Additions are <u>underlined</u>; Deletions are [bracketed].

## **NYSE Rules**

## Rule 70. Execution of Floor Broker Interest

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• • • Supplementary Material: -----

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## .26 Pegging for d-Quotes and e-Quotes.

- (i) An e-Quote, other than a tick-sensitive e-Quote, may be set to provide that it will be available for execution at the National best bid ("NBB") (for an e-Quote that represents a buy order) or at the National best offer ("NBO") (for an e-Quote that represents a sell order) as the National best bid or offer ("NBBO") changes, so long as the NBBO is at or within the e-Quote's limit price.
- (ii) (vi) No change.
- (vii) Pegging e-Quotes and d-Quotes peg only to other non-pegging interest within the pegging range selected by the Floor broker. Such non-pegging interest may be available on the Exchange or may be a protected bid or offer on an away market.
- (viii) (ix) No change.
- (x) As long as the NBB is at or within the pegging price range selected by the Floor broker with respect to a buy-side e-Quote or d-Quote, or the NBO is within the price range selected by the Floor broker with respect to a sell-side e-Quote or d-Quote, the pegging e-Quote or d-Quote will join such NBB or NBO as it is autoquoted.
  - (A) A pegging e-Quote or d-Quote to buy (sell) will not peg to an NBB (NBO) that is locking or crossing the Exchange best offer (bid), but shall instead join the next available best-priced non-pegging interest that would not lock or cross the Exchange best offer (bid).
  - (B) If the NBB (NBO) is not within the pegging price range selected by the Floor broker, then a pegging e-Quote or d-Quote to buy (sell) shall join the next

available best-priced non-pegging interest within the price range selected by the Floor broker.

(xi) - (xii) No change.

(xiii) A Floor broker may establish a minimum [and/or maximum] size of same-side volume to which his or her e-Quote or d-Quote will peg. [Other pegging e-Quote or d-Quote volume will not be considered in determining whether the volume parameters set by the Floor broker have been met.]

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