CITADEL | Securities

August 24, 2026

Ms. Vanessa A. Countryman
Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549–1090

Re: NYSE American's Continued Listing Requirements (File No. SR-NYSEAMER-2026-17)

Dear Ms. Countryman:

Citadel Securities appreciates the opportunity to comment on NYSE American's proposed rule change to strengthen its continued listing requirements for public companies (the "Proposal") by establishing a $5 million market capitalization requirement.[1] This Proposal represents an important extension of longstanding minimum market capitalization requirements for public companies and is a direct response to widespread concerns about manipulative trading schemes in highly speculative, low-priced securities. Accordingly, the Proposal supports market integrity and protects investors, strengthens U.S. financial markets, and is clearly consistent with the Exchange Act.

I. The Proposal Is A Much-Needed Response To Manipulative Trading Schemes

As detailed in the record developed in response to a similar proposal by another listing exchange,[2] market participants have witnessed a proliferation of highly speculative, low-priced securities listed on exchanges in recent years, often by offshore issuers.[3] This proliferation has been accompanied by a dramatic growth in manipulative trading schemes that harm investors and undermine confidence in the fairness and efficiency of the U.S. equity market.[4]

These disturbing trends are directly linked to current listing standards being insufficient and susceptible to circumvention, including through repeated reverse stock splits to prop up share prices, superficial corporate reorganizations, and protracted appeals and cure periods. As a result, current continued listing requirements have been ineffective in preventing dubious issuers and

[1] Notice of Filing of Proposed Change to Amend Section 1003 of the NYSE American Company Guide, Exch. Act Rel. No. 34-105036 (Mar. 17, 2026), available at https://www.sec.gov/files/rules/sro/nyseamer/2026/34-105036.pdf.

[2] https://www.sec.gov/rules-regulations/public-comments/sr-nasdaq-2026-004.

[3] *See, e.g.,* "Nasdaq Has Hundreds of Penny Stocks. Now It's Trying to Purge Them," WSJ (Aug. 8, 2024), available at: https://www.wsj.com/finance/stocks/nasdaq-penny-stock-proposed-rule-change-74677b00.

[4] *See, e.g.,* "Wall Street's Stamp of Legitimacy Fuels Suspected Pump-and-Dump Schemes," Bloomberg (Jan. 26, 2026), available at: https://www.bloomberg.com/graphics/2026-wall-street-apparent-pump-and-dump-investor-scam/; "Obscure Chinese Stock Scams Dupe American Investors by the Thousands," WSJ (June 16, 2025), available at: https://www.wsj.com/finance/regulation/obscure-chinese-stock-scams-dupe-american-investors-by-the-thousands-8416f795?mod=hp_lead_pos11; and "Nasdaq Has Become the Market of Choice for Dubious Penny-Stock IPOs," WSJ (Oct. 6, 2025), available at: https://www.wsj.com/finance/stocks/nasdaq-has-become-the-market-of-choice-for-dubious-penny-stock-ipos-a01cae19.

underwriters from engaging in manipulative practices that harm investors and undermine U.S. market integrity.

Regulators have attempted to respond, with the Commission creating a targeted task force and suspending trading in numerous listed companies,[5] and FINRA launching a review of the firms involved in these companies' offerings, including underwriters and bookrunners.[6] However, these actions have yet to stem the tide. Moreover, they have required a diversion of resources that could be devoted more productively to the agencies' respective forward-looking agendas. The serial rounds of trading halts and suspensions that the SEC has been forced to impose, for example, consume scarce Commission staff time and resources that, with the implementation of the enhanced listing requirements, could instead be focused on promoting capital formation and achieving other critical Commission goals.

Given the rapidly deteriorating situation, market participants have urged listing exchanges to enhance their continued listing requirements. Citadel Securities, along with other market participants and trade associations, has repeatedly conveyed these concerns and recommended enhancements to listing exchanges, the Commission, and FINRA.[7] However, the lack of concrete action to date has resulted in market participants being compelled to take drastic self-help actions, including a large retail broker suspending purchases in "approximately 200 microcap exchange-listed securities that raise red flags."[8] Rather than compelling firms to impose limitations on trading in the securities of certain types of issuers in a one-off, fragmented way, the challenge could more effectively be addressed by a transparent, uniform change in the continued listing requirements.

Opponents of the Proposal ignore this backdrop and seek to distract with arguments that do not withstand basic scrutiny—suggesting that the Proposal must be rejected because (a) some companies that happen to fall below the revised threshold may subsequently increase in value[9] (even though this is true for any objective listing requirement established by an exchange) and (b)

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[5] *See, e.g.,* "SEC Foreign Firm Suspension Blitz Spurs Monthslong Trading Halts," Bloomberg Law (Feb. 25, 2026), available at: https://news.bloomberglaw.com/securities-law/sec-foreign-firm-suspension-blitz-spurs-monthslong-trading-halts and "SEC Announces Formation of Cross-Border Task Force to Combat Fraud," https://www.sec.gov/newsroom/press-releases/2025-113-sec-announces-formation-cross-border-task-force-combat-fraud.

[6] https://www.finra.org/rules-guidance/guidance/sweep-letters-and-updates/letter-small-cap-offerings.

[7] *See, e.g,* Citadel Securities, Enhancing Competition and Innovation in U.S. Financial Markets (Apr. 30, 2025) available at https://www.citadelsecurities.com/news-and-insights/enhancing-competition-and-innovation-in-u-s-financial-markets/; *See also* https://virtu-www.s3.us-east-1.amazonaws.com/uploads/documents/Virtu%20Petition%20for%20Rulemaking%20-%20Low%20Priced%20Securities%20%2807152024%29.pdf; and https://www.sec.gov/comments/sr-nasdaq-2025-068/srnasdaq2025068-676107-2063794.pdf.

[8] https://www.sec.gov/comments/SR-NASDAQ-2025-069/srnasdaq2025069-685127-2121835.pdf at page 3.

[9] *See, e.g.,* "NYSE American's Proposed Minimum Market Capitalization Continued Listing Requirement," Craig M. Lewis (Apr. 10, 2026), available at: https://www.sec.gov/comments/sr-nyseamer-2026-17/srnyseamer202617-746507-2311954.pdf at 6. We note that aggregating data over a period of 20 years has the effect of obfuscating far more recent trends around the proliferation of highly speculative, low-priced securities by offshore issuers, and the associated manipulative trading activity in those symbols.

the revised threshold may create a target for "coordinated short pressure"[10] (while failing to explain why the current market capitalization requirements, such as longstanding requirements on the New York Stock Exchange, do not). Ultimately, opponents of the Proposal are unable to explain why NYSE American, based on its direct experience regarding trading activity on its exchange, should be prohibited from increasing its existing minimum market capitalization requirement to a level that is *still far lower* than the $15 million market capitalization requirement imposed by the affiliated New York Stock Exchange.[11]

II. The Proposal Is Consistent With The Exchange Act

The Exchange Act requires that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, promote just and equitable principles of trade, and protect investors and the public.[12] That is precisely what this Proposal does by responding to the proliferation of manipulative trading schemes in low-priced securities.

The Commission has long held that the "development and enforcement of adequate standards governing the initial and continued listing of securities is an activity of critical importance to financial markets and the investing public,"[13] and has recognized that a "company's size" is an appropriate measure of a "company's suitability for listing on an exchange."[14] In addition, the Commission has accorded exchanges significant discretion in crafting appropriate listing standards and has repeatedly approved the establishment of, or increases to, market capitalization thresholds.[15] Importantly, the Commission has also specifically recognized that "the continued listing of very low-priced securities raises concerns that these securities may not have sufficient public float, investor base, and trading interest to promote fair and orderly markets and relatedly may have heightened susceptibility to manipulation."[16]

Ignoring this large body of precedent to reject the current Proposal would represent unprecedented government interference in the ability of exchanges to craft appropriate listing standards (in practice requiring NYSE American to maintain *lower* standards than those already approved for other exchanges) and would directly harm a wide range of market participants. Instead, the Commission should strongly support NYSE American's efforts to combat fraud and manipulation, thereby safeguarding the world's preeminent equity market and supporting capital formation for the thousands of companies that meet these appropriate listing standards. There is

[10] Letter from the Small Public Company Coalition (Apr. 10, 2026) at 10, available at: https://www.sec.gov/comments/sr-nyseamer-2026-17/srnyseamer202617-746507-2311954.pdf.

[11] *See* https://nyse.wolterskluwer.cloud/listed-company-manual at 802.01.

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

[13] 64 FR 69311, 69314 (Dec. 10, 1999), available at: https://www.govinfo.gov/content/pkg/FR-1999-12-10/pdf/99-32064.pdf.

[14] *Id.*

[15] *See, e.g.,* https://www.sec.gov/files/rules/sro/nasdaq/2026/34-105971.pdf.

[16] 90 FR 57225, 57227 (Dec. 10, 2025), available at: https://www.govinfo.gov/content/pkg/FR-2025-12-10/pdf/2025-22398.pdf.

no better way to increase the attractiveness of our public markets than by ensuring that they are well-functioning and free of manipulative trading activity.

We thank the Commission for considering our comments. Please feel free to call the undersigned with any questions regarding these comments.

Respectfully,

/s/ Stephen John Berger

Managing Director

Global Head of Government & Regulatory Policy