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Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 21

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

File No. * SR 2026 - * 045
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 adopt a policy relating to the Exchange's treatment of trade reports that it determines to be inconsistent with the prevailing market.

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 * Courtney Last Name * Smith

Title * Assistant General Counsel

E-mail * courtney.smith@txse.com

Telephone * (480) 204-3274 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 11/09/2026

By Courtney Smith
(Name *)

(Title *)
Assistant 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.

COURTNEY JOHNSTON SMITH
Digitally signed by COURTNEY JOHNSTON SMITH
Date: 2026.11.09 15:12:15 -06'00'

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 *

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SR-TXSE-2026-045 19b-4 (Aberrant T

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

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SR-TXSE-2026-045 Exhibit 1 (Aberra

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A - Notice of Proposed Rule Change, Security-Based Swap Submission, or Advanced Notice by Clearing Agencies *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2- Notices, Written Comments, Transcripts, Other Communications

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Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

☐ Exhibit Sent As Paper Document

Exhibit 3 - Form, Report, or Questionnaire

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Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

☐ Exhibit Sent As Paper Document

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

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

Partial Amendment

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

1. Text of 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] Texas Stock Exchange LLC (the "Exchange" or "TXSE") is filing with the Securities and Exchange Commission ("Commission") a proposal to adopt a policy relating to the Exchange's treatment of trade reports that it determines to be inconsistent with the prevailing market. A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1.

(b) The Exchange does not believe that the proposed rule change will have any direct effect, or any significant indirect effect, on any other Exchange rule in effect at the time of this filing.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

(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, (214) 612-0261, or Courtney Smith, Assistant General Counsel, (480) 204-3274.

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[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b-4.

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

(a) Purpose

Trades in listed securities occasionally occur at prices that deviate from prevailing market prices, and those trades sometimes establish a high, low or last sale price for a security that does not reflect its true market. The Consolidated Tape Association ("CTA") Plan and the Nasdaq UTP Plan ("UTP Plan") each offer participants in such plans with the discretion to append an Aberrant Report Indicator to a trade report to indicate that the market believes that the trade price of a particular trade executed on the participant's market does not accurately reflect the prevailing market for the security in question.[3] Several national securities exchanges, including The New York Stock Exchange ("NYSE")[4] and Nasdaq Stock Market ("Nasdaq"),[5] and more recently, Investors Exchange LLC ("IEX")[6] and NYSE Texas, Inc. ("NYSE Texas"),[7] have adopted policies related to use of the Aberrant Report Indicator for equities trades that, while not eligible for cancellation pursuant to applicable exchange rules governing clearly erroneous executions, are determined not to accurately reflect the prevailing market for the security in question. The Exchange believes that such policies are appropriate to identify such trades to vendors and market participants so that they

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3 The CTA recommends that data recipients should exclude the price of any trade to which the Aberrant Report Indicator has been appended from any calculation of the high, low and last sale prices for the security.

4 See Securities Exchange Act Release No. 58736 (October 6, 2008), 73 FR 60380 (October 10, 2008) (SR-NYSE-2008-91).

5 See Securities Exchange Act Release No. 59151 (December 23, 2008), 74 FR 158 (January 2, 2009) (SR-NASDAQ-2008-100).

6 See Securities Exchange Act Release No. 81278 (August 1, 2017), 82 FR 36837 (August 7, 2017) (SR-IEX-2017-24).

7 See Securities Exchange Act Release No. 105815 (June 30, 2026), 91 FR 41121 (July 6, 2026) (SR-NYSETEX-2026-27).

may exclude such trades from relevant pricing metrics (e.g., high, low and last sale prices). Accordingly, TXSE is proposing to adopt a policy substantially similar to the existing policies of such other national securities exchanges as described below.[8]

During the course of surveillance by the Exchange or as a result of notification by another market, listed company,[9] or market participant, the Exchange may become aware of trade prices that do not accurately reflect the prevailing market for a particular security. In such a case, the Exchange will contact the listing exchange (if the Exchange is not the listing exchange) and other markets (in the case of executions that take place across multiple markets) to seek consensus as to whether the trade price is consistent with the prevailing market for the security. If the Exchange determines that the trade price is inconsistent with the prevailing market for the security after considering the factors discussed below, the Exchange will append an Aberrant Report Indicator to the trade pursuant to applicable CTA and UTP procedures. Appending an Aberrant Report Indicator to the trade will have no effect on the validity of the underlying trade.

The proposed policy would be applicable to trades that occur on TXSE, whether traded on an unlisted trading privilege ("UTP") basis or listed on TXSE.

In making the determination to append the Aberrant Report Indicator to a particular trade, the Exchange shall consider all factors related to a trade, including, but not limited to, the following:

• Material news released for the security;

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8 Supra, notes 4-7.

9 On September 30, 2025, the Commission granted TXSE's application for registration as a national securities exchange under Section 6 of the Act including approval of the rules applicable to the qualification, listing, and delisting of companies on the Exchange. See Securities Exchange Act Release No. 104146 (September 30, 2026), 90 FR 47880 (October 2, 2025) (File No. 10-249). The Exchange began listing companies on the Exchange in September 2026.

- Suspicious trading activity;
- System malfunctions or disruptions;
- Locked or crossed markets;
- A recent trading halt or resumption of trading in the security;
- Whether the security is in its initial public offering;
- Volume and volatility for the security;
- Whether the trade represents a 52-week high or low for the security;
- Whether the trade price deviates significantly from recent trading patterns in the security;
- Whether the trade price reflects a stock-split, reorganization or other corporate action;
- The validity of consolidated tape trades and quotes in comparison to national best bids and offers; and
- The general volatility of market conditions.

In determining whether trade prices are inconsistent with the prevailing market, the Exchange proposes that its policy shall be to follow the following general guidelines: The Exchange will review whether a trade price does not reflect the prevailing market for a security if the trade occurs during regular trading hours (i.e., 9:30 a.m. to 4 p.m.) and occurs at a price that deviates from the "Reference Price" by an amount that meets or exceeds the following thresholds:

Trade Price	**Numerical Threshold (percent)**
Between $0 and $15.00	7 Percent
Between $15.01 and $50.00	5 Percent
In excess of $50.00	3 Percent

The "Reference Price" refers to (a) if the primary market for the security is open at the time of the trade, the national best bid or offer for the security, or (b) if the primary market for the security is not open at the time of the trade, the first executable quote or print for the security on the primary market after execution of the trade in question. However, if

the circumstances suggest that a different Reference Price would be more appropriate, the Exchange will use the different Reference Price. For instance, if the national best bid and offer for the security are so wide apart as to fail to reflect the market for the security, the Exchange might use as the Reference Price a trade price or best bid or offer that was available prior to the trade in question.

If TXSE determines that a trade price does not reflect the prevailing market for a security and the trade represented the last sale of the security on the Exchange during a trading session, the Exchange may also determine to remove that trade's designation as the last sale and the preceding last sale eligible trade would become the new last sale. TXSE may do so either on the day of the trade or at a later date, so as to provide reasonable time for the Exchange to conduct due diligence regarding the trade, including the consideration of input from markets and other market participants.

In connection with the proposed policy, TXSE shall discourage vendors and other data recipients from using prices to which the Exchange has appended the Aberrant Report Indicator in any calculation of the high, low or last sale price of a security; and will urge vendors to disclose the exclusion from high, low or last sale price data of any trades with an Aberrant Report Indicator and exclude them from high, low or last sale price information they disseminate and to provide to data users an explanation of the parameters used in the Exchange's aberrant trade policy.[10]

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[10] The Exchange will advise each listed company of the aberrant trade policy, including that any trade for which the Aberrant Report Indicator is applied will remain a valid trade.

(b) Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,[11] in general, and furthers the objectives of Section 6(b)(5) of the Act,[12] in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, 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.

In particular, and as described in rule change proposals of NYSE, Nasdaq, IEX, and NYSE Texas to adopt a policy on the use of the Aberrant Report Indicator, the Exchange believes that the Aberrant Report Indicator is consistent with the protection of investors and the public interest in that the Exchange will seek to ensure a proper understanding of the Aberrant Report Indicator among securities market participants by: (i) urging vendors to disclose the exclusion from high, low or last sale price data of any aberrant trades excluded from high, low or last sale price information they disseminate and to provide to data users an explanation of the parameters used in the Exchange's aberrant trade policy; (ii) informing the affected listed company each time the Exchange or another market appends the Aberrant Report Indicator to an Exchange-listed stock; and (iii) reminding the users of the information that these are still valid trades in that they were executed and not unwound as in the case of a clearly erroneous trade.

Additionally, the Exchange believes that the proposed rule change is a reasonable means to alert investors and others that the Exchange believes that the trade price for a

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11 15 U.S.C. 78f(b).

12 15 U.S.C. 78f(b)(5).

particular trade executed in its market does not accurately reflect the prevailing market for the security. Further, the Exchange will use the same factors, including objective numerical thresholds in determining whether a trade report is eligible to have an Aberrant Report Indicator appended to it. As discussed above, other national securities exchanges have adopted a substantially similar policy. Accordingly, the proposed rule change does not raise any new or novel issues that have not already been considered by the Commission.

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

TXSE does not believe that the proposed rule change will result in any burden on competition. The proposed rule change is designed to enable the Exchange to apply the Aberrant Report Indicator in a manner consistent with its existing use by other national securities exchanges, thereby increasing transparency regarding trades executed at prices that do not reflect the prevailing market, and not to address any competitive issues. The Exchange will utilize the indicator in a consistent manner with respect to all Exchange members and listed companies. The Exchange thus does not believe the proposal will burden competition because it will provide for consistency between the Exchange's policy related to use of the Aberrant Report Indicator and those of other national securities exchanges.

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

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)

(a) The Exchange believes that the proposal qualifies for immediate effectiveness upon filing as a "non-controversial" rule change in accordance with Section 19(b)(3)(A) of the Act[13] and Rule 19b-4(f)(6) thereunder.[14]

(b) The Exchange asserts that the proposed rule change (i) will not significantly affect the protection of investors or the public interest, (ii) will not impose any significant burden on competition, and (iii) by its terms, will not become operative for 30 days after the date of this filing, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest. In addition, the Exchange provided the Commission with 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, or such shorter time as the Commission may designate.

The Exchange believes that the proposed rule change meets the criteria of subparagraph (f)(6) of Rule 19b-4[15] because appending an Aberrant Report Indicator to certain trade reports is a reasonable means to alert investors and others that the Exchange believes that the trade price for a trade executed in its market does not accurately reflect the prevailing market for the security. In addition, the Exchange will use objective numerical thresholds in determining whether a trade report is eligible to have an Aberrant Report Indicator appended to it. Further, the Exchange's appending the Aberrant Report Indicator to a trade report has no effect on the validity of the underlying trade. Finally, as discussed in

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13 15 U.S.C. 78s(b)(3)(A).

14 17 CFR 240.19b-4(f)(6).

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

the Purpose section, the proposed policy is substantially similar to proposals previously approved, or noticed for immediate effectiveness, by the Commission.[16] Therefore, the proposed rule change does not present any unique issues not previously considered by the Commission. Based on the foregoing, the Exchange has designated this rule filing as "non-controversial" under Section 19(b)(3)(A) of the Act[17] and paragraph (f)(6) of Rule 19b-4 thereunder.[18]

For the foregoing reasons, this rule filing qualifies as a "non-controversial" rule change under Rule 19b-4(f)(6), which renders the proposed rule change effective upon filing with the Commission. At any time within 60 days of the filing of this 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.

(c) Not applicable.

(d) Not applicable.

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

The proposed rule change is based on existing policies adopted by NYSE, Nasdaq, IEX, and NYSE Texas.

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16 Supra notes 4-7.

17 15 U.S.C. 78s(b)(3)(A).

18 17 CFR 240.19b-4.

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: Not applicable. The proposed policy is described in Item 3(a); no amendment to numbered Exchange rule text is proposed.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34- ; File No. SR-TXSE-2026-045]

[Insert Date]

Self-Regulatory Organizations; Texas Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Adopt A Policy Relating to the Exchange's Treatment of Trade Reports That it Determines to be Inconsistent With the Prevailing Market

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 [insert date], Texas Stock Exchange LLC (the "Exchange" or "TXSE") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, II and III below, which Items have been prepared by the Exchange. The Exchange filed the proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act[3] and Rule 19b-4(f)(6) thereunder.[4] The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to adopt a policy relating to the Exchange's treatment of trade reports that it determines to be inconsistent with the prevailing market. The proposed rule change is available on the Commission's website

1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

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

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

(https://www.sec/gov/rules/sro.shtml) at the Exchange's website (https://www.txse.com/reuglations/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

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

Trades in listed securities occasionally occur at prices that deviate from prevailing market prices, and those trades sometimes establish a high, low or last sale price for a security that does not reflect its true market. The Consolidated Tape Association ("CTA") Plan and the Nasdaq UTP Plan ("UTP Plan") each offer participants in such plans with the discretion to append an Aberrant Report Indicator to a trade report to indicate that the market believes that the trade price of a particular trade executed on the participant's market does not accurately reflect the prevailing market for the security in question.[5] Several national securities exchanges, including The New York Stock Exchange

[5] The CTA recommends that data recipients should exclude the price of any trade to which the Aberrant Report Indicator has been appended from any calculation of the high, low and last sale prices for the security.

("NYSE")[6] and Nasdaq Stock Market ("Nasdaq"),[7] and more recently, Investors Exchange LLC ("IEX")[8] and NYSE Texas, Inc. ("NYSE Texas"),[9] have adopted policies related to use of the Aberrant Report Indicator for equities trades that, while not eligible for cancellation pursuant to applicable exchange rules governing clearly erroneous executions, are determined not to accurately reflect the prevailing market for the security in question. The Exchange believes that such policies are appropriate to identify such trades to vendors and market participants so that they may exclude such trades from relevant pricing metrics (e.g., high, low and last sale prices). Accordingly, TXSE is proposing to adopt a policy substantially similar to the existing policies of such other national securities exchanges as described below.[10]

During the course of surveillance by the Exchange or as a result of notification by another market, listed company,[11] or market participant, the Exchange may become aware of trade prices that do not accurately reflect the prevailing market for a particular security. In such a case, the Exchange will contact the listing exchange (if the Exchange is not the listing exchange) and other markets (in the case of executions that take place

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6 See Securities Exchange Act Release No. 58736 (October 6, 2008), 73 FR 60380 (October 10, 2008) (SR-NYSE-2008-91).

7 See Securities Exchange Act Release No. 59151 (December 23, 2008), 74 FR 158 (January 2, 2009) (SR-NASDAQ-2008-100).

8 See Securities Exchange Act Release No. 81278 (August 1, 2017), 82 FR 36837 (August 7, 2017) (SR-IEX-2017-24).

9 See Securities Exchange Act Release No. 105815 (June 30, 2026), 91 FR 41121 (July 6, 2026) (SR-NYSETEX-2026-27).

10 Supra, notes 6-9.

11 On September 30, 2025, the Commission granted TXSE's application for registration as a national securities exchange under Section 6 of the Act including approval of the rules applicable to the qualification, listing, and delisting of companies on the Exchange. See Securities Exchange Act Release No. 104146 (September 30, 2026), 90 FR 47880 (October 2, 2025) (File No. 10-249). The Exchange began listing companies on the Exchange in September 2026.

across multiple markets) to seek consensus as to whether the trade price is consistent with the prevailing market for the security. If the Exchange determines that the trade price is inconsistent with the prevailing market for the security after considering the factors discussed below, the Exchange will append an Aberrant Report Indicator to the trade pursuant to applicable CTA and UTP procedures. Appending an Aberrant Report Indicator to the trade will have no effect on the validity of the underlying trade.

The proposed policy would be applicable to trades that occur on TXSE, whether traded on an unlisted trading privilege ("UTP") basis or listed on TXSE.

In making the determination to append the Aberrant Report Indicator to a particular trade, the Exchange shall consider all factors related to a trade, including, but not limited to, the following:

- Material news released for the security;
- Suspicious trading activity;
- System malfunctions or disruptions;
- Locked or crossed markets;
- A recent trading halt or resumption of trading in the security;
- Whether the security is in its initial public offering;
- Volume and volatility for the security;
- Whether the trade represents a 52-week high or low for the security;
- Whether the trade price deviates significantly from recent trading patterns in the security;
- Whether the trade price reflects a stock-split, reorganization or other corporate action;
- The validity of consolidated tape trades and quotes in comparison to national best bids and offers; and
- The general volatility of market conditions.

In determining whether trade prices are inconsistent with the prevailing market, the Exchange proposes that its policy shall be to follow the following general guidelines:

The Exchange will review whether a trade price does not reflect the prevailing market for a security if the trade occurs during regular trading hours (i.e., 9:30 a.m. to 4 p.m.) and occurs at a price that deviates from the "Reference Price" by an amount that meets or exceeds the following thresholds:

Trade Price	**Numerical Threshold (percent)**
Between $0 and $15.00	7 Percent
Between $15.01 and $50.00	5 Percent
In excess of $50.00	3 Percent

The "Reference Price" refers to (a) if the primary market for the security is open at the time of the trade, the national best bid or offer for the security, or (b) if the primary market for the security is not open at the time of the trade, the first executable quote or print for the security on the primary market after execution of the trade in question. However, if the circumstances suggest that a different Reference Price would be more appropriate, the Exchange will use the different Reference Price. For instance, if the national best bid and offer for the security are so wide apart as to fail to reflect the market for the security, the Exchange might use as the Reference Price a trade price or best bid or offer that was available prior to the trade in question.

If TXSE determines that a trade price does not reflect the prevailing market for a security and the trade represented the last sale of the security on the Exchange during a trading session, the Exchange may also determine to remove that trade's designation as the last sale and the preceding last sale eligible trade would become the new last sale. TXSE may do so either on the day of the trade or at a later date, so as to provide reasonable time for the Exchange to conduct due diligence regarding the trade, including the consideration of input from markets and other market participants.

In connection with the proposed policy, TXSE shall discourage vendors and other data recipients from using prices to which the Exchange has appended the Aberrant Report Indicator in any calculation of the high, low or last sale price of a security; and will urge vendors to disclose the exclusion from high, low or last sale price data of any trades with an Aberrant Report Indicator and exclude them from high, low or last sale price information they disseminate and to provide to data users an explanation of the parameters used in the Exchange's aberrant trade policy.[12]

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,[13] in general, and furthers the objectives of Section 6(b)(5) of the Act,[14] in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, 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.

In particular, and as described in rule change proposals of NYSE, Nasdaq, IEX, and NYSE Texas to adopt a policy on the use of the Aberrant Report Indicator, the Exchange believes that the Aberrant Report Indicator is consistent with the protection of investors and the public interest in that the Exchange will seek to ensure a proper understanding of the Aberrant Report Indicator among securities market participants by: (i) urging vendors to disclose the exclusion from high, low or last sale price data of any

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12 The Exchange will advise each listed company of the aberrant trade policy, including that any trade for which the Aberrant Report Indicator is applied will remain a valid trade.

13 15 U.S.C. 78f(b).

14 15 U.S.C. 78f(b)(5).

aberrant trades excluded from high, low or last sale price information they disseminate and to provide to data users an explanation of the parameters used in the Exchange's aberrant trade policy; (ii) informing the affected listed company each time the Exchange or another market appends the Aberrant Report Indicator to an Exchange-listed stock; and (iii) reminding the users of the information that these are still valid trades in that they were executed and not unwound as in the case of a clearly erroneous trade.

Additionally, the Exchange believes that the proposed rule change is a reasonable means to alert investors and others that the Exchange believes that the trade price for a particular trade executed in its market does not accurately reflect the prevailing market for the security. Further, the Exchange will use the same factors, including objective numerical thresholds in determining whether a trade report is eligible to have an Aberrant Report Indicator appended to it. As discussed above, other national securities exchanges have adopted a substantially similar policy. Accordingly, the proposed rule change does not raise any new or novel issues that have not already been considered by the Commission.

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

TXSE does not believe that the proposed rule change will result in any burden on competition. The proposed rule change is designed to enable the Exchange to apply the Aberrant Report Indicator in a manner consistent with its existing use by other national securities exchanges, thereby increasing transparency regarding trades executed at prices that do not reflect the prevailing market, and not to address any competitive issues. The Exchange will utilize the indicator in a consistent manner with respect to all Exchange members and listed companies. The Exchange thus does not believe the proposal will

burden competition because it will provide for consistency between the Exchange's policy related to use of the Aberrant Report Indicator and those of other national securities exchanges.

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

The Exchange has 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

Because the foregoing 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 for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6) thereunder.

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.

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 e-mail to rule-comments@sec.gov. Please include SR-TXSE-2026-045 on the subject line.

Paper Comments:

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

All submissions should refer to File Number SR-TXSE-2026-045. 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 (https://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-2026-045 and should be submitted on or before [INSERT DATE 21 DAYS FROM PUBLICATION IN THE *FEDERAL REGISTER*].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[15]

Sherry R. Haywood,

Assistant Secretary.

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[15] 17 CFR 200.30-3(a)(12).