

Required fields are shown with yellow backgrounds and asterisks.

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 * Data Expired *
Rule: 19b-4(f)(1) 19b-4(f)(2) 19b-4(f)(3) 19b-4(f)(4) 19b-4(f)(5) 19b-4(f)(6)

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) * Section 806(e)(2) * Section 3C(b)(2) *

Exhibit 1: Same As Paper Document Exhibit 2: Best Kept Paper Document

Description

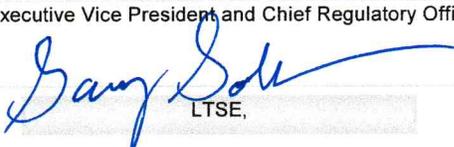
Provide a brief description of the action (limit 250 characters, required when Initial is checked *).
Proposed rule change to amend LTSE Rule 14.501(d)(2)(A)(iii) to include compliance with the Long-Term Policies pursuant to LTSE Rule 14.425.

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 * Regulatory and Compliance Counsel
E-mail * nawreen@longtermstockexchange.com
Telephone * (646) 430-0578 Fax

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,
has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.
(Title *)
Date 01/15/2021 Executive Vice President and Chief Regulatory Officer
By Gary Goldsholle 
(Name *) LTSE,

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

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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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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 Advance 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, security-based swap submission, or advance notice 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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Exhibit Sent As Paper Document

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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Exhibit Sent As Paper Document

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

Partial Amendment

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

1. Text of Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) under the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² Long-Term Stock Exchange, Inc. (“LTSE” or the “Exchange”) is filing with the Securities and Exchange Commission (“Commission”) a proposal to amend LTSE Rule 14.501(d)(2)(A)(iii) to specify the process for enforcing compliance with the Long-Term Policies pursuant to LTSE Rule 14.425 for listed companies (“Companies”). 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

The Board of the Exchange (“Board”) has approved the proposed rule change pursuant to unanimous written consent of the Board dated January 13, 2021. No further action is required under the Exchange’s governing documents. Therefore, the Exchange’s internal procedures with respect to the proposed rule change are complete.

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

Nawreen Sattar
Regulatory and Compliance Counsel
Long-Term Stock Exchange, Inc.
(646) 430-0578

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

(a) Purpose

The Exchange proposes to amend Rule 14.501(d)(2)(A)(iii) to specify the process for enforcing compliance with the Long-Term Policies pursuant to LTSE Rule 14.425 under LTSE Rule Series 14.500.³ LTSE Rule 14.425(a) requires Companies to adopt and publish the following policies: a Long-Term Stakeholder Policy; a Long-Term Strategy Policy; a Long-Term Compensation Policy; a Long-Term Board Policy; and a Long-Term Investor Policy (collectively, the “Policies”). While Companies have flexibility to develop appropriate Policies for their businesses, each of the Policies must be consistent with the set of principles articulated in LTSE Rule 14.425(b) (collectively, the “Principles”).⁴ Companies also are required to at least annually review their Policies, make them publicly available and free of charge on or through their websites, and provide related disclosures in certain filings with the Commission, as provided for in LTSE Rule 14.425(c).

The Exchange enforces the provisions of LTSE Rule 14.425 by ensuring that each LTSE-listed issuer has addressed all of the elements enumerated in each of the Policies, consistent with the Principles, and has made the Policies publicly available without cost.⁵ A number of rules in the Rulebook enable the Exchange to ensure such compliance. First, with respect to identification of a deficiency, LTSE Rule 14.500(a) provides that LTSE staff is responsible for

³ See LTSE Rule 14.001 (“The consequences of a failure to meet LTSE’s listing standards are contained in the LTSE Rule Series 14.500.”).

⁴ See Securities Exchange Act Release No. 86722 (August 21, 2019), 84 FR 44953 (August 27, 2019) (order approving proposed rule change to adopt LTSE Rule 14.425).

⁵ Id. at 44954.

identifying deficiencies that may lead to delisting. Additionally, LTSE Rule 14.410 requires a Company provide the Exchange with prompt notification after an Executive Officer of the Company becomes aware of any noncompliance by the Company with the LTSE Rule Series 14.400, which includes Rule 14.425. Second, the Exchange retains the authority to elicit necessary information for reaching a deficiency determination, as LTSE Rule 14.207(a)(1) provides that the Exchange may request any additional information or documentation, public or non-public, deemed necessary to make a determination regarding a Company's continued listing, and a Company may be denied continued listing if it fails to provide such information within a reasonable period of time.⁶

Third, LTSE Rule 14.501 sets forth the provisions regarding the Exchange's process for notifying Companies regarding different types of deficiencies and their corresponding consequences. There are four types of Company deficiency notifications that the Exchange may issue pursuant to LTSE Rule 14.501(a): (i) Staff Delisting Determinations, which are notifications of deficiencies that, unless appealed, subject the Company to immediate suspension and delisting; (ii) notifications of deficiencies for which the Company may submit a plan of compliance for staff review; (iii) notifications of deficiencies for which a Company is entitled to an automatic cure or compliance period; and (iv) Public Reprimand Letters. LTSE Rule 14.501(d) identifies the deficiencies that fall within each of these four categories.⁷

⁶ In addition, the Exchange plans to monitor Company compliance with Rule 14.425 annually and on an ad hoc basis.

⁷ LTSE Rule 14.501(d) provides that in case of a deficiency not specified in subparagraphs (1)-(4), LTSE staff will issue either a Staff Delisting Determination or a Public Reprimand Letter.

The proposed rule change would amend LTSE Rule 14.501(d)(2)(A)(iii) to specify that deficiencies relating to LTSE Rule 14.425 would include those for which a Company may submit a plan of compliance (“Plan of Compliance”) for staff review, similar to how other corporate governance rules are handled generally in LTSE Rule 14.501(d)(2)(A)(iii).⁸ The timeline for such a Plan of Compliance is governed by LTSE Rule 14.501(d)(2)(C), which establishes that a Company has 45 calendar days to submit a plan to regain compliance. LTSE staff may extend this deadline for up to an additional 5 calendar days upon good cause shown and may request such additional information from the Company as is necessary to make a determination regarding whether to grant such an extension. The Exchange believes that this time period appropriately balances the interests of the Exchange in ensuring compliance with its listing standards with the application of principles-based listing standards by the Company.⁹

The process for reviewing such a Plan of Compliance is set forth in LTSE Rule 14.501(d)(2)(B) and would be unchanged. Under this subparagraph (B), LTSE may provide the

⁸ See, e.g., LTSE Rules 14.408(a) (Meetings of Shareholders), 14.408(c) (Quorum), 14.411 (Review of Related Party Transactions), 14.412 (Shareholder Approval), 14.406 (Code of Conduct), 14.407(a)(4)(D) (Partner Meetings of Limited Partners), 14.407(a)(4)(E) (Quorum of Limited Partnerships), 14.407(a)(4)(G) (Related Party Transactions of Limited Partnerships), 14.413 (Voting Rights), or 14.414 (Internal Audit Function). The proposed rule change also would remove two erroneous “or”s in LTSE Rule 14.501(d)(2)(A)(iii).

⁹ Notwithstanding the mandated period to submit a Plan of Compliance and regain compliance under LTSE Rule 14.501(d)(2), as set forth in LTSE Rule 14.501(c) and repeated in LTSE Rule 14.207(b)(2), “a listed Company that receives a notification of deficiency from the Exchange is required to make a public announcement by filing a Form 8-K, where required by SEC rules, or by issuing a press release disclosing receipt of the notification and the Rule(s) upon which the deficiency is based, and describing each specific basis and concern identified by the Exchange in reaching its determination that the Company does not meet the listing standard.” For avoidance of doubt, a request for information by LTSE staff pursuant to LTSE Rule 14.207(a)(1), absent a notification of deficiency, will not require a public announcement by the subject Company pursuant to LTSE Rules 14.501(c) or 14.207(b)(2).

Company with up to 180 days to regain compliance (with certain exceptions), issue a Staff Delisting Determination letter, or issue a Public Reprimand Letter in accordance with LTSE Rule 14.501(d)(4). As set forth in LTSE Rule 14.500(a), a Public Reprimand Letter or Staff Delisting Determination, upon timely request by a Company, is subject to review by a Listings Review Committee, which will adjudicate the request in accordance with procedures and timelines set forth in LTSE Rules 14.502, 14.504 and 14.505.

LTSE Rule 14.425 provides Companies flexibility in developing what they believe to be appropriate Policies for their businesses; however, each of the required Policies must include certain minimum elements, and must be consistent with the Principles. The Exchange has represented to the Commission that it will enforce the provisions of LTSE Rule 14.425 by ensuring that each Company has addressed all of the requirements enumerated for each of the prescribed Policies, that the Company's Policies are consistent with the Principles, and it has made the Policies publicly available without cost.¹⁰ Additionally, LTSE Rule 14.425(c) mandates that Companies annually review their Policies because the Exchange has anticipated that, over time, Companies may choose to or need to recalibrate their Policies with new objectives or initiatives, provided that the amended Policies continue to align with the Principles noted in LTSE Rule 14.425. The Exchange believes the ability to tailor Policies, if necessary, to changing circumstances, while remaining anchored to the Principles, is essential for ensuring that the Policies are effective and meaningful tools for supporting long-term value creation for Companies and their investors.

¹⁰ See supra note 4.

The Exchange holds that, in case of a deficiency, Companies may achieve compliance by changing Policies or practices¹¹ related to the deficiency, amending the applicable Policies or some combination of both, provided that the changes are consistent with the Principles discussed in LTSE Rule 14.425. The Exchange's objective is to help foster long-term value creation for each Company and the Exchange believes that providing an opportunity for remediation to Companies that face a deficiency with respect to LTSE Rule 14.425 will aid in achieving that goal by allowing Companies to formulate effective Policies tailored to Company-specific needs. At all times, the Exchange may exercise its broad discretionary authority under LTSE Rule 14.101 to suspend or delist Companies based on any event, condition, or circumstance that exists or occurs that makes initial or continued listing of the securities on the Exchange inadvisable or unwarranted in the opinion of the Exchange to protect investors and the public interest, among other objectives.

(b) Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,¹² in general, and furthers the objectives of Section 6(b)(5) of the Act,¹³ in particular, because it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with 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

¹¹ For the avoidance of doubt, each Company shall be solely responsible for ensuring any changes in its practices to conform to its Policies do not violate any legal, regulatory, contractual, or other requirements applicable to the Company.

¹² 15 U.S.C. 78f.

¹³ 15 U.S.C. 78f(b)(5).

investors and the public interest, particularly those investors with a long-term focus. Further, the Exchange believes the proposal is not designed to permit unfair discrimination between issuers or to regulate by virtue of any authority conferred by the Act matters not related to the purposes of the Act or the administration of the Exchange, for the reasons set forth below.

The Exchange believes that the proposed rule change brings deficiencies with respect to LTSE Rule 14.425 in alignment with other LTSE rules pertaining to corporate governance that allow a Company to submit a Plan of Compliance in the case of a deficiency. The proposed rule change furthers the Exchange's objective to promote long-term value creation while retaining effective enforcement mechanisms for deficiencies with respect to LTSE Rule 14.425. Pursuant to the proposed amendment, Companies will be provided an opportunity to regain compliance with LTSE Rule 14.425 by formulating appropriate Policies that remain anchored to the Principles enumerated in LTSE Rule 14.425 through an existing process that has already been determined to be consistent with the Act in that it removes impediments to and perfects the mechanism of a free and open market and a national market system, consistent with the protection of investors and the public interest.¹⁴

The Exchange believes that its proposed rule change is fair and not unfairly discriminatory because it is applicable to all listed Companies that experience a deficiency with respect to LTSE Rule 14.425 and is part of the adjudicatory process set forth in the LTSE Rule Series 14.500.¹⁵

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

¹⁴ See Securities Exchange Act Release No. 85828 (May 10, 2019), 84 FR 21841 (May 15, 2019) (order approving the application of Long Term Stock Exchange, Inc. for registration as a National Securities Exchange).

¹⁵ See supra note 3.

The Exchange does not believe that the proposed rule change would impose any burden on competing venues that is not necessary or appropriate in furtherance of the purposes of the Act. The degree to which the proposed amendment could impose any burden on intermarket competition is extremely limited because other national securities exchanges may propose similar listing standards with appropriate remediation mechanisms and issuers are able to list on other national securities exchanges. Further, issuers that do not wish to meet the Exchange's listing standards also are able to list on other national securities exchanges.

LTSE also does not believe that the proposed rule change will result in any burden on intramarket competition since it is applicable to all listed Companies without differentiation. Consequently, LTSE does not believe that the proposed change will 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

Written comments were neither solicited nor received.

6. Extension of Time Period for Commission Action

LTSE does not consent at this time to an extension of the time period for Commission action specified in Section 19(b)(2) of the Act.¹⁶

¹⁶ 15 U.S.C. 78s(b)(2).

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)

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 the proposed rule change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34- ; File No. SR-LTSE-2021-01]

[Date]

Self-Regulatory Organizations; Long-Term Stock Exchange, Inc.; Notice of Filing of a Proposed Rule Change to Amend LTSE Rule 14.501 to Specify the Process for Enforcing Compliance with LTSE Rule 14.425 for Listed Companies

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 January [X], 2021, Long-Term Stock Exchange, Inc. (“LTSE” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

LTSE proposes to amend LTSE Rule 14.501 to specify the process for enforcing compliance with LTSE Rule 14.425 for listed companies.

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 proposes to amend Rule 14.501(d)(2)(A)(iii) to specify the process for enforcing compliance with the Long-Term Policies pursuant to LTSE Rule 14.425 under LTSE Rule Series 14.500.³ LTSE Rule 14.425(a) requires Companies to adopt and publish the following policies: a Long-Term Stakeholder Policy; a Long-Term Strategy Policy; a Long-Term Compensation Policy; a Long-Term Board Policy; and a Long-Term Investor Policy (collectively, the “Policies”). While Companies have flexibility to develop appropriate Policies for their businesses, each of the Policies must be consistent with the set of principles articulated in LTSE Rule 14.425(b) (collectively, the “Principles”).⁴ Companies also are required to at least annually review their Policies, make them publicly available and free of charge on or through their websites, and provide related disclosures in certain filings with the Commission, as provided for in LTSE Rule 14.425(c).

³ See LTSE Rule 14.001 (“The consequences of a failure to meet LTSE’s listing standards are contained in the LTSE Rule Series 14.500.”).

⁴ See Securities Exchange Act Release No. 86722 (August 21, 2019), 84 FR 44953 (August 27, 2019) (order approving proposed rule change to adopt LTSE Rule 14.425).

The Exchange enforces the provisions of LTSE Rule 14.425 by ensuring that each LTSE-listed issuer has addressed all of the elements enumerated in each of the Policies, consistent with the Principles, and has made the Policies publicly available without cost.⁵ A number of rules in the Rulebook enable the Exchange to ensure such compliance. First, with respect to identification of a deficiency, LTSE Rule 14.500(a) provides that LTSE staff is responsible for identifying deficiencies that may lead to delisting. Additionally, LTSE Rule 14.410 requires a Company provide the Exchange with prompt notification after an Executive Officer of the Company becomes aware of any noncompliance by the Company with the LTSE Rule Series 14.400, which includes Rule 14.425. Second, the Exchange retains the authority to elicit necessary information for reaching a deficiency determination, as LTSE Rule 14.207(a)(1) provides that the Exchange may request any additional information or documentation, public or non-public, deemed necessary to make a determination regarding a Company's continued listing, and a Company may be denied continued listing if it fails to provide such information within a reasonable period of time.⁶

Third, LTSE Rule 14.501 sets forth the provisions regarding the Exchange's process for notifying Companies regarding different types of deficiencies and their corresponding consequences. There are four types of Company deficiency notifications that the Exchange may issue pursuant to LTSE Rule 14.501(a): (i) Staff Delisting Determinations, which are notifications of deficiencies that, unless appealed, subject the Company to immediate suspension and delisting; (ii) notifications of deficiencies for which the Company may submit a plan of

⁵ Id. at 44954.

⁶ In addition, the Exchange plans to monitor Company compliance with Rule 14.425 annually and on an ad hoc basis.

compliance for staff review; (iii) notifications of deficiencies for which a Company is entitled to an automatic cure or compliance period; and (iv) Public Reprimand Letters. LTSE Rule 14.501(d) identifies the deficiencies that fall within each of these four categories.⁷

The proposed rule change would amend LTSE Rule 14.501(d)(2)(A)(iii) to specify that deficiencies relating to LTSE Rule 14.425 would include those for which a Company may submit a plan of compliance (“Plan of Compliance”) for staff review, similar to how other corporate governance rules are handled generally in LTSE Rule 14.501(d)(2)(A)(iii).⁸ The timeline for such a Plan of Compliance is governed by LTSE Rule 14.501(d)(2)(C), which establishes that a Company has 45 calendar days to submit a plan to regain compliance. LTSE staff may extend this deadline for up to an additional 5 calendar days upon good cause shown and may request such additional information from the Company as is necessary to make a determination regarding whether to grant such an extension. The Exchange believes that this time period appropriately balances the interests of the Exchange in ensuring compliance with its listing standards with the application of principles-based listing standards by the Company.⁹

⁷ LTSE Rule 14.501(d) provides that in case of a deficiency not specified in subparagraphs (1)-(4), LTSE staff will issue either a Staff Delisting Determination or a Public Reprimand Letter.

⁸ See, e.g., LTSE Rules 14.408(a) (Meetings of Shareholders), 14.408(c) (Quorum), 14.411 (Review of Related Party Transactions), 14.412 (Shareholder Approval), 14.406 (Code of Conduct), 14.407(a)(4)(D) (Partner Meetings of Limited Partners), 14.407(a)(4)(E) (Quorum of Limited Partnerships), 14.407(a)(4)(G) (Related Party Transactions of Limited Partnerships), 14.413 (Voting Rights), or 14.414 (Internal Audit Function). The proposed rule change also would remove two erroneous “or”s in LTSE Rule 14.501(d)(2)(A)(iii).

⁹ Notwithstanding the mandated period to submit a Plan of Compliance and regain compliance under LTSE Rule 14.501(d)(2), as set forth in LTSE Rule 14.501(c) and repeated in LTSE Rule 14.207(b)(2), “a listed Company that receives a notification of deficiency from the Exchange is required to make a public announcement by filing a Form 8-K, where required by SEC rules, or by issuing a press release disclosing receipt of the notification and the Rule(s) upon which the deficiency is based, and describing each specific basis and concern identified by the Exchange in reaching its determination

The process for reviewing such a Plan of Compliance is set forth in LTSE Rule 14.501(d)(2)(B) and would be unchanged. Under this subparagraph (B), LTSE may provide the Company with up to 180 days to regain compliance (with certain exceptions), issue a Staff Delisting Determination letter, or issue a Public Reprimand Letter in accordance with LTSE Rule 14.501(d)(4). As set forth in LTSE Rule 14.500(a), a Public Reprimand Letter or Staff Delisting Determination, upon timely request by a Company, is subject to review by a Listings Review Committee, which will adjudicate the request in accordance with procedures and timelines set forth in LTSE Rules 14.502, 14.504 and 14.505.

LTSE Rule 14.425 provides Companies flexibility in developing what they believe to be appropriate Policies for their businesses; however, each of the required Policies must include certain minimum elements, and must be consistent with the Principles. The Exchange has represented to the Commission that it will enforce the provisions of LTSE Rule 14.425 by ensuring that each Company has addressed all of the requirements enumerated for each of the prescribed Policies, that the Company's Policies are consistent with the Principles, and it has made the Policies publicly available without cost.¹⁰ Additionally, LTSE Rule 14.425(c) mandates that Companies annually review their Policies because the Exchange has anticipated that, over time, Companies may choose to or need to recalibrate their Policies with new objectives or initiatives, provided that the amended Policies continue to align with the Principles noted in LTSE Rule 14.425. The Exchange believes the ability to tailor Policies, if necessary, to changing circumstances, while remaining anchored to the Principles, is essential for ensuring that the

that the Company does not meet the listing standard.” For avoidance of doubt, a request for information by LTSE staff pursuant to LTSE Rule 14.207(a)(1), absent a notification of deficiency, will not require a public announcement by the subject Company pursuant to LTSE Rules 14.501(c) or 14.207(b)(2).

¹⁰ See supra note 4.

Policies are effective and meaningful tools for supporting long-term value creation for Companies and their investors.

The Exchange holds that, in case of a deficiency, Companies may achieve compliance by changing Policies or practices¹¹ related to the deficiency, amending the applicable Policies or some combination of both, provided that the changes are consistent with the Principles discussed in LTSE Rule 14.425. The Exchange's objective is to help foster long-term value creation for each Company and the Exchange believes that providing an opportunity for remediation to Companies that face a deficiency with respect to LTSE Rule 14.425 will aid in achieving that goal by allowing Companies to formulate effective Policies tailored to Company-specific needs. At all times, the Exchange may exercise its broad discretionary authority under LTSE Rule 14.101 to suspend or delist Companies based on any event, condition, or circumstance that exists or occurs that makes initial or continued listing of the securities on the Exchange inadvisable or unwarranted in the opinion of the Exchange to protect investors and the public interest, among other objectives.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,¹² in general, and furthers the objectives of Section 6(b)(5) of the Act,¹³ in particular, because it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with

¹¹ For the avoidance of doubt, each Company shall be solely responsible for ensuring any changes in its practices to conform to its Policies do not violate any legal, regulatory, contractual, or other requirements applicable to the Company.

¹² 15 U.S.C. 78f.

¹³ 15 U.S.C. 78f(b)(5).

persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest, particularly those investors with a long-term focus. Further, the Exchange believes the proposal is not designed to permit unfair discrimination between issuers or to regulate by virtue of any authority conferred by the Act matters not related to the purposes of the Act or the administration of the Exchange, for the reasons set forth below.

The Exchange believes that the proposed rule change brings deficiencies with respect to LTSE Rule 14.425 in alignment with other LTSE rules pertaining to corporate governance that allow a Company to submit a Plan of Compliance in the case of a deficiency. The proposed rule change furthers the Exchange's objective to promote long-term value creation while retaining effective enforcement mechanisms for deficiencies with respect to LTSE Rule 14.425. Pursuant to the proposed amendment, Companies will be provided an opportunity to regain compliance with LTSE Rule 14.425 by formulating appropriate Policies that remain anchored to the Principles enumerated in LTSE Rule 14.425 through an existing process that has already been determined to be consistent with the Act in that it removes impediments to and perfects the mechanism of a free and open market and a national market system, consistent with the protection of investors and the public interest.¹⁴

The Exchange believes that its proposed rule change is fair and not unfairly discriminatory because it is applicable to all listed Companies that experience a deficiency with

¹⁴ See Securities Exchange Act Release No. 85828 (May 10, 2019), 84 FR 21841 (May 15, 2019) (order approving the application of Long Term Stock Exchange, Inc. for registration as a National Securities Exchange).

respect to LTSE Rule 14.425 and is part of the adjudicatory process set forth in the LTSE Rule Series 14.500.¹⁵

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

The Exchange does not believe that the proposed rule change would impose any burden on competing venues that is not necessary or appropriate in furtherance of the purposes of the Act. The degree to which the proposed amendment could impose any burden on intermarket competition is extremely limited because other national securities exchanges may propose similar listing standards with appropriate remediation mechanisms and issuers are able to list on other national securities exchanges. Further, issuers that do not wish to meet the Exchange's listing standards also are able to list on other national securities exchanges.

LTSE also does not believe that the proposed rule change will result in any burden on intramarket competition since it is applicable to all listed Companies without differentiation. Consequently, LTSE does not believe that the proposed change will 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

Written comments were neither solicited nor received.

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

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which

¹⁵ See supra note 3.

the Exchange consents, the Commission shall: (a) by order approve or disapprove such proposed rule change, or (b) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>);
- or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-LTSE-2021-01 on the subject line.

Paper Comments:

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

All submissions should refer to File Number SR-LTSE-2021-01. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>).

Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be

available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549 on official business days between the hours of 10:00 am and 3:00 pm. Copies of the filing also will be available for inspection and copying at the principal office of LTSE and on its Internet website at <https://longtermstockexchange.com/>.

All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-LTSE-2021-01 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.¹⁶

¹⁶ 17 CFR 200.30-3(a)(12).

EXHIBIT 5 – TEXT OF PROPOSED RULE CHANGE

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

LONG-TERM STOCK EXCHANGE RULE BOOK

* * *

Rule 14.501. Notification of Deficiency by LTSE Regulation

(a) - (c) No change.

****Supplementary Material**** No change.

(d) Types of Deficiencies and Notifications

The type of deficiency at issue determines whether the Company will be immediately suspended and delisted, or whether it may submit a compliance plan for review or is entitled to an automatic cure or compliance period before a Staff Delisting Determination is issued. In the case of a deficiency not specified below, Staff will issue the Company a Staff Delisting Determination or a Public Reprimand Letter.

(1) No change.

(2) Deficiencies for which a Company may Submit a Plan of Compliance for Staff Review.

(A) Submission of Plan of Compliance. Unless the Company is currently under review by the Listings Review Committee for a Staff Delisting Determination, LTSE Regulation may accept and review a plan to regain compliance when a Company is deficient with respect to one of the standards listed in subsections (i) through (v) below. In accordance with Rule 14.501(d)(2)(C), plans provided pursuant to subsections (i) through (iv) below must be provided generally within 45 calendar days, and in accordance with Rule 14.501(d)(2)(F), plans provided pursuant to subsection (v) must be provided generally within 60 calendar days.

(i) all quantitative deficiencies from standards that do not provide a compliance period;

(ii) deficiencies from the standards of LTSE Rules 14.405 (Board of Directors and Committees) or 14.407(a)(4)(C) (Independent Directors/Audit Committee of Limited Partnerships) where the cure period of the Rule is not applicable;

(iii) deficiencies from the standards of LTSE Rules 14.408(a) {Meetings of Shareholders}, 14.408(c) {Quorum}, 14.411 {Review of Related Party Transactions}, 14.412 {Shareholder Approval}, 14.207(c)(3) {Auditor Registration}, 14.208(a) {Direct Registration Program}, 14.406 {Code of Conduct}, 14.407(a)(4)(D) {Partner Meetings of Limited Partners}, 14.407(a)(4)(E) {Quorum of Limited Partnerships}, 14.407(a)(4)(G) {Related Party Transactions of Limited Partnerships}, 14.413 {Voting Rights}, [or] 14.414 {Internal Audit Function}, or 14.425 {Long-Term Policies}; [or]

(iv) - (v) No change.

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