

Required fields are shown with yellow backgrounds and asterisks.

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

File No. * SR 2022 - * 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"/>
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Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>
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Rule

<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)
<input checked="" type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)
<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 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) *

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

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Exhibit 2 Sent As Paper Document

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Exhibit 3 Sent As Paper Document

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Description

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

Proposed rule change to amend Listing Fee provisions

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 *	Gary	Last Name *	Goldsholle
Title *	Chief Regulatory Officer and General Counsel		
E-mail *	gary@longtermstockexchange.com		
Telephone *	(202) 580-5752	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 07/27/2022

(Title *)

By Gary Goldsholle

(Name *)

Chief Regulatory Officer and General Counsel

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.

LTSE Digitally signed by LTSE
Date: 2022.07.27
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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 EDFS website.			
<div>Form 19b-4 Information *</div> <div><div>AddRemoveView</div><div>(Part 1_19b4) 40% Reduction in Annu</div></div>			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.
<div>Exhibit 1 - Notice of Proposed Rule Change *</div> <div><div>AddRemoveView</div><div>(Part 2_Exhibit 1) 40% Reduction in A</div></div>			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)
<div>Exhibit 1A - Notice of Proposed Rule Change, Security-Based Swap Submission, or Advanced Notice by Clearing Agencies *</div> <div><div>AddRemoveView</div></div>			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)
<div>Exhibit 2- Notices, Written Comments, Transcripts, Other Communications</div> <div><div>AddRemoveView</div></div>			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. <div><input type="checkbox"/> Exhibit Sent As Paper Document</div>
<div>Exhibit 3 - Form, Report, or Questionnaire</div> <div><div>AddRemoveView</div></div>			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. <div><input type="checkbox"/> Exhibit Sent As Paper Document</div>
<div>Exhibit 4 - Marked Copies</div> <div><div>AddRemoveView</div></div>			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.
<div>Exhibit 5 - Proposed Rule Text</div> <div><div>AddRemoveView</div><div>(Part 3_Exhibit 5) 40% Reduction in A</div></div>			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
<div>Partial Amendment</div> <div><div>AddRemoveView</div></div>			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 proposed rule change to: (i) amend the Annual Listing Fee applicable for Companies renewing their listing for calendar year 2023, and (ii) make a minor clarifying change to the Initial Listing Fee provisions. The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(ii) of the Act,³ and Rule 19b-4(f)(2) thereunder,⁴ 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.

(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.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴ 17 CFR 240.19b-4(f)(2).

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

Gary Goldsholle
Chief Regulatory Officer and General Counsel
Long-Term Stock Exchange, Inc.
(202) 580-5752

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

(a) Purpose

The Exchange is filing this proposed rule change to amend Rule 14.601 to reduce the Annual Listing Fee for any listed Company⁵ renewing its listing for calendar year 2023 by 40 percent in light of the recent market dislocation. The Initial Listing Fees would remain at their current levels.⁶

1. Annual Listing Fee

Upon listing its Primary Equity Securities on LTSE, a Company is assessed an Initial Listing Fee in accordance with LTSE Rule 14.601(a)(1). The amount of the Initial Listing Fee is set forth in the fee schedule in LTSE Rule 14.601(a)(3) and is based on the market capitalization of the Company when it lists on the Exchange.⁷

For each subsequent year that a Company remains listed on the Exchange, it is assessed an Annual Listing Fee. The Annual Listing Fee for a Company's Primary Equity Securities also

⁵ Capitalized terms shall have the meaning provided in the LTSE Rule Book. See e.g., LTSE Rule 14.002(a)(8) (definition of "Company").

⁶ A Company that lists on the Exchange is assessed an Initial Listing Fee at the time it lists, which covers the period from date of listing until the end of the calendar year. The Annual Listing Fee is assessed on a Company for remaining listed on the Exchange in a subsequent year.

⁷ The Initial Listing Fee is prorated based on the number of trading days in the year remaining at the time of a Company's initial listing. See LTSE Rule 14.601(a)(1)(iv).

is based on the Company's market capitalization. Specifically, the Annual Listing Fee for an upcoming calendar year is calculated on December 1 (or such date of listing if after December 1), and is based on the company's Form 10-Q and Form 10-K filings over the prior four fiscal quarters. Thus, the Annual Listing Fee is calculated from filings covering the fourth quarter of the prior calendar year and the first three quarters of the current calendar year. Where a Company does not have Form 10-Q and Form 10-K filings for the prior four fiscal quarters, its Annual Listing Fee is calculated in the same manner as its Initial Listing Fee (but not at the prorated level).⁸ The Annual Listing Fee is not refunded if a company is delisted or elects to delist during the calendar year.⁹

In light of the recent market dislocation as discussed below, LTSE is reducing its Annual Listing Fee by 40 percent for any listed Company renewing its listing for calendar year 2023. This fee reduction will apply only to a Company that will be assessed an Annual Listing Fee in 2022 for purposes of remaining listed on LTSE for calendar year 2023.¹⁰ The 40 percent reduction applies only to the Annual Listing Fee; the Initial Listing Fee remains unchanged. Additionally, the reduction in the Annual Listing Fee pursuant to the proposed rule change is applicable only for an Annual Listing Fee assessed in 2022 for purposes of remaining listed on LTSE for calendar year 2023.

⁸ LTSE Rule 14.601(a)(2)(i).

⁹ LTSE Rule 14.601(a)(2)(ii).

¹⁰ Likewise, all Companies who will be assessed an Annual Listing Fee in December 2023 for remaining listed on the Exchange in 2024 will do so in accordance with the same fee schedule. This is a one time reduction and does not carry forward to listed Companies in subsequent years.

To better reflect the temporary divergence in the Initial Listing Fee and Annual Listing Fee, LTSE is creating two separate fee schedules.¹¹

The Exchange believes that it is reasonable and appropriate to temporarily reduce the Annual Listing Fee in light of the recent significant market dislocation. The broad-based market dislocation in the first half of 2022 has led stocks to some of their largest declines in many decades.¹² Although these market-wide dislocations are in many cases unrelated to the long-term fundamentals of a company, their impact to Companies in the short-term is real. The Exchange is designed to support Companies in realizing their success over the long-term, and the temporary reduction in the Annual Listing Fee recognizes the pressures created by current market conditions.¹³ Additionally, inasmuch as the market for listings is highly competitive, the Exchange believes that a temporary reduction in Annual Listing Fees is appropriate to signal its commitment to those Companies that have listed on the Exchange or long-term focused Companies that may do so later this year under the current macroeconomic climate.

The Exchange does not believe that the proposed temporary reduction in its Annual Listing Fee will have any adverse impact on the amount of funds available for its regulatory program.

¹¹ See Rule 14.602(a)(3)(i) covering the Initial Listing Fee, and Rule 14.602(a)(3)(ii) covering the Annual Listing Fee.

¹² Akuna Otani, Markets Post Worst First Half of a Year in Over Five Decades, Wall Street Journal (June 30, 2022).
<https://www.wsj.com/articles/markets-head-toward-worst-start-to-a-year-in-decades-1165655105>

¹³ See, e.g., Martin Alvarez, The Canary in the Capital Markets' Coal Mine: Protecting Long-Term Strategy, Medium (May 16, 2022)
https://medium.com/@martin_46598/the-canary-in-the-capital-markets-coal-mine-protecting-long-term-strategy-62c5044bc7; Martin Alvarez, Fasten your Seatbelts: The Fed and the Art of Economic Cycle Maintenance, Medium (June 27, 2022)
https://medium.com/@martin_46598/fasten-your-seatbelts-the-fed-and-the-art-of-economic-cycle-maintenance-ff669b8781b3

2. Initial Listing Fee

In addition, the proposed rule change would make a minor clarifying change to paragraph (a)(1)(iv) to provide that the reference to prorating the Initial Listing Fee is based on the number of remaining trading days after listing on the Exchange in that calendar year. Since the Initial Listing Fee covers only the calendar year in which a Company initially lists on the Exchange, the phrase “remaining trading days after listing on the Exchange” was always intended to refer to the number of remaining trading days in the calendar year of listing; the proposed rule change now makes that explicit.

(b) Statutory Basis

The Exchange believes the proposed rule change is consistent with the requirements of Section 6(b) of the Act¹⁴ in general, and furthers the objectives of Section 6(b)(4) of the Act¹⁵ in particular, because it provides for the equitable allocation of reasonable dues, fees, and other charges among its members, issuers, and other persons using its facilities. The Exchange also believes that the proposed rule change is consistent with the requirements of Section 6(b)(5) of the Act¹⁶ because it is designed 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 and is not designed to permit unfair discrimination between customers, issuers, brokers and dealers.

¹⁴ 15 U.S.C. 78f(b).

¹⁵ 15 U.S.C. 78f(b)(4).

¹⁶ 15 U.S.C. 78f(b)(5).

The Exchange believes that the temporary reduction of the Annual Listing Fee for remaining listed on the Exchange for calendar year 2023 represents an equitable allocation of charges among issuers and is non unfairly discriminatory in that it applies a consistent 40% fee reduction to the Annual Listing Fee for all Companies listed on the Exchange, or any company that becomes listed on the Exchange in 2022, which will then be assessed an Annual Listing Fee in 2022 to remain listed in calendar year 2023. LTSE further believes that the proposed rule change is reasonable and appropriate in view of the highly competitive market for listings and the disruptions faced by Companies as a result of the recent market dislocation. The benefits to a Company, its shareholders and stakeholders from pursuing long-term value creation were discussed extensively in the background and rationale for LTSE's Long-Term Policies.¹⁷ While LTSE believes that the current environment reinforces the importance for a Company to demonstrate its commitment to long-termism and the Long-Term Policies set forth in Rule 14.425, the Exchange believes that a temporary reduction in the Annual Listing Fee is reasonable and appropriate in the current environment where companies have resource constraints.¹⁸ As noted above, the proposed rule change applies the reduction to the Annual Listing Fee to all Companies who will be charged such fee to remain listed on the Exchange in 2023.

Additionally, the Exchange operates in a highly competitive market for the listing of Primary Equity Securities. The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the

¹⁷ See Securities Exchange Act Release No. 86327 (July 8, 2019), 84 FR 33293 (July 12, 2019).

¹⁸ The Exchange considered, but ultimately decided against, proposing a similar, temporary reduction in the Initial Listing Fees. Because any Company that lists on LTSE this year would receive the benefit of the reduced Annual Listing Fee for remaining listed on the Exchange in 2023, it was decided that amending the Initial Listing Fees, which are also already prorated, was unnecessary.

securities markets. A temporary reduction in Annual Listing Fee contributes to the competitive marketplace. The Exchange believes therefore that the proposed rule change supports an open market and the national market system, and is consistent with the public interest.

Finally, the Exchange believes that the proposed clarifying text regarding the Initial Listing Fees is consistent with Section 6(b)(5) of the Act in that it merely clarifies the meaning of an existing rule, with further clarity being in the public interest.

4. Self-Regulatory Organization's Statement on Burden on Competition

LTSE does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change would establish a temporary reduction in the Annual Listing Fee.

The market for listing services is highly competitive. Each listing exchange has established a fee schedule that applies to issuers seeking to list securities, or keep their securities listed, on its exchange. Issuers have the option to list their securities on these alternative venues based on the fees charged and the value provided by each listing. Because issuers have a choice to list their securities on a different national securities exchange, the Exchange does not believe that the proposed rule change imposes a burden on competition.

Intramarket Competition. The proposed rule change would establish a temporarily-reduced Annual Listing Fee that will be charged to all Companies listed on LTSE on the same basis. The Exchange does not believe that the proposed temporary fee change will have any meaningful effect on the competition among issuers listed on the Exchange. Again, the reduced Annual Listing Fee is available for all Companies that are listed on LTSE in calendar year 2022 for purposes of remaining listed for calendar year 2023.

Intermarket Competition. The Exchange operates in a highly competitive market in which issuers can readily choose to list securities on other exchanges and transfer listings to other exchanges if they deem fee levels at those other venues to be more favorable. Consequently, the Exchange does not believe the proposed rule change will impose any burden on intermarket competition in a manner that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange also notes that other listing venues adjust their fees from time to time.¹⁹

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)(ii) of Act²⁰ and Rule 19b-4(f)(2)²¹ thereunder. At any time within 60 days of the filing of such 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 under

¹⁹ See, e.g., Securities Exchange Act Release No. 90519 (November 25, 2020), 85 FR 77324 (December 1, 2020) (Nasdaq's Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Modify Certain Annual Listing Fees).

Section 19(b)(2)(B) of the Act to determine whether the proposed rule change should be approved or disapproved.²²

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 Proposed Rule Change.

²⁰ 15 U.S.C. 78s(b)(3)(A).

²¹ 17 CFR 240.19b-4(f)(2).

²² 15 U.S.C. 78s(b)(2)(B).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34- ; File No. SR-LTSE-2022-04]

[Date]

Self-Regulatory Organizations; Long-Term Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to a Temporary Reduction in the Annual Listing Fee

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 July 27, 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

LTSE proposes a rule change to: (i) amend the Annual Listing Fee applicable for Companies renewing their listing for calendar year 2023, and (ii) make a minor clarifying change to the Initial Listing Fee provisions.

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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 is filing this proposed rule change to amend Rule 14.601 to reduce the Annual Listing Fee for any listed Company³ renewing its listing for calendar year 2023 by 40 percent in light of the recent market dislocation. The Initial Listing Fees would remain at their current levels.⁴

1. Annual Listing Fee

Upon listing its Primary Equity Securities on LTSE, a Company is assessed an Initial Listing Fee in accordance with LTSE Rule 14.601(a)(1). The amount of the Initial Listing Fee is set forth in the fee schedule in LTSE Rule 14.601(a)(3) and is based on the market capitalization of the Company when it lists on the Exchange.⁵

³ Capitalized terms shall have the meaning provided in the LTSE Rule Book. See e.g., LTSE Rule 14.002(a)(8) (definition of "Company").

⁴ A Company that lists on the Exchange is assessed an Initial Listing Fee at the time it lists, which covers the period from date of listing until the end of the calendar year. The Annual Listing Fee is assessed on a Company for remaining listed on the Exchange in a subsequent year.

⁵ The Initial Listing Fee is prorated based on the number of trading days in the year remaining at the time of a Company's initial listing. See LTSE Rule 14.601(a)(1)(iv).

For each subsequent year that a Company remains listed on the Exchange, it is assessed an Annual Listing Fee. The Annual Listing Fee for a Company's Primary Equity Securities also is based on the Company's market capitalization. Specifically, the Annual Listing Fee for an upcoming calendar year is calculated on December 1 (or such date of listing if after December 1), and is based on the company's Form 10-Q and Form 10-K filings over the prior four fiscal quarters. Thus, the Annual Listing Fee is calculated from filings covering the fourth quarter of the prior calendar year and the first three quarters of the current calendar year. Where a Company does not have Form 10-Q and Form 10-K filings for the prior four fiscal quarters, its Annual Listing Fee is calculated in the same manner as its Initial Listing Fee (but not at the prorated level).⁶ The Annual Listing Fee is not refunded if a company is delisted or elects to delist during the calendar year.⁷

In light of the recent market dislocation as discussed below, LTSE is reducing its Annual Listing Fee by 40 percent for any listed Company renewing its listing for calendar year 2023. This fee reduction will apply only to a Company that will be assessed an Annual Listing Fee in 2022 for purposes of remaining listed on LTSE for calendar year 2023.⁸ The 40 percent reduction applies only to the Annual Listing Fee; the Initial Listing Fee remains unchanged. Additionally, the reduction in the Annual Listing Fee pursuant to the proposed rule change is applicable only for an Annual Listing Fee assessed in 2022 for purposes of remaining listed on LTSE for calendar year 2023.

⁶ LTSE Rule 14.601(a)(2)(i).

⁷ LTSE Rule 14.601(a)(2)(ii).

⁸ Likewise, all Companies who will be assessed an Annual Listing Fee in December 2023 for remaining listed on the Exchange in 2024 will do so in accordance with the same fee schedule. This is a one time reduction and does not carry forward to listed Companies in subsequent years.

To better reflect the temporary divergence in the Initial Listing Fee and Annual Listing Fee, LTSE is creating two separate fee schedules.⁹

The Exchange believes that it is reasonable and appropriate to temporarily reduce the Annual Listing Fee in light of the recent significant market dislocation. The broad-based market dislocation in the first half of 2022 has led stocks to some of their largest declines in many decades.¹⁰ Although these market-wide dislocations are in many cases unrelated to the long-term fundamentals of a company, their impact to Companies in the short-term is real. The Exchange is designed to support Companies in realizing their success over the long-term, and the temporary reduction in the Annual Listing Fee recognizes the pressures created by current market conditions.¹¹ Additionally, inasmuch as the market for listings is highly competitive, the Exchange believes that a temporary reduction in Annual Listing Fees is appropriate to signal its commitment to those Companies that have listed on the Exchange or long-term focused Companies that may do so later this year under the current macroeconomic climate.

The Exchange does not believe that the proposed temporary reduction in its Annual Listing Fee will have any adverse impact on the amount of funds available for its regulatory program.

⁹ See Rule 14.602(a)(3)(i) covering the Initial Listing Fee, and Rule 14.602(a)(3)(ii) covering the Annual Listing Fee.

¹⁰ Akuna Otani, Markets Post Worst First Half of a Year in Over Five Decades, Wall Street Journal (June 30, 2022).
<https://www.wsj.com/articles/markets-head-toward-worst-start-to-a-year-in-decades-1165655105>

¹¹ See, e.g., Martin Alvarez, The Canary in the Capital Markets' Coal Mine: Protecting Long-Term Strategy, Medium (May 16, 2022)
https://medium.com/@martin_46598/the-canary-in-the-capital-markets-coal-mine-protecting-long-term-strategy-62c5044bc7; Martin Alvarez, Fasten your Seatbelts: The Fed and the Art of Economic Cycle Maintenance, Medium (June 27, 2022)
https://medium.com/@martin_46598/fasten-your-seatbelts-the-fed-and-the-art-of-economic-cycle-maintenance-ff669b8781b3

2. Initial Listing Fee

In addition, the proposed rule change would make a minor clarifying change to paragraph (a)(1)(iv) to provide that the reference to prorating the Initial Listing Fee is based on the number of remaining trading days after listing on the Exchange in that calendar year. Since the Initial Listing Fee covers only the calendar year in which a Company initially lists on the Exchange, the phrase “remaining trading days after listing on the Exchange” was always intended to refer to the number of remaining trading days in the calendar year of listing; the proposed rule change now makes that explicit.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the requirements of Section 6(b) of the Act¹² in general, and furthers the objectives of Section 6(b)(4) of the Act¹³ in particular, because it provides for the equitable allocation of reasonable dues, fees, and other charges among its members, issuers, and other persons using its facilities. The Exchange also believes that the proposed rule change is consistent with the requirements of Section 6(b)(5) of the Act¹⁴ because it is designed 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 and is not designed to permit unfair discrimination between customers, issuers, brokers and dealers.

¹² 15 U.S.C. 78f(b).

¹³ 15 U.S.C. 78f(b)(4).

¹⁴ 15 U.S.C. 78f(b)(5).

The Exchange believes that the temporary reduction of the Annual Listing Fee for remaining listed on the Exchange for calendar year 2023 represents an equitable allocation of charges among issuers and is non unfairly discriminatory in that it applies a consistent 40% fee reduction to the Annual Listing Fee for all Companies listed on the Exchange, or any company that becomes listed on the Exchange in 2022, which will then be assessed an Annual Listing Fee in 2022 to remain listed in calendar year 2023. LTSE further believes that the proposed rule change is reasonable and appropriate in view of the highly competitive market for listings and the disruptions faced by Companies as a result of the recent market dislocation. The benefits to a Company, its shareholders and stakeholders from pursuing long-term value creation were discussed extensively in the background and rationale for LTSE's Long-Term Policies.¹⁵ While LTSE believes that the current environment reinforces the importance for a Company to demonstrate its commitment to long-termism and the Long-Term Policies set forth in Rule 14.425, the Exchange believes that a temporary reduction in the Annual Listing Fee is reasonable and appropriate in the current environment where companies have resource constraints.¹⁶ As noted above, the proposed rule change applies the reduction to the Annual Listing Fee to all Companies who will be charged such fee to remain listed on the Exchange in 2023.

Additionally, the Exchange operates in a highly competitive market for the listing of Primary Equity Securities. The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the

¹⁵ See Securities Exchange Act Release No. 86327 (July 8, 2019), 84 FR 33293 (July 12, 2019).

¹⁶ The Exchange considered, but ultimately decided against, proposing a similar, temporary reduction in the Initial Listing Fees. Because any Company that lists on LTSE this year would receive the benefit of the reduced Annual Listing Fee for remaining listed on the Exchange in 2023, it was decided that amending the Initial Listing Fees, which are also already prorated, was unnecessary.

securities markets. A temporary reduction in Annual Listing Fee contributes to the competitive marketplace. The Exchange believes therefore that the proposed rule change supports an open market and the national market system, and is consistent with the public interest.

Finally, the Exchange believes that the proposed clarifying text regarding the Initial Listing Fees is consistent with Section 6(b)(5) of the Act in that it merely clarifies the meaning of an existing rule, with further clarity being in the public interest.

B. Self-Regulatory Organization's Statement on Burden on Competition

LTSE does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change would establish a temporary reduction in the Annual Listing Fee.

The market for listing services is highly competitive. Each listing exchange has established a fee schedule that applies to issuers seeking to list securities, or keep their securities listed, on its exchange. Issuers have the option to list their securities on these alternative venues based on the fees charged and the value provided by each listing. Because issuers have a choice to list their securities on a different national securities exchange, the Exchange does not believe that the proposed rule change imposes a burden on competition.

Intramarket Competition. The proposed rule change would establish a temporarily-reduced Annual Listing Fee that will be charged to all Companies listed on LTSE on the same basis. The Exchange does not believe that the proposed temporary fee change will have any meaningful effect on the competition among issuers listed on the Exchange. Again, the reduced Annual Listing Fee is available for all Companies that are listed on LTSE in calendar year 2022 for purposes of remaining listed for calendar year 2023.

Intermarket Competition. The Exchange operates in a highly competitive market in which issuers can readily choose to list securities on other exchanges and transfer listings to other exchanges if they deem fee levels at those other venues to be more favorable. Consequently, the Exchange does not believe the proposed rule change will impose any burden on intermarket competition in a manner that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange also notes that other listing venues adjust their fees from time to time.¹⁷

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 foregoing proposal has become effective pursuant to section 19(b)(3)(A)(ii) of the Act,¹⁸ and Rule 19b-4(f)(2)¹⁹ thereunder. At any time within 60 days of the filing of such 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

¹⁷ See, e.g., Securities Exchange Act Release No. 90519 (November 25, 2020), 85 FR 77324 (December 1, 2020) (Nasdaq's Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Modify Certain Annual Listing Fees).

¹⁸ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁹ 17 CFR 240.19b-4(f)(2).

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-2022-04 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-2022-04. 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-2022-04 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.²⁰

²⁰ 17 CFR 200.30-3(a)(12).

EXHIBIT 5 – TEXT OF PROPOSED RULE CHANGE

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

Rule 14.601 Initial Listing Fees and Annual Listing Fees**(a) Primary Equity Securities****(1) Initial Listing Fee.**

- i. **Reporting Company Market Capitalization.** If a company has been a public reporting company continuously listed on a national securities exchange for at least 12 months prior to listing on the Exchange, then its market capitalization for purposes of the Initial Listing Fee is the unweighted average of the company's market capitalization over the prior four quarters. (Because the deadline to file a Form 10-Q or Form 10-K occurs after the end of the quarter, it is possible that a company that has been a public reporting company continuously listed on a national securities exchange for at least 12 months prior to listing on the Exchange would have made only three such filings at the time of its initial listing on the Exchange. In such a scenario, the market capitalization shall be derived from its three most recent filings.) The market capitalization for each quarter shall be determined by multiplying the basic weighted average shares outstanding as provided in a company's Form 10-Q or Form 10-K for the end of the quarter times the closing price of the security on the final trading day of such quarter as determined from the primary listing market.
- ii. If a public reporting company has not been continuously listed on a national securities exchange at least 12 months prior to listing on the Exchange, then the market capitalization for purposes of the Initial Listing Fee shall be the lesser of: (i) the number of shares of common stock outstanding after its initial public offering as provided in the final effective registration statement times the price per share at which the company's shares were sold to the underwriters pursuant to its initial public offering ("IPO Market Capitalization"), or (ii) the Reporting Company Market Capitalization method for each available quarter (i.e., one, two, or three) for which the company has filed a Form 10-Q or 10-K. (In the case of a direct offering for which there are no underwritten securities, the price of the company's securities as of the commencement of trading on the primary listing market (i.e., opening cross) shall be used in lieu of an initial public offering price.)
- iii. If a company conducts an underwritten initial public offering and commences trading on the Exchange, then the Initial Listing Fee shall be based solely on the IPO Market Capitalization method as described above.

- iv. The Initial Listing Fee shall be in the amount specified in paragraph (3)(i) and shall be prorated based on the number of remaining trading days after listing on the Exchange in that calendar year.

(2) Annual Listing Fee.

- i. The Annual Listing Fee for the upcoming calendar year is calculated on December 1 (or such date of listing if after December 1), and shall be based on the company's Form 10-Q and Form 10-K filings over the prior four fiscal quarters. Thus, the Annual Listing Fee is calculated from filings covering the fourth quarter of the prior calendar year and the first three quarters of the current calendar year. Where a company does not have filings for the prior four fiscal quarters, its Annual Listing Fee shall be the same as its Initial Listing Fee (but not at the prorated level).
- ii. The Annual Listing Fee shall be in the amount specified in paragraph (3)(ii) and shall not be refunded if a company is delisted or elects to delist during the calendar year.

(3) Fee Schedule.

i. Initial Listing Fee

Market Capitalization	Amount of Fee
Up to \$1 billion	\$150,000
More than \$1 billion and up to \$3 billion	\$200,000
More than \$3 billion and up to \$5 billion	\$250,000
More than \$5 billion and up to \$10 billion	\$300,000
More than \$10 billion and up to \$15 billion	\$350,000
More than \$15 billion and up to \$30 billion	\$400,000
More than \$30 billion and up to \$50 billion	\$450,000
More than \$50 billion	\$500,000

ii. Annual Listing Fee

<u>Market Capitalization</u>	<u>Fee for Renewals for Calendar Year 2023</u>	<u>Fee for Renewals for Calendar Years 2024 and Beyond</u>
<u>Up to \$1 billion</u>	<u>\$90,000</u>	<u>\$150,000</u>
<u>More than \$1 billion and up to \$3 billion</u>	<u>\$120,000</u>	<u>\$200,000</u>
<u>More than \$3 billion and up to \$5 billion</u>	<u>\$150,000</u>	<u>\$250,000</u>
<u>More than \$5 billion and up to \$10 billion</u>	<u>\$180,000</u>	<u>\$300,000</u>
<u>More than \$10 billion and up to \$15 billion</u>	<u>\$210,000</u>	<u>\$350,000</u>
<u>More than \$15 billion and up to \$30 billion</u>	<u>\$240,000</u>	<u>\$400,000</u>
<u>More than \$30 billion and up to \$50 billion</u>	<u>\$270,000</u>	<u>\$450,000</u>
<u>More than \$50 billion</u>	<u>\$300,000</u>	<u>\$500,000</u>

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