Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 25

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

File No. * SR 2022 - * 02
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 *  Amendment *  Withdrawal

Section 19(b)(2) *  Section 19(b)(3)(A) *  Section 19(b)(3)(B) *

Pilot

Extension of Time Period for Commission Action *

Date Expires *

Rule

19b-4(f)(1)  19b-4(f)(4)
19b-4(f)(2)  19b-4(f)(5)
19b-4(f)(3)  19b-4(f)(6)

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Section 806(e)(1) *  Section 806(e)(2) *

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 3C(b)(2) *

Exhibit 2 Sent As Paper Document  Exhibit 3 Sent As Paper Document

Description

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

Proposed rule change to amend LTSE Rule 2.160 and adopt new LTSE Rule 2.154 to implement parts of FINRA's CE Transformation Initiative.

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 Officer 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  03/15/2022

By  Gary Goldsholle  (Title *)  Chief Regulatory Officer and General Counsel

(Note *)

NOTE: Clicking the signature block at right will initiate digitally signing the form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.
**Form 19b-4 Information * **

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(Part 1_19b4) LTSE-2022-02 FINRA

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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(Part 2_Exhibit 1) LTSE-2022-02 FINRA

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 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 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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(Part 3_Exhibit 5) LTSE-2022-02 FINRA

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 the Proposed Rule Change**

   (a) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 ("Exchange 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 ("SEC" or "Commission") a proposed rule change to adopt new LTSE Rule 2.154 and amend LTSE Rule 2.160. The proposed rule change is based on recent changes made by the Financial Industry Regulatory Authority, Inc. ("FINRA") to its Continuing Education Program\(^3\) (the "CE Transformation Initiative"), which includes a change to provide a path through continuing education for individuals to maintain their qualification following the termination of a registration.

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

   (b) Not applicable.

   (c) Not applicable.

2. **Procedures of the Self-Regulatory Organization**

   Senior management has approved the proposed rule change pursuant to authority delegated to it by the Board of the Exchange. 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

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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 of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(a) Purpose

The Exchange sets forth certain continuing education requirements for persons associated with a Member which are based on certain FINRA rules.⁴ The proposed rule change seeks to amend certain LTSE rules to more closely mirror FINRA rules, as amended as part of the CE Transformation Initiative.

Specifically, the proposed rule change would (i) adopt new LTSE Rule 2.154 to incorporate by reference FINRA Rule 1240(c) and Supplementary Material .01 and .02, which addresses how an associated person of a member can maintain their qualifications following the termination of a registration category, (ii) delete LTSE Rule 2.160(o) (Lapse of Registration and Expiration of SIE) because its substance is being replaced by new Rule 2.154, and (iii) amend Supplementary Material .01 to LTSE Rule 2.160(g) to state that effective March 15, 2022, LTSE will not accept any new initial designations for waiver for persons working for a financial services industry affiliate of a Member as specified therein. Each of these proposed changes align with changes to FINRA’s Continuing Education Program,⁵ which are scheduled to become effective on March 15, 2022.⁶

⁴ Id.
⁵ Id.
⁶ See FINRA Rules 1210 and 1240. In FINRA Regulatory Notice 21-41 (November 17, 2021), FINRA announced the amendment of Rules 1210 and 1240, noting effective dates, March 15, 2022 (with respect
The proposed rule change is part of a larger initiative in which LTSE intends to align the structure of its registration, continuing education and supervision rules with those of FINRA. As noted above, however, the proposed rule change addresses only those changes that become effective on March 15, 2022.

(i) **Maintenance of Qualification After Termination of Registration**

Effective March 15, 2022, FINRA has established a program providing eligible individuals who terminate any of their representative or principal registrations with the option of maintaining their qualification for certain terminated registrations by completing annual continuing education (“Maintaining Qualifications Program” or “MQP”). The rule change provides individuals who elect this option a maximum of five years in which to re-register with a member firm without having to requalify by exam or having to obtain an exam waiver by adopting paragraph (c) under FINRA Rule 1240 and related Supplementary Material .01 and .02. The amended FINRA rule did not eliminate the two-year qualification period. Rather, it provides such individuals an alternative means of staying current on their regulatory and securities knowledge following the termination of a registration(s). Eligible individuals who elect not to participate in the proposed continuing education program will continue to be subject to the current two-year qualification period. This rule change is generally aligned with other professional continuing education programs that allow individuals to maintain their qualification

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7 See Approval Order, supra note 3 at 53360 (The “two-year qualification period” is defined as, “Currently, individuals whose registrations as representatives or principals have been terminated for two or more years may reregister as representatives or principals only if they requalify by retaking and passing the applicable representative- or principal-level examination or if they obtain a waiver of such examination(s).”).
to work in their respective fields during a period of absence from their careers (including an absence of more than two years) by satisfying continuing education requirements for their credentials. FINRA’s rule change would impose the following conditions and limitations:

- individuals would be required to be registered in the terminated registration category for at least one year immediately prior to the termination of that category;\(^8\)
- individuals could elect to participate when they terminate a registration or within two years from the termination of a registration;\(^9\)
- individuals would be required to complete annually all prescribed continuing education;
- individuals would have a maximum of five years in which to re-register;\(^10\)
- individuals who have been CE inactive for two consecutive years, or who become CE inactive for two consecutive years during their participation, would not be eligible to participate or continue;\(^11\) and
- individuals who are subject to a statutory disqualification, or who become subject to a statutory disqualification following the termination of their registration or during their participation, would not be eligible to participate or continue.\(^12\)

FINRA has included a look-back provision in the amended rules that would, subject to specified conditions, extend the proposed option to individuals who have been registered as a

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\(^8\) See FINRA Rule 1240(c)(1).
\(^9\) See FINRA Rule 1240(c)(2).
\(^10\) See FINRA Rule 1240(c).
\(^11\) See FINRA Rules 1240(c)(4) and (c)(5)
\(^12\) See FINRA Rules 1240(c)(1) and (c)(6).
representative or principal within two years immediately prior to the implementation date of the rule change and individuals who have been Financial Services Affiliate Waiver Program (“FSAWP”) participants\textsuperscript{13} immediately prior to the implementation date of the proposed rule change.\textsuperscript{14}

In addition, the amended Supplementary Material .02 to FINRA Rule 1240 includes a re-eligibility provision that would allow individuals to regain eligibility to participate each time they re-register with a firm for a period of at least one year and subsequently terminate their registration, provided that they satisfy the other participation conditions and limitations.\textsuperscript{15} Eligible participating individuals would be eligible to maintain their qualifications for up to five years.

To align with the changes discussed above, proposed new LTSE Rule 2.154 would state that LTSE Members and associated persons of a Member shall comply with FINRA Rule 1240(c) and Supplementary Material .01 and .02, as if such Rule were part of the Exchange’s rules. Additionally, for the purpose of LTSE Rule 2.154, cross-references in incorporated FINRA Rule 1240(c) to FINRA Rule 1240(a)(2) shall refer to LTSE Rule 2.160(p)(1) (Regulatory Element). The proposed rule change would delete LTSE Rule 2.160(o) as the approach to a lapse in registration would be covered by new LTSE Rule 2.154.

(ii) Waiver of Examinations for Individuals Working for a Financial Services Industry affiliate of a Member.

In connection with this new continuing education regime, FINRA amended Supplementary Material .09 to its Rule 1210 to state that it will not accept any new participants

\textsuperscript{13} See Supplementary Material .09 to FINRA Rule 1210.  
\textsuperscript{14} See Supplementary Material .01 to FINRA Rule 1240.  
\textsuperscript{15} See Supplementary Material .02 to FINRA Rule 1240.
for the FSAWP beginning on March 15, 2022. To mirror changes to its FSAWP, LTSE has added new language to Supplementary Material .01 in LTSE Rule 2.160(g) to note that effective March 15, 2022, LTSE will not accept any new initial designations for individuals under its identical FSAWP.

(b) Statutory Basis

LTSE believes that its proposal is consistent with Section 6(b) of the Act in general, and furthers the objectives of Section 6(b)(5) of the Act, in particular, in that it is designed to prevent fraudulent and manipulative practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and 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.

As noted above, the proposed rule change seeks to align the Exchange’s Rules with certain recent changes to FINRA rules which have been approved by the Commission. The Exchange believes the proposed rule change is consistent with the provisions of Section 6(b)(5) of the Act, which requires, among other things, that Exchange Rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest, and Section 6(c)(3) of the Act, which authorizes the Exchange to prescribe standards of training, experience and

\[\text{\[16\\] 15 U.S.C. 78f(b)(5).}\]
\[\text{\[17\] 15 U.S.C. 78f(b)(6).}\]
\[\text{\[18\] See Approval Order, supra note 3.}\]
\[\text{\[19\] 15 U.S.C. 78f(b)(5).}\]
\[\text{\[20\] 15 U.S.C. 78f(c)(3).}\]
competence for persons associated with the Exchange. The proposed changes are based on the changes approved by the Commission in the Approval Order, and the Exchange is proposing to adopt such changes substantially in the same form proposed by FINRA with respect to the MQP and FSAWP provisions. The Exchange believes the proposal is consistent with the Act for the reasons described above and for those reasons cited in the Approval Order.

The Exchange believes that establishing a path for individuals to maintain their qualification following the termination of a registration will reduce unnecessary impediments to requalification and promote greater diversity and inclusion in the securities industry without diminishing investor protection.

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 that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that the proposed rule change, which harmonizes its rules with recent rule changes adopted by FINRA, will reduce the regulatory burden placed on market participants engaged in trading activities across different markets.

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)

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21 See Approval Order, supra note 3.
22 Id.
The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act and Rule 19b-4(f)(6) thereunder in that it effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest. The Exchange does not believe that the proposed rule change raises any novel or unique substantive issues. Indeed, FINRA has already adopted substantially similar rule changes. Accordingly, the Exchange has designated this rule filing as noncontroversial under Section 19(b)(3)(A) of the Act and paragraph (f)(6) of Rule 19b-4 thereunder. Furthermore, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange requests the Commission waive this requirement.

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b4(f)(6)(iii), the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange respectfully requests the Commission to waive the 30-day operative delay so that the proposal may become operative upon filing. Waiver of the

25 See Approval Order, supra note 3.
30-day operative delay would allow the Exchange to implement rules being implemented by FINRA on March 15, 2022, and thus allow the Exchange to achieve the harmonization with FINRA rules intended by this proposal. The Exchange believes the proposed change is appropriate for treatment as a noncontroversial rule filing and that waiver of the operative delay is appropriate and in the best interest of investors because it seeks to adopt changes already approved by the Commission and would help avoid confusion for Members of the Exchange that are also FINRA members. 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: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) 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.

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

As discussed above, this filing is based upon the FINRA filings announcing its CE Transformation Initiative, specifically, Rule 1240(c) and Supplementary Material .01 and .02 to FINRA Rule 1240, and Supplementary Material .09 to FINRA Rule 1210.

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. Completed notice of proposed rule change for publication in the **Federal**
Register.

Exhibit 5. Text of the proposed rule change.
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 March [X], 2022, 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

The Exchange is filing with the Commission a proposed rule change to adopt new LTSE Rule 2.154 and amend LTSE Rule 2.160. The proposed rule change is based on recent changes made by the Financial Industry Regulatory Authority, Inc. (“FINRA”) to its Continuing Education Program³ (the “CE Transformation Initiative”), which includes a change to provide a path through continuing education for individuals to maintain their qualification following the

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termination of a registration.

The text of the proposed rule change is available at the Exchange’s website at https://longtermstockexchange.com/, at the principal office of the Exchange, and at the Commission’s Public Reference Room.

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 sets forth certain continuing education requirements for persons associated with a Member which are based on certain FINRA rules. The proposed rule change seeks to amend certain LTSE rules to more closely mirror FINRA rules, as amended as part of the CE Transformation Initiative.

Specifically, the proposed rule change would (i) adopt new LTSE Rule 2.154 to incorporate by reference FINRA Rule 1240(c) and Supplementary Material .01 and .02, which addresses how an associated person of a member can maintain their qualifications following the termination of a registration category, (ii) delete LTSE Rule 2.160(o) (Lapse of Registration and

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4 Id.
Expiration of SIE) because its substance is being replaced by new Rule 2.154, and (iii) amend Supplementary Material .01 to LTSE Rule 2.160(g) to state that effective March 15, 2022, LTSE will not accept any new initial designations for waiver for persons working for a financial services industry affiliate of a Member as specified therein. Each of these proposed changes align with changes to FINRA’s Continuing Education Program,\(^5\) which are scheduled to become effective on March 15, 2022.\(^6\)

The proposed rule change is part of a larger initiative in which LTSE intends to align the structure of its registration, continuing education and supervision rules with those of FINRA. As noted above, however, the proposed rule change addresses only those changes that become effective on March 15, 2022.

(i) **Maintenance of Qualification After Termination of Registration**

Effective March 15, 2022, FINRA has established a program providing eligible individuals who terminate any of their representative or principal registrations with the option of maintaining their qualification for certain terminated registrations by completing annual continuing education ("Maintaining Qualifications Program" or "MQP"). The rule change provides individuals who elect this option a maximum of five years in which to re-register with a member firm without having to requalify by exam or having to obtain an exam waiver by adopting paragraph (c) under FINRA Rule 1240 and related Supplementary Material .01 and

\(^5\) Id.

\(^6\) See FINRA Rules 1210 and 1240. In FINRA Regulatory Notice 21-41 (November 17, 2021), FINRA announced the amendment of Rules 1210 and 1240, noting effective dates, March 15, 2022 (with respect to paragraph (c) of Rule 1240 and Supplementary Material .09 to Rule 1210)); January 1, 2023 (all other rule changes).
.02. The amended FINRA rule did not eliminate the two-year qualification period. Rather, it provides such individuals an alternative means of staying current on their regulatory and securities knowledge following the termination of a registration(s). Eligible individuals who elect not to participate in the proposed continuing education program will continue to be subject to the current two-year qualification period. This rule change is generally aligned with other professional continuing education programs that allow individuals to maintain their qualification to work in their respective fields during a period of absence from their careers (including an absence of more than two years) by satisfying continuing education requirements for their credentials. FINRA’s rule change would impose the following conditions and limitations:

- Individuals would be required to be registered in the terminated registration category for at least one year immediately prior to the termination of that category;\(^8\)
- Individuals could elect to participate when they terminate a registration or within two years from the termination of a registration;\(^9\)
- Individuals would be required to complete annually all prescribed continuing education;
- Individuals would have a maximum of five years in which to re-register;\(^{10}\)
- Individuals who have been CE inactive for two consecutive years, or who become

\(^7\) See Approval Order, supra note 3 at 53360 (The “two-year qualification period” is defined as, “Currently, individuals whose registrations as representatives or principals have been terminated for two or more years may reregister as representatives or principals only if they requalify by retaking and passing the applicable representative- or principal-level examination or if they obtain a waiver of such examination(s).”).
\(^8\) See FINRA Rule 1240(c)(1).
\(^9\) See FINRA Rule 1240(c)(2).
\(^{10}\) See FINRA Rule 1240(c).
CE inactive for two consecutive years during their participation, would not be eligible to participate or continue; \(^\text{11}\) and

- individuals who are subject to a statutory disqualification, or who become subject to a statutory disqualification following the termination of their registration or during their participation, would not be eligible to participate or continue. \(^\text{12}\)

FINRA has included a look-back provision in the amended rules that would, subject to specified conditions, extend the proposed option to individuals who have been registered as a representative or principal within two years immediately prior to the implementation date of the rule change and individuals who have been Financial Services Affiliate Waiver Program ("FSAWP") participants \(^\text{13}\) immediately prior to the implementation date of the proposed rule change. \(^\text{14}\)

In addition, the amended Supplementary Material .02 to FINRA Rule 1240 includes a re-eligibility provision that would allow individuals to regain eligibility to participate each time they re-register with a firm for a period of at least one year and subsequently terminate their registration, provided that they satisfy the other participation conditions and limitations. \(^\text{15}\)

Eligible participating individuals would be eligible to maintain their qualifications for up to five years.

To align with the changes discussed above, proposed new LTSE Rule 2.154 would state that LTSE Members and associated persons of a Member shall comply with FINRA Rule

\(^{11}\) See FINRA Rules 1240(c)(4) and (c)(5).

\(^{12}\) See FINRA Rules 1240(c)(1) and (c)(6).

\(^{13}\) See Supplementary Material .09 to FINRA Rule 1210.

\(^{14}\) See Supplementary Material .01 to FINRA Rule 1240.

\(^{15}\) See Supplementary Material .02 to FINRA Rule 1240.
1240(c) and Supplementary Material .01 and .02, as if such Rule were part of the Exchange’s Rules. Additionally, for the purpose of LTSE Rule 2.154, cross-references in incorporated FINRA Rule 1240(c) to FINRA Rule 1240(a)(2) shall refer to LTSE Rule 2.160(p)(1) (Regulatory Element). The proposed rule change would delete LTSE Rule 2.160(o) as the approach to a lapse in registration would be covered by new LTSE Rule 2.154.

(ii) Waiver of Examinations for Individuals Working for a Financial Services Industry affiliate of a Member.

In connection with this new continuing education regime, FINRA amended Supplementary Material .09 to its Rule 1210 to state that it will not accept any new participants for the FSAWP beginning on March 15, 2022. To mirror changes to its FSAWP, LTSE has added new language to Supplementary Material .01 in LTSE Rule 2.160(g) to note that effective March 15, 2022, LTSE will not accept any new initial designations for individuals under its identical FSAWP.

2. Statutory Basis

LTSE believes that its proposal is consistent with Section 6(b) of the Act in general, and furthers the objectives of Section 6(b)(5) of the Act, in particular, in that it is designed to prevent fraudulent and manipulative practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and 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.

\[^{16}\text{15 U.S.C. 78f.}\]
\[^{17}\text{15 U.S.C. 78f(b)(6).}\]
As noted above, the proposed rule change seeks to align the Exchange’s Rules with certain recent changes to FINRA rules which have been approved by the Commission.\textsuperscript{18} The Exchange believes the proposed rule change is consistent with the provisions of Section 6(b)(5) of the Act,\textsuperscript{19} which requires, among other things, that Exchange Rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest, and Section 6(c)(3) of the Act,\textsuperscript{20} which authorizes the Exchange to prescribe standards of training, experience and competence for persons associated with the Exchange. The proposed changes are based on the changes approved by the Commission in the Approval Order,\textsuperscript{21} and the Exchange is proposing to adopt such changes substantially in the same form proposed by FINRA with respect to the MQP and FSAWP provisions. The Exchange believes the proposal is consistent with the Act for the reasons described above and for those reasons cited in the Approval Order.\textsuperscript{22}

The Exchange believes that establishing a path for individuals to maintain their qualification following the termination of a registration will reduce unnecessary impediments to requalification and promote greater diversity and inclusion in the securities industry without diminishing investor protection.

B. \textbf{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 Act. The

\begin{footnotesize}
\begin{itemize}
\item[\textsuperscript{18}] See Approval Order, supra note 3.
\item[\textsuperscript{19}] 15 U.S.C. 78f(b)(5).
\item[\textsuperscript{20}] 15 U.S.C. 78f(c)(3).
\item[\textsuperscript{21}] See Approval Order, supra note 3.
\item[\textsuperscript{22}] Id.
\end{itemize}
\end{footnotesize}
Exchange believes that the proposed rule change, which harmonizes its rules with recent rule changes adopted by FINRA, will reduce the regulatory burden placed on market participants engaged in trading activities across different markets.

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 comments on the proposed rule change.

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

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6) 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 shall 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 proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

**Electronic Comments:**


  or

- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-LTSE-2022-02 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-2022-02. 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](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-2022-02 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.25

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EXHIBIT 5 – TEXT OF PROPOSED RULE CHANGE

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

LONG-TERM STOCK EXCHANGE RULE BOOK

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2.154 Continuing Education Program for Persons Maintaining Their Qualification Following the Termination of a Registration Category

LTSE Members and associated persons of a Member shall comply with FINRA Rule 1240(c) and Supplementary Material .01 and .02, as if such Rule were part of the Exchange’s Rules.

References to FINRA Rule 1240(a)(2) shall refer to the LTSE Rule 2.160(p)(1) (Regulatory Element).

2.160 Registration Requirements and Restrictions on Membership

(a) - (f) No changes

(g) If the Exchange requires the completion of such proficiency examinations, the Exchange may, in exceptional cases and where good cause is shown, pursuant to LTSE Rule Series 9.600, waive such proficiency examinations as are required by the Exchange upon written request of the applicant and accept other standards as evidence of an applicant's qualifications. Advanced age, physical infirmity, or experience in fields ancillary to the securities business will not individually of themselves constitute sufficient grounds to waive a proficiency examination.

* * * * Supplementary Material * * * *

.01 Waiver of Examinations for Individuals Working for a Financial Services Industry affiliate of a Member. Upon request by a Member, the Exchange shall waive the applicable qualification examination(s) for an individual designated with the Exchange as working for a financial services industry affiliate of a Member if the following conditions are met:

(a) Prior to the individual's initial designation, the individual was registered as a representative or principal with the Exchange or FINRA for a total of five
years within the most recent 10-year period, including for the most recent year with the Member that initially designed the individual

(b) The waiver request is made within seven years of the individual's initial designation;

(c) The initial designation and any subsequent designation(s) were made concurrently with the filing of the individual's related Form U5;

(d) The individual continuously worked for the financial services industry affiliate(s) of a Member since the individual's last Form U5 filing;

(e) The individual has complied with the Regulatory Element of continuing education as specified in Rule 2.160(p); and

(f) The individual does not have any pending or adverse regulatory matters, or terminations, that are reportable on the Form U4, and has not otherwise been subject to a statutory disqualification as defined in Section 3(a)(39) of the Exchange Act while the individual was designated as eligible for a waiver.

As used in this Supplementary Material .01, a "financial services industry affiliate of a Member" is a legal entity that controls, is controlled by or is under common control with a Member and is regulated by the SEC, CFTC, state securities authorities, federal or state banking authorities, state insurance authorities, or substantially equivalent foreign regulatory authorities.

Effective March 15, 2022, LTSE will not accept any new initial designations for individuals under the waiver program set forth in Supplementary Material .01 of this Rule.

(h) - (n) No changes

(o) Reserved [Lapse of Registration and Expiration of SIE. Any person who was last registered as a representative two or more years immediately preceding the date of receipt by the Exchange of a new application for registration as a representative shall be required to pass a representative qualification examination appropriate to his or her category of registration as specified in paragraphs (h), (i), (j), (k), (l) and (n) of Rule 2.160.

Any person who last passed the SIE or who was last registered as a representative, whichever occurred last, four or more years immediately preceding the date of receipt by the Exchange of a new application for registration as a representative shall be required to pass the SIE in addition to a representative qualification examination appropriate to his or her category of registration as specified in paragraphs (h), (i), (j), (k), (l) and (n) of Rule 2.160.

Any person who was last registered as a principal two or more years immediately
preceding the date of receipt by the Exchange of a new application for registration as a principal shall be required to pass a principal qualification examination appropriate to his or her category of registration as specified in paragraphs (h), (i), (j), (k), (l) and (n) of Rule 2.160. Any person whose registration has been revoked pursuant to Rule 8.310 shall be required to pass a principal or representative qualification examination appropriate to his or her category of registration as specified in paragraphs (h), (i), (j), (k), (l) and (n) of Rule 2.160 to be eligible for registration with the Exchange. For purposes of this paragraph, an application shall not be considered to have been received by the Exchange if that application does not result in a registration.]

(p) - (r) No changes

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