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Subject: FAQ - Exchange Operations

What is the timeline for the trading launch?

The Long-Term Stock Exchange (LTSE) is targeting a launch toward the end of Q1 2020.

Who can be a Member of the Long-Term Stock Exchange?

The Exchange is open to Membership by any registered broker-dealer who meets the requirements set forth in [Chapter 2 of the Exchange Rulebook](#). Broker-dealers must be a Member of at least one other Self-Regulatory Organization and be a self-clearing Member of the National Securities Clearing Corporation (NSCC) or maintain an active clearing relationship with an NSCC clearing Member firm who is also a Member of the Exchange.

How do I become a Member of the Exchange?

The application is available on our [website](#). Broker-dealers that apply for Membership before the Exchange commences trading will have their annual Membership fee waived for calendar year 2020, subject to approval by the Securities and Exchange Commission.

What if I am already a Member of FINRA?

The Exchange offers a streamlined waive-in process for FINRA Members.

Can I email my application materials to the Exchange?

Yes. The Exchange is accepting Membership applications now. Please email your completed application materials to membership@longtermstockexchange.com.

What are the fees associated with becoming a Member?

The Exchange intends to waive the annual Membership fees for calendar year 2020 for firms that submit their completed Membership applications prior to the launch of trading. All other fee-related information will be provided through rule filings closer to launch.

What is the market model, will there be an opening/closing auction?

The Exchange will only accept displayed orders and will follow price/time order priority. Initially, the Exchange will not have opening or closing auctions. Trading will be triggered once a protected National Best Bid and Offer (NBBO) is present in the market.

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How do I get connected?

Members can connect to the Exchange via a point-to-point cable link (i.e. cross-connect) in the Equinix NY4 data center and the disaster recovery site in the CH2 data center. A Member can also use an extranet provider or an approved service bureau to connect to the Exchange. Further details can be found in our Connectivity Manual, which is available by contacting Trading and Market Operations at marketops@longtermstockexchange.com.

What is the cost of connecting to the Exchange?

The Exchange will not charge fees for connections or fees related to the maintenance of the connections. Members should expect to incur costs with their respective method of connecting (e.g., data center provider cross connect, fees set by a service bureau).

Will there be a proprietary market data feed?

No, LTSE will not have a proprietary market data feed. Market data information will be distributed using the Securities Information Processor (SIP). The Exchange website will provide aggregated depth-of-book quotations for all orders resting on the order book at each price level, together with information (i.e., last sale information) for executions on the Exchange.

Will the Exchange provide Drop Copies?

Drop Copy functionality will be available at launch by request.

Will the Exchange provide a routing service?

No. Initially the Exchange will not offer any outbound routing functionality. Thus, all orders submitted will be treated as LTSE Only, though limit orders may also include the execution instructions of Inter-Market Sweep Order, if appropriate. A locked market will not be displayed by the Exchange with respect to orders to buy and orders to sell submitted to the Exchange. An order eligible for display by the Exchange that, at the time of entry, would create a violation of Rule 610(d) of Regulation NMS by locking or crossing a Protected Quotation of an external market will be subject to "Price Sliding" pursuant to [LTSE Rule 11.190\(g\)](#).

What is the Market Center Originator ID for the Exchange on the SIP?

The Exchange's Market Center Originator ID in UTP (UQDF/UTDF) and CTA (CQS/CTS) will be "L." Further information can be found at both <https://www.ctaplan.com> and <http://www.utpplan.com>

What is the Market Identification Code (MIC) for the Exchange?

The MIC for the Exchange is "LTSE."

What input protocol will you be using?

The Exchange will accept order entry using the FIX 4.2 protocol. The LTSE FIX Specification document is available by contacting Trading and Market Operations at marketops@longtermstockexchange.com.

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What will testing look like before the first day of trading?

The Exchange expects to provide industry testing dates starting in February and March for firms intending to become Members. The specific dates and functional goals for the tests will be described in a separate announcement. Members will be required to complete functional testing of order entry and message handling in our test environment. Once functional testing is completed, access to the production environment will be scheduled. All environments will be available daily before our go-live date.

Do I need to certify my trading application?

The Exchange will require participants to certify their messaging before receiving access to the production trading system. Contact Trading & Market Operations for more detailed information at marketops@longtermstockexchange.com.

What are the trading fees for the Exchange?

The Exchange initially intends to not charge any transaction-related fees.

How will my trades clear and settle?

Trades matched on the Exchange are considered locked-in and will be delivered in real time through the Universal Trade Capture (UTC) to NSCC. Trades will not reveal the identities of counterparties.

Will the Exchange have a registered Market Making program?

Yes, Members can register as Market Makers by providing additional information for review using the Market Maker Registration Application. To request the application, please contact membership@longtermstockexchange.com

What are the obligations of a registered Market Maker on the Exchange?

Market Makers will be obligated to enter and maintain two-sided quotes at prices that meet the designated percentage, as defined in [Exchange Rule 11.151](#). Please review the [Exchange Rule Book](#) for complete Market Maker requirements.

What are the incentives for a registered Market Maker on LTSE?

The Exchange intends to pass through all trade revenue received from the UTP and CTA tape plans to Market Makers when their quotes are executed against inbound marketable orders, subject to approval by the SEC. The Exchange will not offer incentives in the form of rebates.

Do you have a test symbol?

Not yet. The Exchange plans to register a test symbol that it will announce once established. All existing test symbols will be accepted by the Exchange.

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What is the best way to contact the Exchange?

To contact the Exchange, please reference the following table based on the functional area.

Question	Contact Email
Trading and Market	marketops@longtermstockexchange.com
Technical and Functionality	techops@longtermstockexchange.com
Membership	membership@longtermstockexchange.com
Regulation and Surveillance	regulation@longtermstockexchange.com

To reach the Exchange by phone, please contact 813-575-2602. The Exchange anticipates providing a method for direct messaging closer to launch.

Where may I find the rule book?

The rule book of the Exchange is available [here](#).

Would investing in a stock on the Long-Term Stock Exchange prevent me from trading the stock?

No. The Long-Term Stock Exchange will not impose holding periods, lockups or any other restriction on securities listed or traded on it.

Will you be trading only Long-Term Stock Exchange-listed securities?

No. As a Member of the national market system (NMS), the Exchange will consider for trading all NMS stocks included on Tape Plan A, Tape Plan B, or Tape Plan C.

Only companies that comply with our [listing rules](#), including the Exchange's [Long-Term Policies](#), will be considered for listing.

What are your listing rules?

The Exchange's listing rules can be found in [Chapter 14 of our Rulebook](#), including our [Long-Term Policies](#).

For additional information about the Long-Term Stock Exchange, please refer to the FAQ on the Exchange website <https://longtermstockexchange.com/faq>.