

Press Coverage | April 18, 2025

5 Takeaways From Texas Stock Exchange's SEC Filing

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David S. Wolpa | Jon W. Daly

David Wolpa and Jon Daly, partners in Troutman Pepper Locke's Corporate Practice Group, were quoted in the April 18, 2025 *Law360* article, "[5 Takeaways From Texas Stock Exchange's SEC Filing](#)."

Troutman Pepper Locke LLP partner David Wolpa noted that TXSE's corporate governance and shareholder-approval rules are akin to Nasdaq "almost verbatim." This could offset expectations that the Texas exchange would be more lenient on companies, given that lawmakers in its home state have pushed "anti-ESG" laws to win over business.

Plus, exchanges have limited leeway in rules they set for companies. Wolpa added that many governance rules, including oversight for financial audits and requirements that independent directors oversee executive compensation, are derived from federal law.

"There's not much room for flexibility because of Sarbanes-Oxley," Wolpa said, referring to the landmark law governing audit controls and corporate disclosures. "And even where there might have been some room to deviate from Nasdaq, they opted not to."

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TXSE said in prior statements that it is seeking to "foster high-quality markets," adding that many "penny stocks, foreign issuers with unverifiable finances or shell companies" that are listed elsewhere would not qualify for its exchange. This approach could reassure market participants that TXSE is seeking reputable companies, Wolpa said.

"There will be some comfort offered to companies and to existing investors that this exchange is not going to be a fly-by-night operation with no standards or low standards," Wolpa said. "It's going to be a higher standard, national class exchange."

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Troutman partner Jon Daly said TXSE may seek technological edges, noting the company has touted its software investments to bolster trading speed and performance.

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