

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C.

SECURITIES EXCHANGE ACT OF 1934
Release No. 106159 / August 19, 2026

Admin. Proc. File No. 3-22553

In the Matter of the Application of

SHINECO, INC.

For Review of Action Taken by

THE NASDAQ STOCK MARKET LLC

OPINION OF THE COMMISSION

REGISTERED SECURITIES EXCHANGE – REVIEW OF DELISTING

Applicant challenged The Nasdaq Stock Market LLC’s action suspending trading in, and then delisting, the applicant’s stock. *Held*, application for review is *dismissed*.

APPEARANCES:

Jacob S. Frenkel, Gregory L. Ewing, and Brian S. Yu of Dickinson Wright PLLC for Shineco, Inc.

Amir C. Tayrani, David Salant, and Alex Gesch of Gibson, Dunn & Crutcher LLP for The Nasdaq Stock Market LLC.

Appeal filed: October 17, 2025
Last brief received: January 14, 2026

Shineco, Inc., seeks review of The Nasdaq Stock Market LLC's action suspending trading in, and then delisting, Shineco's common stock. Because the record supports Nasdaq's determination, we sustain Nasdaq's action and dismiss Shineco's application for review.

I. Background

Nasdaq's Rule 5101 grants Nasdaq discretionary authority to suspend or delist securities when an "event, condition, or circumstance" makes continued listing "inadvisable or unwarranted"—even when a company's securities otherwise meet all enumerated listing criteria.¹ Nasdaq exercised that authority here based on Shineco's repeated violations of Nasdaq's listing requirements and a finding that the company's compliance history and financial condition made sustained future compliance unlikely despite Shineco's claims of a business turnaround.

Shineco's compliance problems began in September 2022, when Nasdaq first notified the company that it had violated Nasdaq's "Bid Price Rule" because the company's securities had closed below \$1 per share for 30 consecutive business days.² Over the next three years, Nasdaq issued five such notices to Shineco. After each of the first four, Shineco regained compliance within the 180-day cure periods that Nasdaq's rules generally provide, including twice by conducting reverse stock splits—a 1:10 split in February 2024 and a 1:24 split in November 2024.³

When Shineco violated the Bid Price Rule for a fifth time in June 2025, Nasdaq staff informed the company that it was ineligible for the standard 180-day cure period. Under the "Excessive Split Rule"—adopted in January 2025—a company that has conducted a reverse stock split within the prior year is not entitled to that cure period, and the Nasdaq staff must initiate the process for delisting the security at issue.⁴ Nasdaq staff therefore notified Shineco that its securities would be suspended and delisted.

¹ Nasdaq Rule 5101.

² See Nasdaq Rules 5550(a)(2) (requiring companies listed on the Nasdaq Capital Market to maintain a minimum bid price of \$1.00 per share), 5810(c)(3)(A) (providing that a failure to meet the minimum bid price requirement exists if the deficiency continues for 30 consecutive business days).

³ See Nasdaq Rule 5810(c)(3)(A) (providing issuers a 180-calendar-day grace period in which to come back within compliance). If an issuer listed on the Nasdaq Capital Market does not regain compliance within the initial 180-day compliance period, the rules provide the issuer an additional 180-day cure period if certain criteria are met. Nasdaq Rule 5810(c)(3)(A)(ii). Nasdaq applied this rule by affording Shineco an additional 180-day grace period after it failed to regain compliance within the initial cure period.

⁴ Nasdaq Rule 5810(c)(3)(A)(iv) (providing that companies that effected a reverse stock split in the past year are ineligible for the standard 180-day cure period and Nasdaq staff shall issue a Staff Delisting Determination under Rule 5810 with respect to that security).

Shineco appealed the staff's decision to a Nasdaq Hearings Panel.⁵ In its written submission, Shineco admitted that the Excessive Split Rule rendered it "not eligible" for an automatic 180-day cure period but requested that the panel afford discretionary relief by granting the company "a short exception within which to demonstrate compliance with" Nasdaq's listing criteria.⁶

After holding a hearing, the panel denied Shineco's request. The panel did not specifically invoke the Excessive Split Rule in its decision. Rather, it addressed the relief that Shineco requested: whether to exercise discretion to grant the company additional time to cure its deficiency. In denying Shineco's request, the panel found "no reason to believe" that allowing the company time to conduct another reverse stock split would enable long-term compliance with Nasdaq's listing standards—noting that Shineco's latest deficiency was its fifth in three years and that two previous stock splits had achieved only temporary compliance. The panel recognized that Shineco had begun executing a transformation plan, but found "no proof" that the new operations would allow Shineco to continue as a "functioning operating company." The panel therefore concluded that Shineco's "dramatic pivot in business model" did not "inspire confidence" and did not "justify yet another exception."

Shineco requested that Nasdaq's Listing and Hearing Review Council call the Hearings Panel's decision for review, and the council did so.⁷ Although Shineco had previously admitted that the Excessive Split Rule rendered the company ineligible for the automatic 180-day cure period, the company reversed course before the council and argued that applying the rule was impermissibly retroactive—contending that a rule adopted in January 2025 could not properly be applied to take into consideration a reverse stock split that occurred in November 2024, before the rule's adoption. Shineco also argued that the Hearings Panel had failed to adequately consider the company's transformation plan.

On October 1, 2025, after full briefing from the parties, the council affirmed the Hearings Panel's decision. The council began by finding that the Hearings Panel "had ample authority to act based solely upon the Company's latest Bid Price Rule violation"—without applying the Excessive Split Rule. As the council explained, the Excessive Split Rule's "only practical effect" was to eliminate an automatic 180-day cure period, leaving the question of whether the company should have more time in which to cure in the Hearings Panel's discretion. Shineco understood this, asking the panel only to afford the company "a short exception" to regain compliance. The council found that, given Shineco's repeated noncompliance with the Bid Price Rule, the Hearings Panel reasonably exercised its discretion not to grant Shineco's request.

⁵ The suspension and delisting were stayed pending the panel's review. *See* Nasdaq Rule 5815(a)(1)(B) (providing that, if an issuer timely appeals a delisting determination to a Nasdaq hearings panel, the suspension and delisting will ordinarily be stayed pending the panel's review).

⁶ *See* Nasdaq Rule 5815(c)(1)(A) (providing that a hearings panel may, in its discretion, provide the issuer up to 180 days to cure its deficiency).

⁷ In ordering review, the council stayed the suspension pending that review.

The Listing Council then found that, even if the Excessive Split Rule did not apply—and Shineco was potentially eligible for an additional 180-day cure period—delisting was nonetheless warranted. The panel had discretion under Rule 5101 to immediately suspend trading and proceed with delisting notwithstanding any automatic cure period. As discussed above, Rule 5101 authorizes Nasdaq to suspend or delist securities when an “event, condition, or circumstance” makes continued listing “inadvisable or unwarranted,” even when a company’s securities otherwise “meet all enumerated criteria for” continued listing, such as being eligible for additional time to cure a deficiency.

The council found that standard satisfied here. According to the council, Shineco’s “repeated cycles” of Bid Price Rule violations and multiple reverse stock splits that did “not result in sustained compliance” raised significant concerns. The Listing Council recognized that Shineco’s claims about its transformation plan “may prove to be true,” but expressed caution given Shineco’s history of violations and the council’s finding—which Shineco does not dispute—that the company had “misrepresented its quarterly financial position to hide continued losses, even after it had begun executing its transformation plan.” Shineco cited its revenue figures for two previous quarters—during which, it claims, it had begun a successful turnaround—without noting that its reports filed with the Commission for those quarters showed net losses from continuing operations of over \$2 million, and its most recent quarterly report reflected a net loss from continuing operations of approximately \$4 million.

Nasdaq suspended trading in Shineco’s securities on October 7, 2025, and Shineco’s securities were delisted from Nasdaq on December 1, 2025. Shineco subsequently filed this appeal challenging the Listing Council’s decision and sought an interim stay of Nasdaq’s actions while the Commission reviewed Shineco’s appeal. The Commission denied Shineco’s stay request because, among other things, the company failed to show a likelihood of success or raise a serious legal question on the merits.⁸ We now turn to the merits of Shineco’s appeal.

II. Analysis

We review Nasdaq’s action under Exchange Act Section 19(f), which requires us to conduct an independent review of the record to determine whether (1) the specific grounds on which Nasdaq based an action prohibiting or limiting access to its services exist in fact; (2) the action was in accordance with Nasdaq’s rules; and (3) Nasdaq’s rules are, and were applied in a manner, consistent with the Exchange Act’s purposes.⁹

In conducting that review, we conclude that Rule 5101 provides an appropriate basis for Nasdaq’s delisting determination. Shineco argues that the Excessive Split Rule was improperly applied to it retroactively. But we need not address that argument because, even if that rule did

⁸ *Shineco, Inc.*, Exchange Act Release No. 104272, 2025 WL 3303830 (Nov. 26, 2025).

⁹ 15 U.S.C. § 78s(f); *see also SmartHeat Inc.*, Exchange Act Release No. 73555, 2014 WL 5768703, at *10 (Nov. 6, 2014) (applying Section 19(f) when reviewing Nasdaq delisting decision). Section 19(f) also requires us to set aside Nasdaq’s action if we find that the action imposes an undue burden on competition. *Id.* Shineco does not argue, and we do not find, that Nasdaq’s action imposes such a burden here.

not apply to Shineco, the record supports Nasdaq’s exercise of its Rule 5101 authority. And Shineco does not challenge Rule 5101 as a basis for Nasdaq’s decision or contend that Nasdaq misapplied the rule’s standards. Shineco’s arguments about Nasdaq’s discretion instead go to process: that the Hearings Panel reached its decision too quickly and inadequately considered its transformation plan. We address and reject those arguments below.

A. The specific grounds exist in fact, and Nasdaq’s action was in accordance with its rules.

The record establishes the facts on which Nasdaq based its decision. And Shineco does not dispute them. Those facts in turn amply establish that Nasdaq’s action accorded with Rule 5101. That rule authorizes Nasdaq to act when an “event, condition, or circumstance” makes continued listing “inadvisable or unwarranted”—even when a company otherwise meets all enumerated criteria. That was the case here.

Shineco violated the Bid Price Rule five times between September 2022 and June 2025, including two instances—in February and November 2024—in which Shineco conducted reverse stock splits to cure its deficiencies, only for its securities to fall below \$1 per share again within months. These circumstances established a pattern of Shineco’s, repeatedly and over an extended period, not sustaining compliance with a fundamental listing standard. That compliance history was also combined with a transformation plan that, at the time of the delisting decision, was undermined by the company’s own conduct, as the Listing Council found—and Shineco does not dispute—that the company misrepresented its quarterly financial position to hide continued losses, with its own quarterly reports showing net losses from continuing operations of over \$2 million, and its most recent quarterly report reflecting a net loss of approximately \$4 million from continuing operations.¹⁰ Taken together, these “circumstances” established that continued listing was “inadvisable” and “unwarranted”—not because any single factor was dispositive, but because the overall pattern demonstrated that it was highly unlikely that Shineco could maintain compliance with listing standards.

We reject Shineco’s suggestion that its prior compliance—curing its first four Bid Price Rule deficiencies within the applicable periods—entitled it to another opportunity. Those cures did not demonstrate a company capable of maintaining compliance. Each reverse stock split produced only temporary relief before the bid price fell below \$1 again. That pattern is itself part of the circumstance that made continued listing inadvisable. Rule 5101 does not require prior failure to cure before Nasdaq may act. It requires examining whether the overall events, conditions, or circumstances made continued listing inadvisable—and here, Shineco’s pattern of repeated violations and temporary cures plainly met that standard.

Because Rule 5101 independently supports Nasdaq’s delisting determination, we need not (and do not) reach Shineco’s arguments about the Excessive Split Rule, including whether

¹⁰ See Shineco’s Form 10-Q for the period ended March 31, 2025, *available at* <https://www.sec.gov/edgar/browse/?CIK=1300734> (Shineco’s public EDGAR page) (last visited August 14, 2026); Rule of Practice 323, 17 C.F.R. § 201.323 (authorizing the Commission to take official notice of any matter in its “public official records”).

Nasdaq applied it retroactively or whether Shineco forfeited that argument by not raising it before the Hearings Panel.

B. Nasdaq’s rules are, and were applied in a manner, consistent with the Exchange Act’s purposes.

Nasdaq Rule 5101 is, and was applied in a manner, consistent with the Exchange Act’s purposes. Exchange Act Section 12(d) provides that a security registered with a national securities exchange “may be withdrawn or stricken from listing . . . in accordance with the rules of the exchange.”¹¹ Section 6(b)(5) requires that national securities exchanges design their rules to “perfect the mechanism of a free and open market . . . and . . . to protect investors and the public interest.”¹² Nasdaq Rule 5101’s grant of discretionary authority for Nasdaq to suspend or delist securities to maintain “public confidence in its market” and “protect investors and the public interest” is consistent with these purposes.¹³

Nasdaq also applied Rule 5101 in a manner consistent with the Exchange Act’s purposes. The Commission has emphasized the importance of Nasdaq’s listing standards “given investor expectations regarding the nature of securities that have achieved an exchange listing, and the role of an exchange in overseeing its market and assuring compliance.”¹⁴ By relying on Rule 5101 to deny Shineco another cure period before suspending and delisting the company’s securities, Nasdaq acted to preserve the integrity of Nasdaq’s listing standards given the company’s financial condition and repeated inability to comply with listing requirements. This action protected investors who rely on those standards when making investment decisions.

Shineco acknowledges Nasdaq’s “broad discretion” to suspend or delist an issuer’s securities, but asserts that Nasdaq deprived Shineco of due process here by the Hearings Panel issuing its decision less than a day after the hearing and Nasdaq giving “short shrift” to the company’s compliance plan. For this case, we will assume but not decide that the constitutional due process standard applies to self-regulatory organizations like Nasdaq. The constitutional requirement is satisfied when two core elements are present: notice of the grounds for the action

¹¹ 15 U.S.C. § 78l(d).

¹² *Id.* § 78f(b)(5).

¹³ *See SmartHeat*, 2014 WL 5768703, at *10 (finding that Rule 5101 is consistent with the Exchange Act’s purposes).

¹⁴ *E.g., Notice Of Filing Of Amend. No. 1 And Order Granting Accelerated Approval Of A Proposed Rule Change, As Modified By Amend. No. 1, To Modify Certain Initial Listing Liquidity Requirements*, 90 Fed. Reg. 12608, 12609 & n.24 (Mar. 18, 2025); *see also Tassaway, Inc.*, Exchange Act Release No. 11291, 1975 WL 161326, at *2 (Mar. 13, 1975) (“[P]rospective future investors . . . [are] entitled to assume that the securities in the system meet the system’s standards. Hence the presence in NASDAQ of non-complying securities could have a serious deceptive effect.”).

and a meaningful opportunity to be heard.¹⁵ That standard was satisfied here. Shineco had notice and opportunity to be heard, and both the Hearings Panel and the Listing Council engaged in reasoned decision making—issuing written decisions that addressed Shineco’s compliance history, its transformation plan, and each of its legal arguments.¹⁶ The speed of Nasdaq’s decision does not change this conclusion. The panel had Shineco’s written submissions for weeks before the hearing and received Shineco’s presentation deck in advance of the hearing itself. A prompt decision after a hearing at which the company had a full opportunity to be heard is consistent with an efficient and fair proceeding.

Shineco further argues that Nasdaq violated New York law by breaching contractual duties under the parties’ listing agreement. That claim falls outside the scope of this proceeding. Exchange Act Section 19(f) limits our review to whether Nasdaq’s action was consistent with its rules and the Exchange Act.¹⁷ Questions of state law, including breach of contract and implied covenant claims, must be pursued in the appropriate judicial forum.¹⁸

Finally, Shineco’s suggestion that Nasdaq held it to a different standard than “non-Asia based companies” is not supported by the record. Shineco identifies no similarly situated company that received more favorable treatment, and the record contains no basis for concluding

¹⁵ See *Mathews v. Eldridge*, 424 U.S. 319, 333 (1976) (“The fundamental requirement of due process is the opportunity to be heard ‘at a meaningful time and in a meaningful manner.’” (quoting *Armstrong v. Manzo*, 380 U.S. 545, 552 (1965))); *Kendall v. Baicerzak*, 650 F.3d 515, 528-29 (4th Cir. 2011) (“Procedural due process provides merely a guarantee of fair procedures—typically notice and an opportunity to be heard.” (cleaned up)).

¹⁶ See 15 U.S.C. § 78f(d)(2) (providing that in determining whether to prohibit or limit a person’s access to services, an exchange must “notify such person of, and give him an opportunity to be heard upon, the specific grounds for [the] prohibition or limitation,” and an exchange’s determination to prohibit or limit a person’s access to services “shall be supported by a statement setting forth the specific grounds on which the . . . prohibition or limitation is based”).

¹⁷ See generally *id.* § 78s(f) (providing no mechanism for reviewing a claim that SRO action breached a member agreement or implied covenant); cf. *JJFN Servs., Inc.*, Exchange Act Release No. 39343, 1997 WL 722029, at *4 (Nov. 21, 1997) (“[O]ur authority to order the NASD to include an issuer’s securities is governed by Exchange Act Section 19(f), not by a theory of promissory estoppel or quasi-contract.”).

¹⁸ See *Blackbook Cap., Inc.*, Exchange Act Release No. 97027, 2023 WL 2351451, at *4 (Mar. 2, 2023) (explaining that state law claims such as whether FINRA libeled an applicant or breached an implied contract are “outside the scope of a Commission proceeding” (cleaned up)); *Keith Patrick Sequeira*, Exchange Act Release No. 85231, 2019 WL 995508, at *8 (Mar. 1, 2019) (declining to consider defamation allegations as “outside the scope of this proceeding”), *aff’d*, 816 F. App’x 703 (3d Cir. 2020); *Beatrice J. Feins*, Exchange Act Release No. 33374, 1993 WL 538913, at *3 n.14 (Dec. 23, 1993) (explaining that “redress, if any, under [state] statutes must be pursued in other forums”).

that Nasdaq's decision was motivated by anything other than Shineco's documented history of non-compliance.

Accordingly, we dismiss Shineco's application for review. An appropriate order will issue.¹⁹

By the Commission (Chairman ATKINS and Commissioners PEIRCE and UYEDA).

Vanessa A. Countryman
Secretary

¹⁹ We deny Shineco's request for oral argument, because our decisional process would not be significantly aided by oral argument. *See* Rule of Practice 451(a), 17 C.F.R. § 201.451(a). We have considered all of the parties' contentions. We have rejected or sustained them to the extent that they are inconsistent or in accord with the views expressed in this opinion.

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 106159 / August 19, 2026

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In the Matter of the Application of

SHINECO, INC.

For Review of Action Taken by

THE NASDAQ STOCK MARKET LLC

ORDER DISMISSING APPLICATION FOR REVIEW OF ACTION TAKEN BY
REGISTERED SECURITIES EXCHANGE

On the basis of the Commission's opinion issued this day, it is

ORDERED that the application for review filed by Shineco, Inc., is dismissed.

By the Commission.

Vanessa A. Countryman
Secretary