

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 20		SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No. * SR 2023 - * 03 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"/>			Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 Section 3C(b)(2) * <input type="checkbox"/>		
Exhibit 2 Sent As Paper Document <input type="checkbox"/>			Exhibit 3 Sent As Paper Document <input type="checkbox"/>		
<b>Description</b> Provide a brief description of the action (limit 250 characters, required when Initial is checked *). <div>Proposed rule change to amend Rule 2.150 to delete obsolete text.</div>					
<b>Contact Information</b> 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 * James Last Name * Buckley Title * Chief Regulatory Officer E-mail * james.buckley@longtermstockexchange.com Telephone * (929) 837-1125 Fax					
<b>Signature</b> 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 05/02/2023 (Title *) By Maria Laura Astrada Head of Risk and Compliance (Name *) 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. Maria Laura Astrada Digitally signed by Maria Laura Astrada Date: 2023.05.02 16:23:50 -04'00'					

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SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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

Form 19b-4 Information \*

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Part 1 (19b-4) SR-LTSE-2023-03 Rule

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) SR-LTSE-2023-03 R

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.

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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.

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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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Part 3 (Exhibit 5) SR-LTSE-2023-03 R

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”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> Long-Term Stock Exchange, Inc. (“LTSE” or the “Exchange”) is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to amend Rule 2.250 to remove obsolete language relating to how the Exchange designated certain Members<sup>3</sup> previously subject to the rule to participate in mandatory disaster recovery testing as required by Regulation SCI and Rule 2.250 for calendar year 2020. LTSE has filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act,<sup>4</sup> and Rule 19b-4(f)(6) thereunder,<sup>5</sup> 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.

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> The term “Member” refers to any registered broker or dealer that has been admitted to membership in the Exchange. A Member will have the status of a Member of the Exchange as that term is defined in Section 3(a)(3) of the Act. Membership may be granted to a sole proprietor, partnership, corporation, limited liability company, or other organization that is a registered broker or dealer pursuant to Section 15 of the Act, and which has been approved by the Exchange. See LTSE Rule 1.160(w).

<sup>4</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>5</sup> 17 CFR 240.19b-4(f)(6).

2. Procedures of the Self-Regulatory Organization

Senior management has approved the proposed rule change pursuant to resolution of the Board of Directors of the Exchange dated February 2, 2023. 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:

James G. Buckley  
Chief Regulatory Officer  
Long-Term Stock Exchange, Inc.  
(929) 837-1125

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 LTSE Rule 2.250 (Mandatory Participation in Testing of Backup Systems) to remove obsolete rule text regarding the process it employed to designate certain Members previously subject to the rule to participate in mandatory disaster recovery testing pursuant to Regulation SCI and Rule 2.250 for calendar year 2020.

Regulation SCI requires LTSE, as an SCI entity, to maintain business continuity and disaster recovery plans that provide for resilient and geographically diverse backup and recovery capabilities that are reasonably designed to achieve two-hour resumption of critical SCI systems and next business day resumption of other SCI systems following a wide-scale disruption.<sup>6</sup>

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<sup>6</sup> See Securities Exchange Act Release No. 73639 (November 19, 2014), 79 FR 72252 (December 5, 2014).

Rule 1004 under Regulation SCI and LTSE Rule 2.250 also require LTSE to designate certain Members to participate in business continuity and disaster recovery testing in a manner specified by LTSE and at a frequency of not less than once every 12 months.<sup>7</sup> Such testing ordinarily is part of an industry-wide test conducted annually in the month of October.

LTSE Rule 2.250 governs mandatory participation in testing of LTSE's backup systems, and states that LTSE will designate Members that account for a meaningful percentage of executed volume on LTSE, measured on a quarterly basis, as required to connect to LTSE's backup systems and participate in functional and performance testing of such system.<sup>8</sup> Rule 2.250 further provides that if a Member has not previously been subject to the rule, such Member will have until the next calendar quarter before such requirements are applicable.<sup>9</sup>

In July 2020, the Exchange filed a proposed rule change, for immediate effectiveness, to amend Rule 2.250 to provide for special provisions to designate certain Members to participate in mandatory disaster recovery training in calendar year 2020.<sup>10</sup> The rule change was based on the fact that the Exchange was not operational as of the date of the rule filing, and did not become operational until September 9, 2020. As a result, for calendar year 2020, the Exchange did not have two calendar quarters of trading data on which to base its Member designation prior to the October 2020 test. Absent an amendment, Rule 2.250 would not have permitted the Exchange to designate any Members to participate in the industry-wide test for 2020 because no Member would have had a meaningful percentage of executed volume on LTSE upon which a designation could have been made.

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<sup>7</sup> See, LTSE Rule 2.250(a), (b).

<sup>8</sup> See, LTSE Rule 2.250(a), (c).

<sup>9</sup> See, LTSE Rule 2.250(c).

<sup>10</sup> See, Exchange Act Release 34-89216 (July 2, 2020), 85 FR 41259 (July 9, 2020), SR-LTSE-2020-10.

To address the unique circumstances for disaster recovery testing in 2020, the Exchange amended Rule 2.250 to add new paragraph (d), which provided that for calendar year 2020, notwithstanding paragraphs (b) and (c), which assign the Exchange responsibility of “identifying Members that account for a meaningful percentage of the Exchange’s overall volume,” the Exchange would instead designate at least three Members who have a meaningful percentage of trading volumes in NMS stocks across the other equity exchanges. This rule change allowed the Exchange to identify Members for industry-wide disaster recovery testing in the absence of the LTSE-specific volume metrics that would be used in the ordinary course to designate such firms.

By its terms, Rule 2.250(d) was limited to the special circumstances existing in calendar year 2020 given that the Exchange did not become operational until September 2020, approximately one month prior to the industry test. The special provisions of paragraph (d) were not employed in the 2021 and 2022 industry-wide disaster recovery testing and the Exchange instead relied on the provisions of paragraphs (a) through (c) of the rule in establishing the standards to be used for determining which Members contribute a meaningful percentage of the Exchange’s overall volume and thus are required to participate in functional and performance testing.

Accordingly, the Exchange is now proposing to delete paragraph (d) of Rule 2.250 in its entirety as obsolete and unnecessary rule text.

(b) Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,<sup>11</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>12</sup> in

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<sup>11</sup> 15 U.S.C. 78f.

<sup>12</sup> 15 U.S.C. 78f(b)(5).

particular, in that it is designed to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest.

The Exchange states that its proposed deletion of Rule 2.250(d), which was limited by its terms to the required Regulation SCI testing for calendar year 2020, is obsolete and was only followed for the 2020 testing. The Exchange's participation in the 2021 and 2022 industry testing was based on the process outlined in paragraphs (a) through (c) of Rule 2.250, as was the original intent of the rule. Paragraph (d) was only added to account for the unique circumstances of industry-wide testing occurring within a short time of when the Exchange commenced trading operations and, as a result, the Exchange would not have had the data to conduct the testing under the process outlined in Rule 2.250(a) through (c). The Exchange believes that its proposed deletion of this obsolete text is consistent with Section 6(b)(5) of the Act<sup>13</sup> in that it assures that the Exchange's rules are current and up-to-date, which operates to perfect the mechanism of a free and open market and national market system and in general with the protection of investors and the public interest.

Moreover, as set forth in the SCI Adopting Release, "SROs have the authority, and legal responsibility, under Section 6 of the Exchange Act, to adopt and enforce rules (including rules to comply with Regulation SCI's requirements relating to BC/DR testing) applicable to their members or participants that are designed to, among other things, 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

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<sup>13</sup> See fn. 12, *supra*.

mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.”<sup>14</sup> The Exchange believes that this proposal is consistent with such authority and legal responsibility in that it removes obsolete text from Rule 2.250 and assures that the Exchange’s rule aligns with the requirements of Regulation SCI.

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 proposed amendment is intended solely to remove obsolete text from Rule 2.250 relating to unique circumstances surrounding the Exchange’s participation in industry-wide Regulation SCI testing for calendar year 2020. Consequently, the Exchange does not believe that the proposed rule change would impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act.

5. 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.

6. Extension of Time Period for Commission Action

Not applicable.

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

The proposed rule change is filed for immediate effectiveness pursuant to Section 19(b)(3)(A) of Act<sup>15</sup> and Rule 19b-4(f)(6)<sup>16</sup> 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

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<sup>14</sup> See supra note 6, at 72350.



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<sup>15</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>16</sup> 17 CFR 240.19b-4(f)(6).

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 proposed change to eliminate obsolete rule text relating to how the Exchange designated certain Members to participate in mandatory disaster recovery testing pursuant to Regulation SCI and LTSE Rule 2.250 for calendar year 2020 will not significantly affect the protection of investors of the public interest because it was limited to the 2020 mandatory disaster recovery testing alone, and was applicable, nor relied upon, for the industry-wide testing conducted in 2021 and 2022.

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative prior to 30 days after the date of filing. Rule 19b-4(f)(6)(iii), however, permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange requests that the Commission waive the operative delay since the rule text proposed to be deleted was limited to the 2020 Regulation SCI industry-wide testing, and no longer has any applicability. The waiver of the operative delay would thus have no consequence, since Rule 2.250(d) is, by its terms, limited to calendar year 2020.

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.

(c) Not applicable.

(d) Not applicable.

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.

## EXHIBIT 1

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34- ; File No. SR-LTSE-2023-03]

[Insert Date]

Self-Regulatory Organizations; Long-Term Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend Rule 2.250 to Remove Obsolete Text.

Pursuant to the provisions of Section 19(b)(1) under the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on April 21, 2023, 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 proposes to amend LTSE Rule 2.250 (Mandatory Participation in Testing of Backup Systems) to remove obsolete rule text regarding the process it employed to designate certain Members<sup>3</sup> previously subject to the rule to participate in mandatory disaster recovery testing pursuant to Regulation SCI and Rule 2.250 for calendar year 2020.

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> The term “Member” refers to any registered broker or dealer that has been admitted to membership in the Exchange. A Member will have the status of a Member of the Exchange as that term is defined in Section 3(a)(3) of the Act. Membership may be granted to a sole proprietor, partnership, corporation, limited liability company, or other organization that is a registered broker or dealer pursuant to Section 15 of the Act, and which has been approved by the Exchange. See, LTSE Rule 1.160(w).

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 Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The 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 of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend LTSE Rule 2.250 (Mandatory Participation in Testing of Backup Systems) to remove obsolete rule text regarding the process it employed to designate certain Members previously subject to the rule to participate in mandatory disaster recovery testing pursuant to Regulation SCI and Rule 2.250 for calendar year 2020.

Regulation SCI requires LTSE, as an SCI entity, to maintain business continuity and disaster recovery plans that provide for resilient and geographically diverse backup and recovery capabilities that are reasonably designed to achieve two-hour resumption of critical SCI systems and next business day resumption of other SCI systems following a wide-scale disruption.<sup>4</sup>

Rule 1004 under Regulation SCI and LTSE Rule 2.250 also require LTSE to designate certain Members to participate in business continuity and disaster recovery testing in a manner specified

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<sup>4</sup> See Securities Exchange Act Release No. 73639 (November 19, 2014), 79 FR 72252 (December 5, 2014).

by LTSE and at a frequency of not less than once every 12 months.<sup>5</sup> Such testing ordinarily is part of an industry-wide test conducted annually in the month of October.

LTSE Rule 2.250 governs mandatory participation in testing of LTSE's backup systems, and states that LTSE will designate Members that account for a meaningful percentage of executed volume on LTSE, measured on a quarterly basis, as required to connect to LTSE's backup systems and participate in functional and performance testing of such system.<sup>6</sup> Rule 2.250 further provides that if a Member has not previously been subject to the rule, such Member will have until the next calendar quarter before such requirements are applicable.<sup>7</sup>

In July 2020, the Exchange filed a proposed rule change, for immediate effectiveness, to amend Rule 2.250 to provide for special provisions to designate certain Members to participate in mandatory disaster recovery training in calendar year 2020.<sup>8</sup> The rule change was based on the fact that the Exchange was not operational as of the date of the rule filing, and did not become operational until September 9, 2020. As a result, for calendar year 2020, the Exchange did not have two calendar quarters of trading data on which to base its Member designation prior to the October 2020 test. Absent an amendment, Rule 2.250 would not have permitted the Exchange to designate any Members to participate in the industry-wide test for 2020 because no Member would have had a meaningful percentage of executed volume on LTSE upon which a designation could have been made.

To address the unique circumstances for disaster recovery testing in 2020, the Exchange amended Rule 2.250 to add new paragraph (d), which provided that for calendar year 2020,

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<sup>5</sup> See, LTSE Rule 2.250(a), (b).

<sup>6</sup> See, LTSE Rule 2.250(a), (c).

<sup>7</sup> See, LTSE Rule 2.250(c).

<sup>8</sup> See, Exchange Act Release 34-89216 (July 2, 2020), 85 FR 41259 (July 9, 2020), SR-LTSE-2020-10.

notwithstanding paragraphs (b) and (c), which assign the Exchange responsibility of “identifying Members that account for a meaningful percentage of the Exchange’s overall volume,” the Exchange would instead designate at least three Members who have a meaningful percentage of trading volumes in NMS stocks across the other equity exchanges. This rule change allowed the Exchange to identify Members for industry-wide disaster recovery testing in the absence of the LTSE-specific volume metrics that would be used in the ordinary course to designate such firms.

By its terms, Rule 2.250(d) was limited to the special circumstances existing in calendar year 2020 given that the Exchange did not become operational until September 2020, approximately one month prior to the industry test. The special provisions of paragraph (d) were not employed in the 2021 and 2022 industry-wide disaster recovery testing and the Exchange instead relied on the provisions of paragraphs (a) through (c) of the rule in establishing the standards to be used for determining which Members contribute a meaningful percentage of the Exchange’s overall volume and thus are required to participate in functional and performance testing.

Accordingly, the Exchange is now proposing to delete paragraph (d) of Rule 2.250 in its entirety as obsolete and unnecessary rule text.

b. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,<sup>9</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>10</sup> in particular, in that it is designed to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to

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<sup>9</sup> 15 U.S.C. 78f.

<sup>10</sup> 15 U.S.C. 78f(b)(5).

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.

The Exchange states that its proposed deletion of Rule 2.250(d), which was limited by its terms to the required Regulation SCI testing for calendar year 2020, is obsolete and was only followed for the 2020 testing. The Exchange's participation in the 2021 and 2022 industry testing was based on the process outlined in paragraphs (a) through (c) of Rule 2.250, as was the original intent of the rule. Paragraph (d) was only added to account for the unique circumstances of industry-wide testing occurring within a short time of when the Exchange commenced trading operations and, as a result, the Exchange would not have had the data to conduct the testing under the process outlined in Rule 2.250(a) through (c). The Exchange believes that its proposed deletion of this obsolete text is consistent with Section 6(b)(5) of the Act<sup>11</sup> in that it assures that the Exchange's rules are current and up-to-date, which operates to perfect the mechanism of a free and open market and national market system and in general with the protection of investors and the public interest.

Moreover, as set forth in the SCI Adopting Release, "SROs have the authority, and legal responsibility, under Section 6 of the Exchange Act, to adopt and enforce rules (including rules to comply with Regulation SCI's requirements relating to BC/DR testing) applicable to their members or participants that are designed to, among other things, 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

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<sup>11</sup> See, supra, note 6.



investors and the public interest.”<sup>12</sup> The Exchange believes that this proposal is consistent with such authority and legal responsibility in that it removes obsolete text from Rule 2.250 and assures that the Exchange’s rule aligns with the requirements of Regulation SCI.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed amendment is intended solely to remove obsolete text from Rule 2.250 relating to unique circumstances surrounding the Exchange’s participation in industry-wide Regulation SCI testing for calendar year 2020. Consequently, the Exchange does not believe that the proposed rule change would impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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

The proposed rule change is filed for immediate effectiveness pursuant to Section 19(b)(3)(A) of Act<sup>13</sup> and Rule 19b-4(f)(6)<sup>14</sup> 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.

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<sup>12</sup> See supra note 4, at 72350.

<sup>13</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>14</sup> 17 CFR 240.19b-4(f)(6).

The proposed change to eliminate obsolete rule text relating to how the Exchange designated certain Members to participate in mandatory disaster recovery testing pursuant to Regulation SCI and LTSE Rule 2.250 for calendar year 2020 will not significantly affect the protection of investors of the public interest because it was limited to the 2020 mandatory disaster recovery testing alone, and was thus inapplicable, and not relied upon, for the industry-wide testing conducted in 2021 and 2022.

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative prior to 30 days after the date of filing. Rule 19b-4(f)(6)(iii), however, permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange requests that the Commission waive the operative delay since the rule text proposed to be deleted was limited to the 2020 Regulation SCI industry-wide testing, and no longer has any applicability. The waiver of the operative delay would thus have no consequence, since Rule 2.250(d) is, by its terms, limited to calendar year 2020.

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](mailto:rule-comments@sec.gov). Please include File Number SR-LTSE-2023-03 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-LTSE-2023-03. 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-2023-03

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.<sup>15</sup>

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<sup>15</sup> 17 CFR 200.30-3(a)(12).

## EXHIBIT 5 – TEXT OF PROPOSED RULE CHANGE

Proposed deletions are [bracketed]

**LONG-TERM STOCK EXCHANGE RULE BOOK**

\* \* \*

**Rule 2.250. Mandatory Participation in Testing of Backup Systems**

(a) - (c) No change.

[(d) For calendar year 2020, notwithstanding paragraphs (b) and (c), the Exchange will instead designate at least three Members who have a meaningful percentage of trading volumes in NMS Stocks across the other equity exchanges. The Exchange will designate firms that have already established connections to the Exchange's backup systems. The Exchange will notify Members designated under this paragraph (d) no later than July 10, 2020.]

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