

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 26	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2019 - * 67 Amendment No. (req. for Amendments *) 1
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Filing by New York Stock Exchange LLC
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input type="checkbox"/>	Amendment * <input checked="" type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input checked="" type="checkbox"/>	Section 19(b)(3)(A) * <input type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	Rule <input type="checkbox"/> 19b-4(f)(1) <input type="checkbox"/> 19b-4(f)(4) <input type="checkbox"/> 19b-4(f)(2) <input type="checkbox"/> 19b-4(f)(5) <input type="checkbox"/> 19b-4(f)(3) <input type="checkbox"/> 19b-4(f)(6)		

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

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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Description

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

Proposal to amend Chapter One of the Listed Company Manual to modify the provisions relating to direct listings

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 * John Last Name * Carey
 Title * Senior Director, NYSE Group Inc.
 E-mail * John.Carey@theice.com
 Telephone * (212) 656-5640 Fax (212) 656-2028

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Title *)
Senior Counsel

Date 11/26/2019
By David De Gregorio
(Name *)

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

David De Gregorio,

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

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

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

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

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

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

Add Remove View

Exhibit Sent As Paper Document

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

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

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

Exhibit 4 - Marked Copies

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

Exhibit 5 - Proposed Rule Text

Add Remove View

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 New York Stock Exchange LLC (“NYSE” or the “Exchange”) proposes to amend Chapter One of the Listed Company Manual (the “Manual”) to modify the provisions relating to direct listings.³

The text of the proposed rule change is set forth in Exhibit 5 attached hereto. 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 would 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

Senior management has approved the proposed rule change pursuant to authority delegated to it by the Board of the Exchange. No further action is required under the Exchange’s governing documents. Therefore, the Exchange’s internal procedures with respect to the proposed rule change are complete.

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

John Carey
Senior Director
NYSE Group, Inc.
(212) 656-5640

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ The Exchange has previously filed a proposed rule change to amend Chapter One of the Manual to modify the provisions related to direct listings. See SR-NYSE-2019-67. The Exchange is now filing this Amendment No. 1 to SR-NYSE-2019-67 to make clear in Exhibit 5 to this filing that a company conducting a Primary Direct Floor Listing in which the company sells shares in the opening auction with a market value of less than \$100 million will be eligible to list if the aggregate of the market value of publicly-held shares immediately prior to listing together with the market value of shares sold by the company in the opening auction totals at least \$250 million. This Amendment No.1 to SR-NYSE-2019-67 replaces SR-NYSE-2019-67 as originally filed and supersedes such filing in its entirety.

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

(a) Purpose

Section 102.01B of the Manual includes initial listing requirements for a company that has not previously had its common equity securities registered under the Act, to list its common equity securities on the Exchange at the time of effectiveness of a registration statement filed solely for the purpose of allowing existing shareholders to sell their shares (a “Selling Shareholder Direct Floor Listing”).⁴ To allow a company to sell shares on its own behalf in connection with its initial listing upon effectiveness of a registration statement, without a traditional underwritten public offering, the Exchange proposes to amend Section 102.01B. The proposed change would allow a company that has not previously had its common equity securities registered under the Act, to list its common equity securities on the Exchange at the time of effectiveness of a registration statement pursuant to which the company will sell shares in the opening auction on the first day of trading on the Exchange (a “Primary Direct Floor Listing”). The proposal would permit a company to conduct a Primary Direct Floor Listing in addition to, or instead of, a Selling Shareholder Direct Floor Listing.

In considering the initial listing of a company in connection with a Selling Shareholder Direct Floor Listing, Section 102.01B currently provides that the Exchange will determine that such company has met the applicable \$100 million aggregate market value of publicly-held shares requirement based on a combination of both (i) an independent third-party valuation of the company (a “Valuation”) and (ii) the most recent trading price for the company’s common stock in a trading system for unregistered securities operated by a national securities exchange or a registered broker-dealer (a “Private Placement Market”). The Exchange will attribute a market value of publicly-held shares to the company equal to the lesser of (i) the value calculable based on the Valuation and (ii) the value calculable based on the most recent trading price in a Private Placement Market. Alternatively, in the absence of any recent trading in a Private Placement Market, Section 102.01B provides that the Exchange will determine that such company has met its market value of publicly-held shares requirement if the company provides a Valuation evidencing a market value of publicly-held shares of at least \$250 million. With respect to this requirement, the Exchange is proposing the following:

- The Exchange proposes that a company would qualify for listing in connection with a Primary Direct Floor Listing by selling at least \$100 million in market value of shares in the opening auction.

⁴ Securities Exchange Act Release No. 82627 (February 2, 2018), 83 FR 5650 (February 8, 2018) (SR-NYSE-2017-30).

- The Exchange proposes that a company would qualify for listing in connection with a Primary Direct Floor Listing if the aggregate of the market value of publicly-held shares immediately prior to listing together with the market value of shares sold by the company in the opening auction totals at least \$250 million.

The Exchange also proposes to modify the distribution requirements for listing in connection with a Selling Shareholder Direct Floor Listing or a Primary Direct Floor Listing. Pursuant to Section 102.1A of the Manual, any company listing in connection with either a Selling Shareholder Direct Floor Listing or a Primary Direct Floor Listing is required to have at least 400 round lot holders and 1.1 million publicly-held shares at the time of listing. Private companies generally do not have as many as 400 round lot shareholders, but this is typically not a barrier to listing for a company undertaking an initial public offering as the underwriters are able to ensure that the shares sold in the IPO are distributed to sufficient accounts to meet the Exchange's distribution standards. However, in the absence of an underwritten transaction at the time of listing, the initial listing distribution standards may represent more of a challenge for a private company contemplating listing in connection with a Selling Shareholder Direct Floor Listing or a Primary Direct Floor Listing.

The Exchange believes that a Primary Direct Floor Listing in which the company sells at least \$250 million of its stock in the opening auction on the day of listing would provide an appropriately liquid trading market and make highly likely that the company would meet the initial listing distribution standards quickly after initial listing. Consequently, the Exchange proposes to amend Section 102.01A to provide that any company listing in connection with a Primary Direct Floor Listing in which the company sells at least \$250 million in market value of shares in the opening auction on the initial listing date may list and commence trading on the basis that the company would have to demonstrate compliance with the distribution requirements within 90 trading days of the listing date (the "Distribution Standard Compliance Period"). Any company that fails to meet the distribution standards by the end of the Distribution Standard Compliance Period would be deemed to be below compliance. In that case, the company would have the opportunity to submit a compliance plan as set forth in the applicable procedures in Sections 802.02 and 802.03 of the Manual, but will not be granted a plan period that extends more than six months from the end of the Distribution Standard Compliance Period. If a company does not meet the initial listing distribution standards by the end of the maximum six month compliance period, it would be subject to immediate suspension and delisting.

In addition, the Exchange proposes to provide the benefit of the same Distribution Standard Compliance Period in the case of: (i) a company listing in connection with a Selling Shareholder Direct Floor Listing that demonstrates \$350 million in market value of publicly-held shares; and (ii) a Primary Direct Floor Listing in which the company sells less than \$250 million of its stock in the opening auction

but has a market value of publicly-held shares immediately prior to listing together with the market value of shares sold by the company in the opening auction totaling at least \$350 million.

Currently, a company listing in connection with a Selling Shareholder Direct Floor Listing is required to demonstrate at the time of initial listing that it has at least 400 round lot holders and (i) at least \$100 million in market value of publicly-held shares based on the lower of a Valuation or the most recent trading price in a Private Placement Market or (ii) at least \$250 million in market value of publicly-held shares. The Exchange proposes that a company with \$350 million in market value of publicly-held shares (including in the case of a company listing in connection with a Primary Direct Floor Listing where the aggregate of the shares sold by the company in the opening auction and the market value of the publicly-held shares outstanding immediately before the listing is at least \$350 million) may list and commence trading on the basis that the company would have to demonstrate compliance with the distribution requirements within 90 trading days of the listing date. The Exchange notes that the market value of publicly-held shares requirement for listings other than direct floor listings and IPOs is \$100 million, so the \$350 million public float that would be required under this proposal to use the Distribution Compliance Period is far higher than what a newly-listed company would have to demonstrate under other circumstances. The Exchange believes that this heightened standard significantly increases the likelihood that a liquid trading market will develop after a Selling Shareholder Direct Floor Listing or Primary Direct Floor Listing and therefore makes it likely that these companies will meet the initial distribution standards within the Distribution Standard Compliance Period.

(b) Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Exchange Act,⁵ in general, and furthers the objectives of Section 6(b)(5) of the Exchange Act,⁶ in particular in that it is 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 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 and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes that the proposed amendment is consistent with the protection of investors. The proposal would require that a company in a Primary Direct Floor Listing must either sell at least \$100 million of its listed securities in

⁵ 15 U.S.C. 78f(b).

⁶ 15 U.S.C. 78f(b)(5).

the opening auction or demonstrate that the sum of its market value of publicly-held shares immediately prior to listing and the market value of shares sold by the company in the opening auction is at least \$250 million. These requirements would provide that any company conducting a Primary Direct Floor Listing would be of a suitable size for Exchange listing and that there would be sufficient liquidity for the security to be suitable for auction market trading.

The proposal to provide a limited grace period for companies to meet the initial distribution requirements in connection with a Selling Shareholder Direct Floor Listing or a Primary Direct Floor Listing is consistent with the protection of investors because the enhanced public float requirements of \$350 million for Selling Shareholder Direct Floor Listings and Primary Direct Floor Listings in which the company sells less than \$250 million in market value of shares in the opening auction and the \$250 million minimum opening trade requirement for all other Primary Direct Floor Listings would make it probable that there would be a quick development of a liquid trading market and that the company would comply with the initial listing distribution standards within the Distribution Standard Compliance Period.

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

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. The proposed amendments would not impose any burden on competition, but would rather increase competition by providing new pathways for companies to access the public markets.

5. 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.

6. Extension of Time Period for Commission Action

The Exchange does not consent at this time to an extension of any time period for Commission action.

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

Not applicable.

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

Not applicable.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

Exhibit 1 – Form of Notice of Proposed Rule Change for Federal Register

Exhibit 4 - Marked Copy of Text of the Proposed Rule Change

Exhibit 5 – Proposed Rule Text

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34- ; File No. SR-NYSE-2019-67, Amendment No. 1)

[Date]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing of Proposed Rule Change to Amend Chapter One of the Listed Company Manual to Modify the Provisions Relating to Direct Listings

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (the “Act”)² and Rule 19b-4 thereunder,³ notice is hereby given that, on December 13, 2019, New York Stock Exchange LLC (“NYSE” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to amend Chapter One of the Listed Company Manual (the “Manual”) to modify the provisions relating to direct listings.⁴ The proposed rule

¹ 15 U.S.C.78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

⁴ The Exchange has previously filed a proposed rule change to amend Chapter One of the Manual to modify the provisions related to direct listings. See SR-NYSE-2019-67. The Exchange is now filing this Amendment No. 1 to SR-NYSE-2019-67 to make clear in Exhibit 5 to this filing that a company conducting a Primary Direct Floor Listing in which the company sells shares in the opening auction with a market value of less than \$100 million will be eligible to list if the aggregate of the market value of publicly-held shares immediately prior to listing together with the market value of shares sold by the company in the opening auction totals at least \$250 million. This Amendment No.1 to SR-NYSE-2019-67

change is available on the Exchange’s website at www.nyse.com, at the principal office of the Exchange, and at the Commission’s Public Reference Room.

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 those 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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

Section 102.01B of the Manual includes initial listing requirements for a company that has not previously had its common equity securities registered under the Act, to list its common equity securities on the Exchange at the time of effectiveness of a registration statement filed solely for the purpose of allowing existing shareholders to sell their shares (a “Selling Shareholder Direct Floor Listing”).⁵ To allow a company to sell shares on its own behalf in connection with its initial listing upon effectiveness of a registration statement, without a traditional underwritten public offering, the Exchange proposes to amend Section 102.01B. The proposed change would allow a company that has not previously had its common equity securities registered under the Act, to list its common

replaces SR-NYSE-2019-67 as originally filed and supersedes such filing in its entirety.

⁵ Securities Exchange Act Release No. 82627 (February 2, 2018), 83 FR 5650 (February 8, 2018) (SR-NYSE-2017-30).

equity securities on the Exchange at the time of effectiveness of a registration statement pursuant to which the company will sell shares in the opening auction on the first day of trading on the Exchange (a “Primary Direct Floor Listing”). The proposal would permit a company to conduct a Primary Direct Floor Listing in addition to, or instead of, a Selling Shareholder Direct Floor Listing.

In considering the initial listing of a company in connection with a Selling Shareholder Direct Floor Listing, Section 102.01B currently provides that the Exchange will determine that such company has met the applicable \$100 million aggregate market value of publicly-held shares requirement based on a combination of both (i) an independent third-party valuation of the company (a "Valuation") and (ii) the most recent trading price for the company's common stock in a trading system for unregistered securities operated by a national securities exchange or a registered broker-dealer (a "Private Placement Market"). The Exchange will attribute a market value of publicly-held shares to the company equal to the lesser of (i) the value calculable based on the Valuation and (ii) the value calculable based on the most recent trading price in a Private Placement Market. Alternatively, in the absence of any recent trading in a Private Placement Market, Section 102.01B provides that the Exchange will determine that such company has met its market value of publicly-held shares requirement if the company provides a Valuation evidencing a market value of publicly-held shares of at least \$250 million. With respect to this requirement, the Exchange is proposing the following:

- The Exchange proposes that a company would qualify for listing in connection with a Primary Direct Floor Listing by selling at least \$100 million in market value of shares in the opening auction.

- The Exchange proposes that a company would qualify for listing in connection with a Primary Direct Floor Listing if the aggregate of the market value of publicly-held shares immediately prior to listing together with the market value of shares sold by the company in the opening auction totals at least \$250 million.

The Exchange also proposes to modify the distribution requirements for listing in connection with a Selling Shareholder Direct Floor Listing or a Primary Direct Floor Listing. Pursuant to Section 102.1A of the Manual, any company listing in connection with either a Selling Shareholder Direct Floor Listing or a Primary Direct Floor Listing is required to have at least 400 round lot holders and 1.1 million publicly-held shares at the time of listing. Private companies generally do not have as many as 400 round lot shareholders, but this is typically not a barrier to listing for a company undertaking an initial public offering as the underwriters are able to ensure that the shares sold in the IPO are distributed to sufficient accounts to meet the Exchange's distribution standards. However, in the absence of an underwritten transaction at the time of listing, the initial listing distribution standards may represent more of a challenge for a private company contemplating listing in connection with a Selling Shareholder Direct Floor Listing or a Primary Direct Floor Listing.

The Exchange believes that a Primary Direct Floor Listing in which the company sells at least \$250 million of its stock in the opening auction on the day of listing would provide an appropriately liquid trading market and make highly likely that the company would meet the initial listing distribution standards quickly after initial listing. Consequently, the Exchange proposes to amend Section 102.01A to provide that any

company listing in connection with a Primary Direct Floor Listing in which the company sells at least \$250 million in market value of shares in the opening auction on the initial listing date may list and commence trading on the basis that the company would have to demonstrate compliance with the distribution requirements within 90 trading days of the listing date (the “Distribution Standard Compliance Period”). Any company that fails to meet the distribution standards by the end of the Distribution Standard Compliance Period would be deemed to be below compliance. In that case, the company would have the opportunity to submit a compliance plan as set forth in the applicable procedures in Sections 802.02 and 802.03 of the Manual, but will not be granted a plan period that extends more than six months from the end of the Distribution Standard Compliance Period. If a company does not meet the initial listing distribution standards by the end of the maximum six month compliance period, it would be subject to immediate suspension and delisting.

In addition, the Exchange proposes to provide the benefit of the same Distribution Standard Compliance Period in the case of: (i) a company listing in connection with a Selling Shareholder Direct Floor Listing that demonstrates \$350 million in market value of publicly-held shares; and (ii) a Primary Direct Floor Listing in which the company sells less than \$250 million of its stock in the opening auction but has a market value of publicly-held shares immediately prior to listing together with the market value of shares sold by the company in the opening auction totaling at least \$350 million.

Currently, a company listing in connection with a Selling Shareholder Direct Floor Listing is required to demonstrate at the time of initial listing that it has at least 400 round lot holders and (i) at least \$100 million in market value of publicly-held shares

based on the lower of a Valuation or the most recent trading price in a Private Placement Market or (ii) at least \$250 million in market value of publicly-held shares. The Exchange proposes that a company with \$350 million in market value of publicly-held shares (including in the case of a company listing in connection with a Primary Direct Floor Listing where the aggregate of the shares sold by the company in the opening auction and the market value of the publicly-held shares outstanding immediately before the listing is at least \$350 million) may list and commence trading on the basis that the company would have to demonstrate compliance with the distribution requirements within 90 trading days of the listing date. The Exchange notes that the market value of publicly-held shares requirement for listings other than direct floor listings and IPOs is \$100 million, so the \$350 million public float that would be required under this proposal to use the Distribution Compliance Period is far higher than what a newly-listed company would have to demonstrate under other circumstances. The Exchange believes that this heightened standard significantly increases the likelihood that a liquid trading market will develop after a Selling Shareholder Direct Floor Listing or Primary Direct Floor Listing and therefore makes it likely that these companies will meet the initial distribution standards within the Distribution Standard Compliance Period.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Exchange Act,⁶ in general, and furthers the objectives of Section 6(b)(5) of the Exchange Act,⁷ in particular in that it is designed to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating,

⁶ 15 U.S.C. 78f(b).

⁷ 15 U.S.C. 78f(b)(5).

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 and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes that the proposed amendment is consistent with the protection of investors. The proposal would require that a company in a Primary Direct Floor Listing must either sell at least \$100 million of its listed securities in the opening auction or demonstrate that the sum of its market value of publicly-held shares immediately prior to listing and the market value of shares sold by the company in the opening auction is at least \$250 million. These requirements would provide that any company conducting a Primary Direct Floor Listing would be of a suitable size for Exchange listing and that there would be sufficient liquidity for the security to be suitable for auction market trading.

The proposal to provide a limited grace period for companies to meet the initial distribution requirements in connection with a Selling Shareholder Direct Floor Listing or a Primary Direct Floor Listing is consistent with the protection of investors because the enhanced public float requirements of \$350 million for Selling Shareholder Direct Floor Listings and Primary Direct Floor Listings in which the company sells less than \$250 million in market value of shares in the opening auction and the \$250 million minimum opening trade requirement for all other Primary Direct Floor Listings would make it probable that there would be a quick development of a liquid trading market and that the company would comply with the initial listing distribution standards within the

Distribution Standard Compliance Period.

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

The Exchange does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed amendments would not impose any burden on competition, but would rather increase competition by providing new pathways for companies to access the public markets.

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

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

- (A) by order approve or disapprove the proposed rule change, or
- (B) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

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

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-NYSE-2019-67 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-NYSE-2019-67. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to

File Number SR-NYSE-2019-67 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.⁸

Eduardo A. Aleman
Deputy Secretary

⁸ 17 CFR 200.30-3(a)(12).

Added text underlined;

Deleted text in [brackets].

Bold italics indicate changes from Exhibit 5 to SR-NYSE-2019-67.

NYSE Listed Company Manual

* * * * *

102.01A

A company must meet one of the following distribution criteria:

Number of holders of 100 shares or more or of a unit of trading if less than 100 shares 400 (A)

and

Number of publicly held shares 1,100,000 shares (B)

Affiliated companies:

Number of holders of 100 shares or more or of a unit of trading if less than 100 shares 400 (A)

and

Number of publicly held shares 1,100,000 shares (B)

Companies listing following emergence from bankruptcy:

Number of holders of 100 shares or more or of a unit of trading if less than 100 shares 400 (A)

and

Number of publicly held shares 1,100,000 shares (B)

Companies listing in connection with a transfer or quotation or upon exchange of a common equity security for a listed Equity Investment Tracking Stock:

Number of holders of 100 shares or more or of a unit of trading if less than 100 shares 400 (A)

or

Total stockholders 2,200 (A)

Together with average monthly trading volume 100,000 shares (for most recent 6 months)

or

Total stockholders	500 (A)
Together with average monthly trading volume	1,000,000 shares (for most recent 12 months)

and

Number of publicly held shares	1,100,000 shares (B)
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Distribution requirements for Primary Direct Floor Listings and Selling Shareholder Direct Floor Listings (each as defined in Section 102.01B):

Subject to the exceptions described below, a company listing in connection with a Primary Direct Floor Listing or Selling Shareholder Direct Floor Listing must comply with the applicable initial listing distribution requirements at the time of initial listing. In each of the following cases, the company will be granted a grace period of up to 90 trading days from the date of initial listing to comply with the applicable initial listing distribution requirements:

- A company listing in connection with a Primary Direct Floor Listing in which it sells at least \$250,000,000 in market value of shares in the Exchange's opening auction on the first day of trading on the Exchange.
- A company listing in connection with a Primary Direct Floor Listing in which the aggregate amount of the market value of the shares sold by the company in the opening auction and the market value of publicly held shares demonstrated by the company immediately prior to the time of initial listing (in the manner set forth in footnote (E) below) is at least \$350,000,000.
- A company listing in connection with a Selling Shareholder Direct Floor Listing in which it demonstrates at the time of initial listing (in the manner set forth in footnote (E) below) that it has at least \$350,000,000 in aggregate market value of publicly held shares.

Any such company that fails to demonstrate its compliance with the applicable requirements of Section 102.01A within 90 trading days of initial listing will be deemed to be below compliance with listing requirements. Any such company will have the right to submit a plan pursuant to the provisions of Section 802.02 or 802.03, as applicable, demonstrating its ability to gain compliance with the applicable requirements of Section 102.01A within a period not to exceed six months.

* * * * *

102.01B

A Company must demonstrate an aggregate market value of publicly-held shares of \$40,000,000 for companies that list either at the time of their initial public offerings ("IPO") (C) or as a result of spin-offs or under the Affiliated Company standard or, for companies that list at the time of their Initial Firm Commitment Underwritten Public Offering (C), and \$100,000,000 for other companies (D) (E). A company must have a closing price or, if listing in connection with an IPO or Initial Firm Commitment Underwritten Public Offering, an IPO or Initial Firm Commitment Underwritten Public Offering price per share of at least \$4 at the time of initial listing. A company listing a common equity security upon completion of an exchange of such security for a listed Equity Investment Tracking Stock must demonstrate an aggregate market value of publicly-held shares of \$100,000,000 and a closing price per share of \$4.00 and may demonstrate that it has met these requirements by reference to the trading price and publicly-held shares outstanding (D) of the Equity Investment Tracking Stock which is the subject of the exchange, basing those calculations on the exchange ratio between the two securities.

* * * * *

(E) Generally, the Exchange expects to list companies in connection with a firm commitment underwritten IPO, upon transfer from another market, or pursuant to a spin-off. However, the Exchange recognizes that some companies that have not previously had their common equity securities registered under the Exchange Act, but which have sold common equity securities in a private placement, may wish to list their common equity securities on the Exchange at the time of effectiveness of a registration statement filed solely for the purpose of allowing existing shareholders to sell their shares (a "Selling Shareholder Direct Floor Listing") and, in certain cases, to enable the company to sell shares itself in the opening auction on the first day of trading on the Exchange in addition to or instead of facilitating sales by selling shareholders (a "Primary Direct Floor Listing"). Consequently, the Exchange will, on a case by case basis, exercise discretion to list companies [whose stock is not previously registered under the Exchange Act, where such a company is listing without a related underwritten offering upon effectiveness of a registration statement registering only the resale of shares sold by the company in earlier private placements] that are listing in connection with a Selling Shareholder Direct Floor Listing or a Primary Direct Floor Listing.

In exercising the above-referenced discretion with respect to a Primary Direct Floor Listing, the Exchange will deem such company to have met the applicable aggregate market value of publicly-held shares requirement if the company sells at least \$100,000,000 in market value of shares in the Exchange's opening auction on the first day of trading on the Exchange.

In exercising this discretion with respect to Selling Shareholder Direct Floor Listings [and Primary Direct Floor Listings in which the company sells shares in the opening auction with a market value of less than \$100,000,000], the Exchange will determine that such [a] company has met the \$100,000,000 aggregate market value of publicly-held shares requirement based on a combination of [/both/] (i) an independent third-party

valuation (a "Valuation") of the company ~~[[and/],]~~ (ii) the most recent trading price for the company's common stock in a trading system for unregistered securities operated by a national securities exchange or a registered broker-dealer (a "Private Placement Market") ***and (iii) in the case of a Primary Direct Floor Listing, the market value of the shares sold by the company in the opening auction on the first day of trading***. The Exchange will attribute a market value of publicly-held shares to the company equal to the lesser of (i) the value calculable based on the Valuation and (ii) the value calculable based on the most recent trading price in a Private Placement Market. Alternatively, in the absence of any recent trading in a Private Placement Market ***or in all cases where a company is conducting a Primary Direct Floor Listing and sells shares in the opening auction with a market value of less than \$100,000,000***, the Exchange will determine that such company has met its market-value of publicly-held shares requirement if the company provides a Valuation evidencing a market value of publicly-held shares of at least \$250,000,000.

* * * * *

Added text underlined;
Deleted text in [brackets].

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102.01A

A company must meet one of the following distribution criteria:

Number of holders of 100 shares or more or of a unit of trading if less than 100 shares 400 (A)

and

Number of publicly held shares 1,100,000 shares (B)

Affiliated companies:

Number of holders of 100 shares or more or of a unit of trading if less than 100 shares 400 (A)

and

Number of publicly held shares 1,100,000 shares (B)

Companies listing following emergence from bankruptcy:

Number of holders of 100 shares or more or of a unit of trading if less than 100 shares 400 (A)

and

Number of publicly held shares 1,100,000 shares (B)

Companies listing in connection with a transfer or quotation or upon exchange of a common equity security for a listed Equity Investment Tracking Stock:

Number of holders of 100 shares or more or of a unit of trading if less than 100 shares 400 (A)

or

Total stockholders 2,200 (A)

Together with average monthly trading volume 100,000 shares (for most recent 6 months)

or

Total stockholders	500 (A)
Together with average monthly trading volume	1,000,000 shares (for most recent 12 months)

and

Number of publicly held shares	1,100,000 shares (B)
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Distribution requirements for Primary Direct Floor Listings and Selling Shareholder Direct Floor Listings (each as defined in Section 102.01B):

Subject to the exceptions described below, a company listing in connection with a Primary Direct Floor Listing or Selling Shareholder Direct Floor Listing must comply with the applicable initial listing distribution requirements at the time of initial listing. In each of the following cases, the company will be granted a grace period of up to 90 trading days from the date of initial listing to comply with the applicable initial listing distribution requirements:

- A company listing in connection with a Primary Direct Floor Listing in which it sells at least \$250,000,000 in market value of shares in the Exchange's opening auction on the first day of trading on the Exchange.
- A company listing in connection with a Primary Direct Floor Listing in which the aggregate amount of the market value of the shares sold by the company in the opening auction and the market value of publicly held shares demonstrated by the company immediately prior to the time of initial listing (in the manner set forth in footnote (E) below) is at least \$350,000,000.
- A company listing in connection with a Selling Shareholder Direct Floor Listing in which it demonstrates at the time of initial listing (in the manner set forth in footnote (E) below) that it has at least \$350,000,000 in aggregate market value of publicly held shares.

Any such company that fails to demonstrate its compliance with the applicable requirements of Section 102.01A within 90 trading days of initial listing will be deemed to be below compliance with listing requirements. Any such company will have the right to submit a plan pursuant to the provisions of Section 802.02 or 802.03, as applicable, demonstrating its ability to gain compliance with the applicable requirements of Section 102.01A within a period not to exceed six months.

* * * * *

102.01B

A Company must demonstrate an aggregate market value of publicly-held shares of \$40,000,000 for companies that list either at the time of their initial public offerings ("IPO") (C) or as a result of spin-offs or under the Affiliated Company standard or, for companies that list at the time of their Initial Firm Commitment Underwritten Public Offering (C), and \$100,000,000 for other companies (D) (E). A company must have a closing price or, if listing in connection with an IPO or Initial Firm Commitment Underwritten Public Offering, an IPO or Initial Firm Commitment Underwritten Public Offering price per share of at least \$4 at the time of initial listing. A company listing a common equity security upon completion of an exchange of such security for a listed Equity Investment Tracking Stock must demonstrate an aggregate market value of publicly-held shares of \$100,000,000 and a closing price per share of \$4.00 and may demonstrate that it has met these requirements by reference to the trading price and publicly-held shares outstanding (D) of the Equity Investment Tracking Stock which is the subject of the exchange, basing those calculations on the exchange ratio between the two securities.

* * * * *

(E) Generally, the Exchange expects to list companies in connection with a firm commitment underwritten IPO, upon transfer from another market, or pursuant to a spin-off. However, the Exchange recognizes that some companies that have not previously had their common equity securities registered under the Exchange Act, but which have sold common equity securities in a private placement, may wish to list their common equity securities on the Exchange at the time of effectiveness of a registration statement filed solely for the purpose of allowing existing shareholders to sell their shares (a "Selling Shareholder Direct Floor Listing") and, in certain cases, to enable the company to sell shares itself in the opening auction on the first day of trading on the Exchange in addition to or instead of facilitating sales by selling shareholders (a "Primary Direct Floor Listing"). Consequently, the Exchange will, on a case by case basis, exercise discretion to list companies [whose stock is not previously registered under the Exchange Act, where such a company is listing without a related underwritten offering upon effectiveness of a registration statement registering only the resale of shares sold by the company in earlier private placements] that are listing in connection with a Selling Shareholder Direct Floor Listing or a Primary Direct Floor Listing.

In exercising the above-referenced discretion with respect to a Primary Direct Floor Listing, the Exchange will deem such company to have met the applicable aggregate market value of publicly-held shares requirement if the company sells at least \$100,000,000 in market value of shares in the Exchange's opening auction on the first day of trading on the Exchange.

In exercising this discretion with respect to Selling Shareholder Direct Floor Listings, the Exchange will determine that such company has met the \$100,000,000 aggregate market value of publicly-held shares requirement based on a combination of both (i) an independent third-party valuation (a "Valuation") of the company and (ii) the most recent trading price for the company's common stock in a trading system for unregistered

securities operated by a national securities exchange or a registered broker-dealer (a "Private Placement Market"). The Exchange will attribute a market value of publicly-held shares to the company equal to the lesser of (i) the value calculable based on the Valuation and (ii) the value calculable based on the most recent trading price in a Private Placement Market. Alternatively, in the absence of any recent trading in a Private Placement Market or in all cases where a company is conducting a Primary Direct Floor Listing and sells shares in the opening auction with a market value of less than \$100,000,000, the Exchange will determine that such company has met its market-value of publicly-held shares requirement if the company provides a Valuation evidencing a market value of publicly-held shares of at least \$250,000,000.

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