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

File No. * SR 2026 - * 025
Amendment No. (req. for Amendments *)

Filing by Texas Stock Exchange LLC

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 * [ ]

Date Expires *

Rule

[ ] 19b-4(f)(1) [ ] 19b-4(f)(4)
[ ] 19b-4(f)(2) [ ] 19b-4(f)(5)
[ ] 19b-4(f)(3) [✓] 19b-4(f)(6)

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Section 806(e)(1) * [ ] Section 806(e)(2) * [ ]

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

Exhibit 2 Sent As Paper Document [ ] Exhibit 3 Sent As Paper Document [ ]

Description

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

The Exchange proposes to offer Opening and Closing Auctions in UTP securities.

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 * Kyle Last Name * Murray
Title * Deputy General Counsel
E-mail * kyle.murray@txse.com
Telephone * (214) 838-6038 Fax

Signature

Pursuant to the requirements of the Securities Exchange of 1934, Texas Stock Exchange LLC has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date 08/31/2026

By Kyle Murray
(Name *)

(Title *)
Deputy General Counsel

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

KYLE PATRICK MURRAY
Digitally signed by KYLE PATRICK MURRAY
Date: 2026.08.31 16:21:49 -05'00'

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information * Add / Remove / View SR-TXSE-2026-0xx (UTP Auctions) -	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 * Add / Remove / View SR-TXSE-2026-0xx (UTP Auctions) -	The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)
Exhibit 1A - Notice of Proposed Rule Change, Security-Based Swap Submission, or Advanced Notice by Clearing Agencies * Add / Remove / View	The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)
Exhibit 2- Notices, Written Comments, Transcripts, Other Communications Add / Remove / View	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 Sent As Paper Document
Exhibit 3 - Form, Report, or Questionnaire Add / Remove / View	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 Sent As Paper Document
Exhibit 4 - Marked Copies Add / Remove / View	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 Add / Remove / View SR-TXSE-2026-0xx (UTP Auctions) - E	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 Add / Remove / View	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 the Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),[1] and Rule 19b-4 thereunder,[2] the Texas Stock Exchange LLC (the "Exchange" or "TXSE") is filing with the Securities and Exchange Commission ("Commission") a proposal to amend its rules to permit the Exchange to conduct its Opening Auction and its Closing Auction in UTP Securities designated by the Exchange in its discretion for the applicable auction. A notice of the proposed rule change for publication in the Federal Register is attached as Exhibit 1. The text of the proposed rule change is provided in Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

(a) The proposed rule change was approved by Exchange staff pursuant to authority delegated to it by the Board of Directors of the Exchange (the "Exchange Board"). Exchange staff will advise the Exchange Board of any action taken pursuant to delegated authority. No other action is necessary for the filing of the proposed rule change.

(b) Please refer questions and comments on the proposed rule change to Jeff Brown, General Counsel and Corporate Secretary, (571) 286-6097, or Kyle Murray, Deputy General Counsel, (214) 838-6038.

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

(a) Purpose

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[1] 15 U.S.C. 78s(b)(1)
[2] 17 CFR 240.19b-4.

The Exchange proposes to amend Rules 11.006, 11.022, and 11.023 to permit the Exchange to conduct an Opening Auction at 9:30 a.m. ET and a Closing Auction at 4:00 p.m. ET in UTP securities[3] designated by the Exchange in its discretion for the applicable auction. Current Exchange Rules provide that the Exchange will only conduct Opening and Closing Auctions in TXSE-Listed Securities[4] and that non-TXSE Listed Securities will start trading on the Exchange subject to an Opening Process. The Exchange is making this proposed rule change in order to allow it to conduct auctions in certain UTP securities that are not currently listed on the Exchange. This proposal is substantially similar to the existing functionality of NYSE Arca, Inc. ("Arca"). The Exchange is not proposing to allow for IPO, Halt, or Volatility Closing Auctions in UTP securities.

Conducting Opening and Closing Auctions in Auction-Eligible Securities

The Exchange therefore proposes to amend Rule 11.022(b)(2) to provide that it will conduct an Opening Auction for all Auction-Eligible Securities[5] and Rule 11.022(c)(2) to provide that it will conduct a Closing Auction for all Auction-Eligible Securities. A UTP security designated by the Exchange for the Opening Auction, the Closing Auction, or both would participate in the Exchange's existing scheduled auction or auctions for which it is designated, meaning at 9:30 a.m. ET for the Opening Auction and at 4:00 p.m. ET for the Closing Auction.[6]

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3 As provided in Rule 1.005(oo), the term "UTP security" "UTP security" is a security that is not listed on the Exchange but is traded on the Exchange pursuant to unlisted trading privileges.

4 See Rule 11.022(b)(2) and (c)(2).

5 As provided in proposed new Rule 11.022(a)(28), the term "Auction-Eligible Security" means all TXSE-Listed Securities and UTP securities designated by the Exchange for the applicable auction.

6 The proposal would not alter the times at which auction orders may be entered or cancelled, or the Exchange's dissemination of information related to the auctions and the Exchange's existing price collars, price-determination procedures, order-ranking and allocation rules, order types, handling of unexecuted interest, and transition to continuous trading would apply to a designated UTP security in the same manner as they apply to a TXSE-Listed Security. See TXSE Rule 11.022(b)(1) and (c)(1) and 11.022(b)(2)(A)–(C) and (c)(2)(A)–(C).

Official Prices and Reference Prices

Under Rule 11.022(a)(5), the TXSE Official Opening Price is the price disseminated to the consolidated tape as the market center opening trade. Accordingly, under the proposal, if an Opening Auction in a designated UTP security results in an execution, the Opening Auction price would be the TXSE Official Opening Price for TXSE as a market center. With respect to a designate UTP security, that price would not displace or alter the official opening price established by the security's primary listing market.

Similarly, Rule 11.022(a)(3) defines the TXSE Official Closing Price as the price disseminated to the consolidated tape as the market center closing trade. The Exchange therefore proposes conforming changes to Rule 11.022(c)(2)(B) so that the Closing Auction price and existing closing-price fallbacks apply to each Auction-Eligible Security. A TXSE Official Closing Price established for a UTP security would be TXSE's market-center closing price and would not displace or alter the official closing price established by the primary listing market.

The Exchange also proposes to amend the definition of "Final Last Sale Eligible Trade" in Rule 11.022(a)(9) to account for Auction-Eligible Securities. If there is no qualifying trade for the current day, the prior trading day's TXSE Official Closing Price would continue to be used for a TXSE-Listed Security. For a UTP security, however, the official closing price disseminated by the primary listing market for the prior trading day would be used. This distinction follows the Arca approach of using a market-center auction close for a UTP security as its official closing price while using the primary listing market's official close for specified reference-price purposes.[7]

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7 See Securities Exchange Act Release No. 78357 (July 19, 2016), 81 FR 48484, 48485–86 (July 25, 2016) (SR-NYSEArca-2016-94) (describing NYSE Arca's use of a market-center official closing price for an

Auction-Eligible Securities

The Exchange proposes to add paragraph (a)(28) to Rule 11.022 to define an "Auction-Eligible Security," for purposes of the Opening Auction and Closing Auction, as all TXSE-Listed Securities and UTP securities designated by the Exchange for the applicable auction.[8] The Exchange would provide reasonable advance notice to Members of the UTP securities designated for the Opening Auction, the Closing Auction, or both, and of additions to or removals from those designations, through a circular or other publicly available notice, consistent with the practice of NYSE Arca.[9]

Conforming Changes

Rule 11.006(o)(5) describes the Exchange processes included in the operation of a Regular Hours Only Order. The Exchange proposes to make conforming changes to the Rule so that it refers to the Opening Auction and Closing Auction for Auction-Eligible Securities, IPO/Halt Auctions for TXSE-Listed Securities, and the Rule 11.023 Opening Process for non-TXSE-Listed Securities that have not been designated for the Opening Auction.

The Exchange also proposes to amend Rule 11.023(a) to make clear that a non-TXSE-Listed Security that has not been designated as an Auction-Eligible Security for the Opening Auction would be subject to the Opening Process for Non-TXSE-Listed Securities provided in

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Auction-Eligible UTP security and the primary listing market's official closing price for specified reference-price purposes).

8 The proposed definition is based on the NYSE Arca auction framework, under which auction eligibility for auctions includes securities for which NYSE Arca is the primary listing market and UTP securities designated by NYSE Arca. See Securities Exchange Act Release No. 76869 (January 11, 2016), 81 FR 2276 (January 15, 2016) (SR-NYSEArca-2015-86) ("Arca Approval Order"); see also NYSE Arca Rule 7.35-E(a)(1).

9 See Arca Approval Order, 81 FR at 2278 n.26 and 2288 (describing NYSE Arca's representation that it would provide prior notice to ETP Holders if additional UTP securities were designated as Auction-Eligible Securities).

the Rule. In addition, the Exchange is proposing to change the title of Rule 11.023 to "Opening Process for Non-Auction Eligible Securities.

The Exchange is also proposing to make a conforming change to Rule 11.022(e) related to the Volatility Closing Auction in order to make clear that the Volatility Closing Auction would continue to only be available for TXSE-Listed Securities. In addition, Rule 11.022(g) already provides that the Exchange's single-priced Opening Auction and Closing Auction transactions qualify for the exception from Rule 611 of Regulation NMS set forth in Rule 611(b)(3). That provision would apply to an Opening Auction or Closing Auction in a designated UTP security without a separate change to Rule 11.022(g).[10]

(b) Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.[11] Specifically, the Exchange believes the proposed rule change is consistent with the objectives of Section 6(b)(5)[12] requirements that the rules of an exchange be 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 regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)

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10 See TXSE Rule 11.022(g); 17 CFR 242.611(b)(3).
11 15 U.S.C. 78f(b).
12 15 U.S.C. 78f(b)(5).

requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

Specifically, the proposal would be consistent with the Act by allowing the Exchange to make its existing scheduled Opening Auction and Closing Auction processes available for designated UTP securities. Members would gain an additional venue for price discovery and single-price executions in those securities. Participation would remain voluntary, and all Members would have access to the same auction order types, information, pricing protections, and allocation procedures.

The proposal is designed to protect investors and the public interest because the Exchange would use the auction safeguards already contained in Rule 11.022. The proposal would not alter the Exchange's auction collars, priority rules, or disseminated information. It also would preserve the primary listing market's official opening and closing prices and would use the primary listing market's prior official close for a UTP security when a prior-day reference price is required.

The Commission previously approved NYSE Arca's authority to designate UTP securities as Auction-Eligible Securities for specified auctions. In approving that authority, the Commission considered NYSE Arca's explanation that allowing the Exchange to conduct auctions in designated UTP securities could enhance market resiliency by providing an additional auction venue if a primary listing market or other market were unable to conduct an auction. The proposed rule change would permit the Exchange to apply its existing scheduled Opening Auction and Closing Auction processes to designated UTP securities which will enhance market resiliency, while preserving the primary listing market's official opening and closing prices.[13]

The Exchange believes that the proposal is also not unfairly discriminatory. All TXSE-Listed Securities would remain Auction-Eligible Securities. The Exchange would provide reasonable advance public notice of its UTP security designations and any changes to them.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. To the contrary, the proposal would enhance intermarket competition by permitting the Exchange to offer scheduled auction functionality in designated UTP securities in a manner substantially similar to NYSE Arca. The proposal would not restrict the ability of any other exchange to conduct an auction, would not require an issuer or Member to participate in a TXSE auction, and would not affect the primary listing market's authority to establish its official opening and closing prices.

The proposal would not impose an inappropriate burden on intramarket competition because the same eligibility, order-entry, pricing, priority, allocation, and execution rules would apply to all Members participating in an auction. The Exchange would announce the designated UTP securities and applicable auction types in advance so that all Members could prepare for and participate in the functionality on equal terms.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Stockholders, Participants or Others

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13 See NYSE Arca Rule 7.35-E(a)(1) and Arca Approval Order at 2283–84.

The Exchange neither solicited nor received written comments on the proposed rule change.

6. Extension of Time Period for Commission Action

Not applicable.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii)[14] of the Act and Rule 19b-4(f)(6)[15] thereunder in that it effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

The Exchange believes that the proposed rule change does not significantly affect the protection of investors or the public interest because it would apply existing, approved TXSE Opening Auction and Closing Auction mechanics to UTP securities designated by the Exchange. As noted throughout, it would not change auction collars, order priority, allocation, disseminated information, trade reporting, or the Exchange's contingency authority. It also would not authorize IPO Auctions, Halt Auctions, or Volatility Closing Auctions in UTP securities.

The proposal does not impose a significant burden on competition. It would permit TXSE to compete with NYSE Arca in offering scheduled auctions in designated UTP securities, while

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14 15 U.S.C. 78s(b)(3)(A)(iii).

15 17 CFR 240.19b-4(f)(6).

leaving all other exchanges free to offer their own functionality. Member participation would be voluntary and subject to uniform rules.

The proposed functionality does not raise novel legal or regulatory issues because it would apply the Exchange's existing, Commission-approved Opening Auction and Closing Auction mechanics to UTP securities designated for the applicable auction, in a manner substantially similar to NYSE Arca's Commission-approved authority to designate UTP securities as Auction-Eligible Securities for specified auctions.

Furthermore, Rule 19b-4(f)(6)(iii)[16] requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change under that subsection at least five business days prior to the date of filing, or such shorter time as designated by the Commission. The Exchange has provided such notice.

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative prior to 30 days after the date of filing. Rule 19b-4(f)(6)(iii), however, permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange respectfully requests that the Commission waive the 30-day operative delay. Waiver would permit the Exchange to implement the functionality promptly, after providing reasonable advance notice of the designated securities, and to compete on equal terms with an exchange that already has substantially similar authority. Becoming immediately operative would not expose investors or Members to new auction mechanics or require systems changes beyond those necessary to identify the UTP securities designated for an existing auction process.

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16 17 CFR 240.19b-4(f)(6)(iii).

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

8. Proposed Rule Change Based on Rule of Another Self-Regulatory Organization or of the Commission

The proposed rule change is based on NYSE Arca Rule 7.35-E(a)(1) and the auction framework approved in SR-NYSEArca-2015-86.

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: Completed Notice of the Proposed Rule Change for publication in the Federal Register.

Exhibit 2 – 4: Not applicable.

Exhibit 5: Text of the proposed rule change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
[Release No. 34-_____________; File No. SR-TXSE-2026-025]

[Insert date]

Self-Regulatory Organizations; Texas Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to amend its rules to permit the Exchange to conduct its Opening Auction and its Closing Auction in UTP Securities designated by the Exchange in its discretion for the applicable auction

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 [insert date], Texas Stock Exchange LLC (the "Exchange" or "TXSE") filed with the Securities and Exchange Commission ("Commission") a proposed rule change to amend its rules to permit the Exchange to conduct its 9:30 a.m. Opening Auction and its Closing Auction in UTP Securities designated by the Exchange in its discretion for the applicable auction.

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 its rules to permit the Exchange to conduct its Opening Auction and its Closing Auction in UTP Securities designated by the Exchange in its discretion for the applicable auction. The text of the proposed rule change is available on the Commission's website (https://www.sec.gov/rules/sro.shtml) at the Exchange's website (https://www.txse.com/regulations/rules-filings), and at the principal office of the Exchange.

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

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1 15 U.S.C. 78s(b)(1).
2 17 CFR 240.19b-4.

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 Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant parts of such statements.

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

1. Purpose

The Exchange proposes to amend Rules 11.006, 11.022, and 11.023 to permit the Exchange to conduct an Opening Auction at 9:30 a.m. ET and a Closing Auction at 4:00 p.m. ET in UTP securities[3] designated by the Exchange in its discretion for the applicable auction. Current Exchange Rules provide that the Exchange will only conduct Opening and Closing Auctions in TXSE-Listed Securities[4] and that non-TXSE Listed Securities will start trading on the Exchange subject to an Opening Process. The Exchange is making this proposed rule change in order to allow it to conduct auctions in certain UTP securities that are not currently listed on the Exchange. This proposal is substantially similar to the existing functionality of NYSE Arca, Inc. ("Arca"). The Exchange is not proposing to allow for IPO, Halt, or Volatility Closing Auctions in UTP securities.

Conducting Opening and Closing Auctions in Auction-Eligible Securities

The Exchange therefore proposes to amend Rule 11.022(b)(2) to provide that it will conduct an Opening Auction for all Auction-Eligible Securities[5] and Rule 11.022(c)(2) to

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[3] As provided in Rule 1.005(oo), the term "UTP security" "UTP security" is a security that is not listed on the Exchange but is traded on the Exchange pursuant to unlisted trading privileges.

[4] See Rule 11.022(b)(2) and (c)(2).

[5] As provided in proposed new Rule 11.022(a)(28), the term "Auction-Eligible Security" means all TXSE-Listed Securities and UTP securities designated by the Exchange for the applicable auction.

provide that it will conduct a Closing Auction for all Auction-Eligible Securities. A UTP security designated by the Exchange for the Opening Auction, the Closing Auction, or both would participate in the Exchange's existing scheduled auction or auctions for which it is designated, meaning at 9:30 a.m. ET for the Opening Auction and at 4:00 p.m. ET for the Closing Auction.[6]

Official Prices and Reference Prices

Under Rule 11.022(a)(5), the TXSE Official Opening Price is the price disseminated to the consolidated tape as the market center opening trade. Accordingly, under the proposal, if an Opening Auction in a designated UTP security results in an execution, the Opening Auction price would be the TXSE Official Opening Price for TXSE as a market center. With respect to a designate UTP security, that price would not displace or alter the official opening price established by the security's primary listing market.

Similarly, Rule 11.022(a)(3) defines the TXSE Official Closing Price as the price disseminated to the consolidated tape as the market center closing trade. The Exchange therefore proposes conforming changes to Rule 11.022(c)(2)(B) so that the Closing Auction price and existing closing-price fallbacks apply to each Auction-Eligible Security. A TXSE Official Closing Price established for a UTP security would be TXSE's market-center closing price and would not displace or alter the official closing price established by the primary listing market.

The Exchange also proposes to amend the definition of "Final Last Sale Eligible Trade" in Rule 11.022(a)(9) to account for Auction-Eligible Securities. If there is no qualifying trade for the current day, the prior trading day's TXSE Official Closing Price would continue to be used

[6] The proposal would not alter the times at which auction orders may be entered or cancelled, or the Exchange's dissemination of information related to the auctions and the Exchange's existing price collars, price-determination procedures, order-ranking and allocation rules, order types, handling of unexecuted interest, and transition to continuous trading would apply to a designated UTP security in the same manner as they apply to a TXSE-Listed Security. See TXSE Rule 11.022(b)(1) and (c)(1) and 11.022(b)(2)(A)–(C) and (c)(2)(A)–(C).

for a TXSE-Listed Security. For a UTP security, however, the official closing price disseminated by the primary listing market for the prior trading day would be used. This distinction follows the Arca approach of using a market-center auction close for a UTP security as its official closing price while using the primary listing market's official close for specified reference-price purposes.[7]

Auction-Eligible Securities

The Exchange proposes to add paragraph (a)(28) to Rule 11.022 to define an "Auction-Eligible Security," for purposes of the Opening Auction and Closing Auction, as all TXSE-Listed Securities and UTP securities designated by the Exchange for the applicable auction.[8] The Exchange would provide reasonable advance notice to Members of the UTP securities designated for the Opening Auction, the Closing Auction, or both, and of additions to or removals from those designations, through a circular or other publicly available notice, consistent with the practice of NYSE Arca.[9]

Conforming Changes

Rule 11.006(o)(5) describes the Exchange processes included in the operation of a Regular Hours Only Order. The Exchange proposes to make conforming changes to the Rule so that it refers to the Opening Auction and Closing Auction for Auction-Eligible Securities,

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7 See Securities Exchange Act Release No. 78357 (July 19, 2016), 81 FR 48484, 48485–86 (July 25, 2016) (SR-NYSEArca-2016-94) (describing NYSE Arca's use of a market-center official closing price for an Auction-Eligible UTP security and the primary listing market's official closing price for specified reference-price purposes).

8 The proposed definition is based on the NYSE Arca auction framework, under which auction eligibility for auctions includes securities for which NYSE Arca is the primary listing market and UTP securities designated by NYSE Arca. See Securities Exchange Act Release No. 76869 (January 11, 2016), 81 FR 2276 (January 15, 2016) (SR-NYSEArca-2015-86) ("Arca Approval Order"); see also NYSE Arca Rule 7.35-E(a)(1).

9 See Arca Approval Order, 81 FR at 2278 n.26 and 2288 (describing NYSE Arca's representation that it would provide prior notice to ETP Holders if additional UTP securities were designated as Auction-Eligible Securities).

IPO/Halt Auctions for TXSE-Listed Securities, and the Rule 11.023 Opening Process for non-TXSE-Listed Securities that have not been designated for the Opening Auction.

The Exchange also proposes to amend Rule 11.023(a) to make clear that a non-TXSE-Listed Security that has not been designated as an Auction-Eligible Security for the Opening Auction would be subject to the Opening Process for Non-TXSE-Listed Securities provided in the Rule. In addition, the Exchange is proposing to change the title of Rule 11.023 to "Opening Process for Non-Auction Eligible Securities.

The Exchange is also proposing to make a conforming change to Rule 11.022(e) related to the Volatility Closing Auction in order to make clear that the Volatility Closing Auction would continue to only be available for TXSE-Listed Securities. In addition, Rule 11.022(g) already provides that the Exchange's single-priced Opening Auction and Closing Auction transactions qualify for the exception from Rule 611 of Regulation NMS set forth in Rule 611(b)(3). That provision would apply to an Opening Auction or Closing Auction in a designated UTP security without a separate change to Rule 11.022(g).[10]

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.[11] Specifically, the Exchange believes the proposed rule change is consistent with the objectives of Section 6(b)(5)[12] requirements that the rules of an exchange be 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 regulating, clearing,

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[10] See TXSE Rule 11.022(g); 17 CFR 242.611(b)(3).
[11] 15 U.S.C. 78f(b).
[12] 15 U.S.C. 78f(b)(5).

settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5) requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

Specifically, the proposal would be consistent with the Act by allowing the Exchange to make its existing scheduled Opening Auction and Closing Auction processes available for designated UTP securities. Members would gain an additional venue for price discovery and single-price executions in those securities. Participation would remain voluntary, and all Members would have access to the same auction order types, information, pricing protections, and allocation procedures.

The proposal is designed to protect investors and the public interest because the Exchange would use the auction safeguards already contained in Rule 11.022. The proposal would not alter the Exchange's auction collars, priority rules, or disseminated information. It also would preserve the primary listing market's official opening and closing prices and would use the primary listing market's prior official close for a UTP security when a prior-day reference price is required.

The Commission previously approved NYSE Arca's authority to designate UTP securities as Auction-Eligible Securities for specified auctions. In approving that authority, the Commission considered NYSE Arca's explanation that allowing the Exchange to conduct auctions in designated UTP securities could enhance market resiliency by providing an additional auction venue if a primary listing market or other market were unable to conduct an auction. The proposed rule change would permit the Exchange to apply its existing scheduled Opening Auction and Closing Auction processes to designated UTP securities which will enhance market resiliency, while preserving the primary listing market's official opening and closing prices.[13]

The Exchange believes that the proposal is also not unfairly discriminatory. All TXSE-Listed Securities would remain Auction-Eligible Securities. The Exchange would provide reasonable advance public notice of its UTP security designations and any changes to them.

(B) Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. To the contrary, the proposal would enhance intermarket competition by permitting the Exchange to offer scheduled auction functionality in designated UTP securities in a manner substantially similar to NYSE Arca. The proposal would not restrict the ability of any other exchange to conduct an auction, would not require an issuer or Member to participate in a TXSE auction, and would not affect the primary listing market's authority to establish its official opening and closing prices.

The proposal would not impose an inappropriate burden on intramarket competition because the same eligibility, order-entry, pricing, priority, allocation, and execution rules would apply to all Members participating in an auction. The Exchange would announce the designated UTP securities and applicable auction types in advance so that all Members could prepare for and participate in the functionality on equal terms.

4. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Stockholders, Participants or Others

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13 See NYSE Arca Rule 7.35-E(a)(1) and Arca Approval Order at 2283–84.

The Exchange neither solicited nor received written comments on the proposed rule change.

(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 written comments on the proposed rule change.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii)[14] of the Act and Rule 19b-4(f)(6)[15] thereunder in that it effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

The The Exchange believes that the proposed rule change does not significantly affect the protection of investors or the public interest because it would apply existing, approved TXSE Opening Auction and Closing Auction mechanics to UTP securities designated by the Exchange. As noted throughout, it would not change auction collars, order priority, allocation, disseminated information, trade reporting, or the Exchange's contingency authority. It also would not authorize IPO Auctions, Halt Auctions, or Volatility Closing Auctions in UTP securities.

The proposal does not impose a significant burden on competition. It would permit TXSE to compete with NYSE Arca in offering scheduled auctions in designated UTP securities, while

14 15 U.S.C. 78s(b)(3)(A)(iii).
15 17 CFR 240.19b-4(f)(6).

leaving all other exchanges free to offer their own functionality. Member participation would be voluntary and subject to uniform rules.

The proposed functionality does not raise novel legal or regulatory issues because it would apply the Exchange's existing, Commission-approved Opening Auction and Closing Auction mechanics to UTP securities designated for the applicable auction, in a manner substantially similar to NYSE Arca's Commission-approved authority to designate UTP securities as Auction-Eligible Securities for specified auctions.

Furthermore, Rule 19b-4(f)(6)(iii)[16] requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change under that subsection at least five business days prior to the date of filing, or such shorter time as designated by the Commission. The Exchange has provided such notice.

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative prior to 30 days after the date of filing. Rule 19b-4(f)(6)(iii), however, permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange respectfully requests that the Commission waive the 30-day operative delay. Waiver would permit the Exchange to implement the functionality promptly, after providing reasonable advance notice of the designated securities, and to compete on equal terms with an exchange that already has substantially similar authority. Becoming immediately operative would not expose investors or Members to new auction mechanics or require systems changes beyond those necessary to identify the UTP securities designated for an existing auction process.

[16] 17 CFR 240.19b-4(f)(6)(iii).

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings 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 proposal 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 No. SR-TXSE-2026-025 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 No. SR-TXSE-2026-025. 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 filing 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-TXSE-2026-025 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[17]

Sherry R. Haywood,

Assistant Secretary.

[17] 17 CFR 200.30-3(a)(12).

EXHIBIT 5

(additions are underlined; deletions are [bracketed])

Rules of Texas Stock Exchange LLC

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CHAPTER 11. TRADING RULES

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Rule 11.006. Definitions

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(o) Time-in-Force ("TIF").

(1)–(4) No Change.

(5) Regular Hours Only ("RHO"). An instruction a User may attach to an order stating that an order to buy or sell is designated for execution only during Regular Trading Hours which includes [the Opening Auction, the Closing Auction and IPO/Halt Auctions for TXSE-Listed securities and the Opening Process for non-TXSE-Listed securities] the Opening Auction and Closing Auction for Auction-Eligible Securities, IPO/Halt Auctions for TXSE-Listed Securities, and the Opening Process for non-TXSE-Listed Securities that are not designated by the Exchange as Auction-Eligible Securities for the Opening Auction (as such terms are defined in TXSE Rules 11.022 and 11.023) and, if not executed, expires at the end of Regular Trading Hours. An order with a RHO instruction may be referred to as a "RHO order." Any order with a TIF instruction of RHO entered into the System after the closing of Regular Trading Hours will be rejected. Any portion of a market RHO order will be cancelled immediately following any auction in which it is not executed.

(6) No Change.

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Rule 11.022. Auctions

(a) Definitions

(1)–(8) No Change.

(9) The term "Final Last Sale Eligible Trade" shall mean the last Round Lot trade occurring during Regular Trading Hours on the Exchange if the trade was executed within the last one second prior to either the Closing Auction or, for Halt Auctions, trading in the security being halted. Where the trade was not executed within the last one second, the last Round Lot trade reported to the consolidated tape received by the Exchange during Regular Trading Hours and, where applicable, prior to trading in the security being halted will be used. If there is no qualifying trade for the current day, [the TXSE Official Closing Price from the previous trading day will be used] the prior trading day's TXSE Official Closing Price will be used for a TXSE-Listed Security and the official closing price disseminated by the primary listing market for the prior trading day will be used for a UTP Security.

(10)–(27) No Change.

(28) The term "Auction-Eligible Security" means, for the Opening Auction and Closing Auction, all TXSE-Listed Securities and UTP Securities designated by the Exchange for the applicable auction.

(b) Opening Auction

(1) No Change.

(2) Opening Auction Process. The Exchange will conduct an Opening Auction for all [TXSE-Listed Securities] Auction-Eligible Securities.

(A)–(C) No Change.

(3) No Change.

(c) Closing Auction

(1) No Change.

(2) Closing Auction Process. The Exchange will conduct a Closing Auction for all [TXSE-Listed Securities] Auction-Eligible Securities.

(A) No Change.

(B) Determination of TXSE Official Closing Price. The Closing Auction price will be established by determining the price level within the Collar Price Range that maximizes the number of shares executed between the Continuous Book and Auction Book in the Closing Auction. In the event of a volume based tie at multiple price levels, the Closing Auction price will be the price which results in the minimum total imbalance. In the event of a volume based tie and a tie in minimum total imbalance at multiple price levels, the Closing Auction price will be the entered price at which shares will remain unexecuted in the Closing Auction. In the event of a volume based tie, a tie in minimum total imbalance, and a tie in entered price at which shares remain unexecuted at multiple price levels, the Closing Auction price will be the price closest to the Volume Based Tie Breaker. For [a TXSE-Listed Security] an Auction-Eligible Security that is a corporate security, the Closing Auction price will be the TXSE Official Closing Price. In the event that there is no Closing Auction for [a TXSE-Listed Security] an Auction-Eligible Security that is a corporate security, the TXSE Official Closing Price will be the price of the Final Last Sale Eligible Trade. The TXSE Official Closing Price for all other [TXSE-Listed Securities] Auction-Eligible Securities will be determined as follows:

(i)–(iii) No Change.

(C) No Change.

(3) No Change.

(d) No Change.

(e) Volatility Closing Auction. Where a [security]TXSE-Listed Security is halted between 3:50 p.m. and 4:00 p.m. pursuant to TXSE Rule 11.021 or the Quote-Only Period of a Halt Auction for a [security]TXSE-Listed Security halted before 3:50 p.m. pursuant to TXSE Rule 11.021 would otherwise be extended by the Exchange after 3:50 p.m., no Closing Auction or Halt Auction for the security will occur. Instead, the Exchange will conduct a Volatility Closing Auction at 4:00 p.m. as described below.

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Rule 11.023. Opening Process for [Non-TXSE-Listed Securities] Non-Auction-Eligible Securities

(a) Order Entry and Cancellation before the Opening Process. This Rule applies to a non-TXSE-Listed Security that has not been designated by the Exchange as an Auction-Eligible Security for the Opening Auction pursuant to Rule 11.022(a)(28). Prior to the beginning of Regular Trading Hours, Users who wish to participate in the Opening Process may enter orders to buy or sell that are designated as RHO orders. Orders cancelled before the Opening Process will not participate in the Opening Process. Any order that is not designated as RHO will not be eligible for participation in the Opening Process.

(1)–(3) No Change.

(b)–(e) No Change.

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