2), which looks to whether the payment exceeds the greater of 5% of the recipient’s gross revenues or \$200,000; however, if the firm is a sole proprietorship, LTSE Rule 14.405(a)(2)(B), which looks to whether the payment exceeds \$120,000, applies.

[The following is to be inserted at the end of the Supplementary Material]

Solely for purposes of paragraph (H) of the Rule, the following Commentary and Disclosure requirements shall apply to a Company whose Dually-Listed securities are primary-listed on the NYSE. Issuers should contact LTSE Regulation with any questions regarding the application of these provisions.

Commentary: In applying the test in paragraph (H), both the payments and the consolidated gross revenues to be measured shall be those reported in the last completed fiscal year of such other company. The look-back provision for this test applies solely to the financial relationship between the Company and the director or Family Member's current employer; a listed company need not consider former employment of the director or Family Member.

Disclosure Requirement: Contributions to tax exempt organizations shall not be considered payments for purposes of paragraph (H), provided however that a Company shall disclose either on or through its website or in its annual proxy statement, or if the Company does not file an annual proxy statement, in the Company's annual report on Form 10-K filed with the SEC, any such contributions made by the Company to any tax exempt organization in which any independent director serves as an executive officer if, within the preceding three years, contributions in any single fiscal year from the Company to the organization exceeded the greater of \$1 million, or 2% of such tax exempt organization's consolidated gross revenues. If this disclosure is made on or through the Company's website, the Company must disclose that fact in its annual proxy statement or annual report, as applicable, and provide the website address.

* * *