

The proposal would not burden competition in the sale of such circuits, but rather, enhance it by providing Users with an additional choice for their circuit needs.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were solicited or received with respect to the proposed rule change.

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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act²⁰ and Rule 19b-4(f)(6) thereunder.²¹ Because the proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6)(iii) thereunder.²²

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 Section 19(b)(2)(B)²³ of the Act to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act.

Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-NYSEAMER-2024-64 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-NYSEAMER-2024-64. This file number should be included on the subject line if email 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 (<https://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 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-NYSEAMER-2024-64 and should be submitted on or before December 9, 2024.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁴

Sherry R. Haywood,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-101584; File No. SR-LTSE-2024-08]

Self-Regulatory Organizations; Long-Term Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Fee Schedule To Adopt Certain Market Data Fees

November 12, 2024.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on November 1, 2024, Long-Term Stock Exchange, Inc. ("LTSE" or Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange is filing with the Securities and Exchange Commission ("Commission") a proposed rule change to amend the LTSE Fee Schedule (the "Fee Schedule") to adopt certain market data fees effective November 1, 2024. The Exchange notes that it submitted a separate filing with the Commission pursuant to Section 19(b)(3)(A) of the Act to establish the Fee Schedule and adopt transaction fees upon commencement of its transition to a new trading platform on September 23, 2024.

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

²⁰ 15 U.S.C. 78s(b)(3)(A)(iii).

²¹ 17 CFR 240.19b-4(f)(6).

²² 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires the Exchange to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

²³ 15 U.S.C. 78s(b)(2)(B).

²⁴ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 is proposing to establish a new section (D. Market Data Fees) in the Long-Term Stock Exchange Fee Schedule and adopt fees for its proprietary market data feeds, Depth of Book, Top of Book and Last Sale (collectively, the "Exchange Data Feeds"). The Exchange is proposing to implement the proposed fees effective November 1, 2024.

Proposed Market Data Pricing

The Exchange offers three separate data feeds to subscribers—Depth of Book, Top of Book and Last Sale. The Exchange notes that there is no requirement that any Firm subscribe to a particular Exchange Data Feed or any Exchange Data Feed whatsoever, but instead, a Firm may choose to maintain subscriptions to those Exchange Data Feeds they deem appropriate based on their business model. The proposed fee will not apply differently based upon the size or type of Firm, but rather based upon the subscriptions a Firm has to Exchange Data Feeds and their use thereof, which are in turn based upon factors deemed relevant by each Firm. The proposed pricing for each of the Exchange Data Feeds is set forth below.

Depth of Book

The Depth of Book feed is a LTSE-only market data feed that contains all displayed orders for securities trading on the Exchange (*i.e.*, top and depth-of-book order data), order executions (*i.e.*, last sale data), order cancellations, order modifications, order identification numbers, and administrative messages.³ For the receipt of access to the Depth of Book feed the Exchange proposes to charge \$2,500 per month. The proposed fee would be charged to any data recipient that receives the Depth of Book feed for the purpose of either internal distribution within the Company and/or with Affiliates⁴ or

external distribution to External Parties.⁵ The proposed fee for Depth of Book will be charged only once per month per subscribing entity ("Firm").

Top of Book

The Top of Book feed is a LTSE-only market data feed that contains top of book quotations based on equity orders entered into the System as well as administrative messages.⁶ For the receipt of access to the Top of Book feed the Exchange proposes to charge \$500 per month. The proposed fee would be charged to any data recipient that receives the Top of Book feed for the purpose of either internal distribution within the Company and/or with Affiliates or external distribution to External Parties. The proposed fee for Top of Book will be charged only once per month per subscribing entity Firm.

Last Sale

The Last Sale feed is a LTSE-only market data feed that contains only execution information based on equity orders entered into the System as well as administrative messages.⁷ For the receipt of access to the Last Sale feed the Exchange proposes to charge \$0 per month.

In proposing to charge fees for Exchange Data Feeds, the Exchange has sought to be especially diligent in assessing those fees in a transparent way against its own aggregate costs of providing the related services, and also carefully and transparently assessing the impact on Members—both generally and in relation to other Members, *i.e.*, to assure the fee will not create a financial burden on any participant and will not have an undue impact in particular on smaller Members and competition among Members in general. The Exchange believes that this level diligence and transparency is called for by the requirements of Section 19(b)(1) under the Act,⁸ and Rule 19b-4 thereunder,⁹ with respect to the types of information self-regulatory organizations ("SROs") should provide when filing fee changes, and Section 6(b) of the Act,¹⁰ which requires, among other things, that exchange fees be

be considered external distribution to a third party but instead would be considered internal distribution to data recipients within the Distributor's own organization.

³ External distribution would be defined to mean a Firm that receives an Exchange data product and then distributes that data to a third party or one or more data recipients outside the Firm's organization.

⁶ See LTSE Rule 11.330(a)(2).

⁷ See LTSE Rule 11.330(a)(3).

⁸ 15 U.S.C. 78s(b)(1).

⁹ 17 CFR 240.19b-4.

¹⁰ 15 U.S.C. 78f(b).

reasonable and equitably allocated,¹¹ not designed to permit unfair discrimination,¹² and that they not impose a burden on competition not necessary or appropriate in furtherance of the purposes of the Act.¹³ This rule change proposal addresses those requirements, and the analysis and data in each of the sections that follow are designed to clearly and comprehensively show how they are met.¹⁴

Cost Analysis

The Exchange notes it operates a unique model where the LTSE trading system and services are provided on an outsourced basis by MEMX Technologies LLC.¹⁵ As such, most of the Exchange's technology costs, including those related to Exchange Data Feeds are incorporated into the overall fees that the Exchange pays MEMX Technologies as part of its multi-year arrangement to provide a trading system and associated services. Because of this arrangement, the Exchange does not possess the same level of specificity for cost drivers related to Exchange Data Feeds as other exchanges have detailed within their own similar filings. However, the Exchange recognizes that the costs associated with building out and maintaining a state-of-the-art network infrastructure for LTSE were extensive and in line with the costs that MEMX LLC, an exchange that also uses the trading system and associated services of MEMX Technologies, outlined in its own filing establishing market data fees for Members and Non-Members.¹⁶ These include costs associated with maintaining and expanding a team of highly-skilled engineers, fees charged by the third-party data center operator, and costs

¹¹ 15 U.S.C. 78f(b)(4).

¹² 15 U.S.C. 78(b)(5) [sic].

¹³ 15 U.S.C. 78f(b)(8).

¹⁴ In 2019, Commission staff published guidance suggesting the types of information that SROs may use to demonstrate that their fee filings comply with the standards of the Exchange Act ("Fee Guidance"). While LTSE understands that the Fee Guidance does not create new legal obligations on SROs, the Fee Guidance is consistent with LTSE's view about the type and level of transparency that exchanges should meet to demonstrate compliance with their existing obligations when they seek to charge new fees. See Staff Guidance on SRO Rule Filings Relating to Fees (May 21, 2019).

¹⁵ The Exchange and MEMX Technologies executed a Development, License and Services Agreement on January 23, 2024, with accompanying Schedules (collectively, the "DLSA"). MEMX Technologies, an affiliate of the MEMX Exchange, is in the business of developing technology systems for use in the financial industry. See SR-LTSE-2024-03.

¹⁶ See Securities Exchange Act Release No. 34-97130 (March 13, 2023), 88 FR 16491 (March 17, 2023) (SR-MEMX-2023-04).

³ See LTSE Rule 11.330(a)(1).

⁴ Internal distribution includes the sharing of any Exchange data product to other legal entities affiliated with the Firm that have been disclosed to the Exchange. For instance, if a company has multiple affiliated broker-dealers under the same holding company, that company could have one of the broker-dealers or a non broker-dealer affiliate subscribe to an Exchange Data product and then share the data with other affiliates that have a need for the data. This sharing with affiliates would not

associated with fully-supporting advances in infrastructure and expansion of network level services, including customer monitoring, alerting and reporting. There are also significant technology expenses related to establishing and maintaining Information Security services, enhanced network monitoring and customer reporting, as well as Regulation SCI mandated processes, associated with the MEMX Technologies network technology. Because of this structure, the Exchange is unable to separate out the costs for servicing and providing Exchange Market Data, as these are intricately combined in its DSLA with MEMX Technologies.

Further, while the Exchange has been operating since September 2020, it only entered the DSLA with MEMX Technologies LLC in January of this year and launched the new trading system in September 2024. Therefore, the Exchange’s most recent publicly available financial statement (2023 Audited Unconsolidated Financial Statement) is not an accurate reflection of the total annual costs associated with the development and operation of Market Data on LTSE. Accordingly, the Exchange believes it is more appropriate to justify its fees using cost figures that are isolated specifically for LTSE on an

annualized basis, and utilizing a recent monthly billing cycle and extrapolated annualized costs on a going-forward basis.

LTSE recently calculated its aggregate monthly costs for providing Market Data at \$212,963 beginning October 1, 2024. Before the launch of the new trading system in September 2024 the Exchange did not offer any market data products. Now, in order to cover some of the aggregate costs of providing Market Data to market participants (both Members and non-Members) the Exchange is proposing to modify its Fee Schedule and charge the Market Data fees detailed above.

In order to determine the Exchange’s costs for providing the services associated with the Market Data Fees, the Exchange conducted an extensive review in which the Exchange analyzed every expense item in the Exchange’s general expense ledger to determine whether each such expense relates to the services associated with the Market Data Fees, and, if such expense did so relate, what portion (or percentage) of such expense actually supports those services. The sum of all such portions of expenses represents the total cost of the Exchange to provide the services associated with the Market Data Fees. For the avoidance of doubt, no expense

amount was allocated twice. The Exchange is also providing detailed information regarding the Exchange’s cost allocation methodology—namely, information that explains the Exchange’s rationale for determining that it was reasonable to allocate certain expenses described in this filing towards the total cost to provide Exchange Data Feeds.

The Exchange believes that the Market Data Fees are fair and reasonable because they will not result in excessive pricing or supra-competitive profit, when comparing the total annual expense that the Exchange projects to incur in connection with providing the services associated with the proposed Market Data Fees versus the total annual revenue of the Exchange projects to collect in connection with providing those services.

Costs Related to Offering Market Data

The following chart details the individual line-item costs considered by LTSE to be related to offering market data as well as the percentage of the Exchange’s overall costs per year such costs represent for such area (e.g., as set forth below, the Exchange allocated approximately 10% of its overall Human Resources cost to offering market data).

Cost drivers	Yearly costs	% of all
Third-Party Expenses	\$1,854,420	32
Human Resources	543,100	10
Data Center	158,040	30
Total	2,555,560

Below are additional details regarding each of the line-item costs considered by LTSE to be related to offering the Exchange Data Feeds.

Third-Party Expenses

As discussed above, LTSE has undertaken a unique model where it has outsourced its technology to a third-party technology provider. As such the costs associated with Exchange Data Feeds for this provider include (1) the network infrastructure costs that includes cabling and switches required to generate and disseminate the Exchange Data Feeds. These costs also include the servers used at the Exchange’s primary and back-up data centers specifically for the Exchange Data Feeds; (2) costs the third-party provider incurs to provide physical connectivity in the data centers where it maintains its equipment—such as dedicated space, security services, cooling and power, (3) hardware and

software licenses used to operate and monitor physical assets necessary to offer the Exchange Data Feeds, and (4) depreciation of physical assets and software, which also includes assets used for generating and disseminating the Exchange Data Feeds.

Human Resources

For personnel costs (Human Resources), LTSE calculated an allocation of LTSE employee time for employees whose functions include providing services necessary to offer the Exchange Data Feeds, including performance thereof, as well as personnel with ancillary functions related to establishing and providing such services (such as information security and finance personnel). The Exchange notes that it has fewer than fifty (50) employees and each department leader has direct knowledge of the time spent by each employee with respect to the various tasks necessary to

operate the Exchange. The estimates of Human Resources cost were therefore determined by consulting with such department leaders, determining which employees are involved in tasks related to providing the Exchange Data Feeds, and confirming that the proposed allocations were reasonable based on an understanding of the percentage of their time such employees devote to tasks related to market data. The Exchange notes that senior level executives were only allocated Human Resources costs to the extent the Exchange believed they were involved in overseeing tasks related to providing the Exchange Data Feeds. The Human Resources cost was calculated using a blended rate of compensation reflecting salary, equity and bonus compensation, benefits, payroll taxes, and 401(k) matching contributions.

Data Center

Data Center costs include an allocation of the costs the Exchange incurs to monitor its trading platform and the Exchange Data Feeds in third-party data centers where it maintains its equipment as well as related costs (the Exchange does not own the Primary Data Center or the Secondary Data Center, but instead, leases space in data centers operated by third parties).

Proposed Fees—Additional Discussion

In conducting its Cost Analysis, the Exchange did not allocate any of its expenses in full to any core service and did not double-count any expenses. Instead, as described above, the Exchange identified and allocated applicable cost drivers across its core services and used the same approach to analyzing costs to form the basis of a separate proposal to adopt fees for connectivity services (the “Connectivity Filing”)¹⁷ and this filing proposing fees for Exchange Data Feeds. Thus, the Exchange’s allocations of cost across core services were based on real costs of operating the Exchange and were not double-counted across the core services or their associated revenue streams.

The Exchange anticipates that the proposed fees for Exchange Data Feeds will generate approximately \$50,000 monthly (\$600,000 annually) based on the subscriptions to Exchange Data Feeds in the last six weeks, as well as projections of new subscriptions as the Exchange ramps up trading within its new trading platform. The proposed fees for Exchange Data Feeds are designed to permit the Exchange to cover a portion of costs for providing Exchange Data Feeds, which the Exchange believes is fair and reasonable after taking into account the costs related to creating, generating, and disseminating the Exchange Data Feeds and the fact that the Exchange will need to fund future expenditures (increased costs, improvements, etc.). LTSE notes that like other exchanges, it is after all, a for-profit business. Accordingly, while the Exchange believes in transparency around costs and potential margins, as well as periodic review of revenues and applicable costs (as discussed below), the Exchange does not believe that these estimates should form the sole basis of whether or not a proposed fee is reasonable or can be adopted. Instead, the Exchange believes that the information should be used solely to confirm that an Exchange is not earning supra-competitive profits, and the

Exchange believes its Cost Analysis and related projections demonstrate this fact. As a general matter, the Exchange believes that its costs will remain relatively similar in future years. It is possible however that such costs will either decrease or increase. To the extent the Exchange sees growth in use of Exchange Data Feeds it will receive additional revenue to offset future cost increases. However, if use of Exchange Data Feeds is static or decreases, the Exchange might not realize the revenue that it anticipates or needs in order to cover applicable costs. Accordingly, the Exchange is committing to conduct a one-year review after implementation of these fees. The Exchange expects that it may propose to adjust fees at that time, to increase fees in the event that revenues fail to cover costs and a reasonable mark-up of such costs.

Similarly, the Exchange expects that it would propose to decrease fees in the event that revenue materially exceeds current projections. In addition, the Exchange will periodically conduct a review to inform its decision making on whether a fee change is appropriate (e.g., to monitor for costs increasing/decreasing or subscribers increasing/decreasing, etc. in ways that suggest the then-current fees are becoming dislocated from the prior cost-based analysis) and expects that it would propose to increase fees in the event that revenues fail to cover its costs and a reasonable mark-up, or decrease fees in the event that revenue or the mark-up materially exceeds current projections. In the event that the Exchange determines to propose a fee change, the results of a timely review, including an updated cost estimate, will be included in the rule filing proposing the fee change. More generally, the Exchange believes that it is appropriate for an exchange to refresh and update information about its relevant costs and revenues in seeking any future changes to fees, and the Exchange commits to do so.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6(b)¹⁸ of the Act in general, and furthers the objectives of Section 6(b)(4)¹⁹ of the Act, in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its facilities. Additionally, the Exchange believes that the proposed fees are consistent with the objectives of

Section 6(b)(5)²⁰ of the Act in that they are 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 a free and open market and national market system, and, in general, to protect investors and the public interest, and, particularly, are not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange notes prior to addressing the specific reasons the Exchange believes the proposed fees and fee structure are reasonable, equitably allocated and not unreasonably discriminatory, that the proposed definitions and fee structure described above are consistent with the definitions and fee structure used by most U.S. securities exchanges, and the Investors Exchange LLC (“IEX”)²¹ in particular. As such, the Exchange believes it is adopting a model that is easily understood by Members and non-Members, most of which also subscribe to market data products from other exchanges. For this reason, the Exchange believes that the proposed definitions and fee structure described above are consistent with the Act generally, and Section 6(b)(5)²² of the Act in particular.

Reasonableness

With regard to reasonableness, the Exchange understands that the Commission has traditionally taken a market-based approach to examine whether the SRO making the fee proposal was subject to significant competitive forces in setting the terms of the proposal. The Exchange understands that in general the analysis considers whether the SRO has demonstrated in its filing that (i) there are reasonable substitutes for the product or service; (ii) “platform” competition constrains the ability to set the fee; and/or (iii) revenue and cost analysis shows the fee would not result in the SRO taking supra-competitive profits. If the SRO demonstrates that the fee is subject to significant competitive forces, the Exchange understands that in general the analysis will next consider whether there is any substantial countervailing basis to suggest the fee’s terms fail to meet one or more standards under the Exchange Act. The Exchange

²⁰ 15 U.S.C. 78f(b)(5).

²¹ IEX charges \$2,500 per month for its Depth of Book Feed (DEEP Feed) and \$500 per month for its Top of Book Feed (TOPS Feed). All other market data products on IEX are free.

²² 15 U.S.C. 78f(b)(5).

¹⁷ See Securities Exchange Act Release No. 34–101320 (October 11, 2024), 89 FR 83731 (October 17, 2024) (SR-LTSE–2024–07).

¹⁸ 15 U.S.C. 78f.

¹⁹ 15 U.S.C. 78f(b)(4).

further understands that if the filing fails to demonstrate that the fee is constrained by competitive forces, the SRO must provide a substantial basis, other than competition, to show that it is consistent with the Exchange Act, which may include production of relevant revenue and cost data pertaining to the product or service.

The Exchange has not determined its proposed overall market data fees based on assumptions about market competition, instead relying upon a cost-plus model to determine a reasonable fee structure that is informed by the Exchange's understanding of different uses of the products by different types of participants. In this context, the Exchange believes the proposed fees overall are fair and reasonable as a form of cost recovery plus the possibility of a reasonable return for Exchange's aggregate costs of offering the Exchange Data Feeds. The Exchange believes the proposed fees are reasonable because they are designed to generate annual revenue to recoup some of Exchange's annual costs of providing market data. Accordingly, the Exchange believes that this fee methodology is reasonable because it allows the Exchange to recoup some or all of its expenses for providing market data products. The Exchange also believes that the proposed fees are reasonable because they are generally less than the fees charged by competing equities exchanges for comparable market data products, notwithstanding that the competing exchanges may have different system architectures that may result in different cost structures for the provision of market data.

The Exchange believes the proposed fees for the Exchange Data Feeds are reasonable when compared to fees for comparable products, such as the MEMX LLC ("MEMX")²³ MEMOIR Depth Feed,²⁴ MEMOIR Top Feed²⁵ and MEMOIR Last Sale Feed²⁶ compared to which the Exchange's proposed fees are generally lower, as well as other comparable data feeds priced significantly higher than the Exchange's proposed fees for the Exchange Data Feeds. Specifically with respect to the Depth of Book feed, the Exchange believes that the proposed fees for such feed are reasonable because they represent not only the value of the data

available from the Top of Book and Last Sale data feeds, which have lower proposed fees, but also the value of receiving the depth-of-book data on an order-by order basis. The Exchange believes it is reasonable to have pricing based, in part, upon the amount of information contained in each data feed and the value of that information to market participants. The Top of Book and Last Sale data feeds, as described above, can be utilized to trade on the Exchange but contain less information than that is available on the Depth of Book feed (*i.e.*, even for a subscriber who takes both feeds, such feeds do not contain depth-of-book information). Thus, the Exchange believes it reasonable for the products to be priced as proposed, with Last Sale having the lowest price, Top of Book the next lowest price, and Depth of Book the highest price (and more than Last Sale and Top of Book combined).

Equitable Allocation

The Exchange believes that its proposed fees are reasonable, fair, and equitable, and not unfairly discriminatory because they are designed to align fees with services provided. The Exchange believes the proposed fees for the Exchange Data Feeds are allocated fairly and equitably among the various categories of users of the feeds, and any differences among categories of users are justified and appropriate. The Exchange believes that the proposed fees are equitably allocated because they will apply uniformly to all data recipients that choose to subscribe to the Exchange Data Feeds. Any subscriber or vendor that chooses to subscribe to one or more Exchange Data Feeds is subject to the same Fee Schedule, regardless of what type of business they operate, and the decision to subscribe to one or more Exchange Data Feeds is based on objective differences in usage of Exchange Data Feeds among different Firms, which are still ultimately in the control of any particular Firm. The Exchange believes the proposed pricing between Exchange Data Feeds is equitably allocated because it is based, in part, upon the amount of information contained in each data feed and the value of that information to market participants. The Top of Book and Last Sale data feeds, as described above, can be utilized to trade on the Exchange but contain less information than that is available on the Depth of Book feed (*i.e.*, even for a subscriber who takes both feeds, such feeds do not contain depth-of-book information). Thus, the Exchange believes it is an equitable allocation of fees for the products to be

priced as proposed, with Last Sale having the lowest price, Top of Book the next lowest price, and Depth of Book the highest price (and more than Last Sale and Top of Book combined).

The Proposed Fees Are Not Unfairly Discriminatory

The Exchange believes that the proposed fees are not unfairly discriminatory because they would apply to all data recipients that choose to subscribe to the same Exchange Data Feed(s). Any vendor or subscriber that chooses to subscribe to the Exchange Data Feeds is subject to the same Fee Schedule, regardless of what type of business they operate. Because the proposed fees for Depth of Book are higher, vendors and subscribers seeking lower cost options may instead choose to receive data from the SIPs or through the Top of Book and/or Last Sale feed for a lower cost. Alternatively, vendors and subscribers can choose to pay for the Depth of Book feed in order to receive data in a single feed with depth-of-book information if such information is valuable to such vendors or subscribers. The Exchange notes that vendors or subscribers can also choose to subscribe to a combination of data feeds for redundancy purposes or to use different feeds for different purposes. In sum, each vendor or subscriber has the ability to choose the best business solution for itself. The Exchange does not believe it is unfairly discriminatory to base pricing upon the amount of information contained in each data feed and the value of that information to market participants. As described above, the Top of Book and Last Sale data feeds, can be utilized to trade on the Exchange but contain less information than that is available on the Depth of Book feed (*i.e.*, even for a subscriber who takes both feeds, such feeds do not contain depth-of-book information). Thus, the Exchange believes it is not unfairly discriminatory for the products to be priced as proposed, with Last Sale having the lowest price, Top of Book the next lowest price, and Depth of Book the highest price (and more than Last Sale and Top of Book combined).

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

In accordance with Section 6(b)(8) of the Act,²⁷ the Exchange does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

²³ See the MEMX fee schedule, available at: <https://info.memxtrading.com/equities-trading-resources/us-equities-fee-schedule/>.

²⁴ MEMX charges between \$1,500 and \$5,000 for its Depth of Book Feed.

²⁵ MEMX charges between \$750 and \$10,000 for its Top of Book Feed.

²⁶ MEMX charges between \$500 and \$10,000 for its Last Sale Feed.

²⁷ 15 U.S.C. 78f(b)(8).

Intramarket Competition

The Exchange does not believe that the proposed fees for Exchange Data Feeds place certain market participants at a relative disadvantage to other market participants because, as noted above, the proposed fees are associated with usage of Exchange Data Feeds by each market participant based on the type of business they operate, and the decision to subscribe to one or more Exchange Data Feeds is based on objective differences in usage of Exchange Data Feeds among different Firms, which are still ultimately in the control of any particular Firm, and such fees do not impose a barrier to entry to smaller participants. Accordingly, the proposed fees for Exchange Data Feeds do not favor certain categories of market participants in a manner that would impose a burden on competition; rather, the allocation of the proposed fees reflects the types of Exchange Data Feeds consumed by various market participants and their usage thereof.

Intermarket Competition

The Exchange does not believe the proposed fees place an undue burden on competition on other SROs that is not necessary or appropriate. In particular, market participants are not forced to subscribe to any of the Exchange Data Feeds, as described above. Additionally, other exchanges have similar market data fees in place for their participants, but with comparable and in many cases higher rates for market data feeds. The proposed fees are based on actual costs and are designed to enable the Exchange to recoup its applicable costs with the possibility of a reasonable profit on its investment as described in the Purpose and Statutory Basis sections. Competing equities exchanges are free to adopt comparable fee structures subject to the SEC rule filing process.

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

This proposed rule change establishes dues, fees or other charges among its members and, as such, may take effect upon filing with the Commission pursuant to Section 19(b)(3)(A)(ii) of the Act²⁸ and paragraph (f)(2) of Rule 19b-

4 thereunder.²⁹ Accordingly, the proposed rule change would take effect upon filing with the Commission.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend the rule change if it appears to the Commission that the action is necessary or appropriate in the public interest, for the protection of investors, or would otherwise further 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 (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-LTSE-2024-08 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-2024-08. This file number should be included on the subject line if email 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 (<https://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 a.m. and 3 p.m. Copies of the filing also will be available for inspection and

copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-LTSE-2024-08 and should be submitted on or before December 9, 2024.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³⁰

Sherry R. Haywood,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-101589; File No. SR-SAPPHIRE-2024-35]

Self-Regulatory Organizations; MIAX Sapphire, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change by MIAX Sapphire LLC To Extend the Sunset Provision Relating to the Options Regulatory Fee (ORF)

November 12, 2024.

Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on October 31, 2024, MIAX Sapphire, LLC ("MIAX Sapphire" or "Exchange") filed with the Securities and Exchange Commission ("Commission") a proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange is filing a proposal to amend the MIAX Sapphire Options Exchange Fee Schedule (the "Fee Schedule") relating to the Options Regulatory Fee ("ORF") to extend the current sunset date of October 31, 2024 to May 31, 2025.

The text of the proposed rule change is available on the Exchange's website at <https://www.miaxglobal.com/markets/us-options/all-options-exchanges/rule->

³⁰ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

²⁸ 15 U.S.C. 78s(b)(3)(A)(ii).

²⁹ 17 CFR 240.19b-4(f)(2).