

Rules of NYSE Arca Equities, Inc.

Text of the Proposed Rule Change:¹

Rule 1.1. Definitions

Whenever and wherever used herein, unless the context requires otherwise, the following terms shall be deemed to have the meanings indicated:

(a)-(n) No Change

(o) FINRA. The term "FINRA" shall mean the Financial Industry Regulatory Authority, Inc.

~~([o]p)~~ *General Authorized Trader.* The term "General Authorized Trader" or "GAT" shall mean an authorized trader who performs only non-market making activities on behalf of an ETP Holder.

~~([p]q)~~ *Good Standing.* The term "good standing" shall refer to an ETP Holder who is not in violation of any of its agreements with the Corporation or any of the provisions of the Rules or Bylaws of the Corporation, and who has maintained all of the conditions for approval of the ETP.

~~([q]r)~~ *Imbalance.* For the purposes of the Opening Auction, the Market Order Auction, the Closing Auction and the Trading Halt Auction, as the case may be,

(1) the term "Imbalance" shall mean the number of buy or sell shares that can not be matched with other shares at the Indicative Match Price at any given time.

(A) ~~([])~~ the term "Total Imbalance" shall mean the net Imbalance of buy (sell) orders at the Indicative Match Price for all orders that are eligible for execution during the applicable auction.

(B) the term "Market Imbalance" shall mean:

(i) as it relates to the Market Order Auction, the imbalance of any remaining buy (sell) Market Orders that are not matched for execution against Market Orders during the applicable auction.

(ii) as it relates to the Closing Auction, the imbalance of any remaining buy (sell) Market-on-Close Orders that are not matched for execution against Market-on-Close Orders during the applicable auction.

¹

New text is underscored; deleted text is in brackets.

([r]s) *Indicative Match Price*. For the purposes of the Opening Auction, the Market Order Auction, the Closing Auction and the Trading Halt Auction, as the case may be, the term "Indicative Match Price" shall mean for each security (1) the best price at which the maximum volume of shares are executable; or (2) if there are two or more prices at which the maximum volume of shares are executable, the price that is closest to the closing price of the previous trading day's normal market hours (or, in the case of a Closing Auction or a Trading Halt Auction, the last sale during normal market hours), as determined by the consolidated tape will establish the opening price (or the closing price in the case of a Closing Auction), provided that if such price would trade through an eligible Limited Price Order designated for such auction, then the opening price will occur at the best price level available where no trade through occurs.

(A) When the Market Order Auction Price or Closing Auction Price is established by NYSE Arca Equities Rule 7.35(c)(3)(A)(1) or 7.35 (e)(3), the Limit Orders eligible for determining the Indicative Match Price shall be limited by the price collar thresholds established by the Corporation. The Corporation shall set and modify such thresholds from time to time upon prior notice to ETP Holders.

([s]t) *Limited Price Order*. The term "Limited Price Order" shall mean any order with a specified price or prices (*e.g.*, limit orders, Limit-on-Close Orders, and Working Orders)[, other than Stop Orders].

([t]u) *Marketable*. The term "Marketable" shall mean, for a Limited Price Order, the price matches or crosses the NBBO on the other side of the market. Market orders are always considered marketable.

([u]y) *Market Maker*. The term "Market Maker" shall refer to an ETP Holder that acts as a Market Maker pursuant to Rule 7.

([v]w) *Market Maker Authorized Trader*. The term "Market Maker Authorized Trader" or "MMAT" shall mean an authorized trader who performs market making activities pursuant to Rule 7 on behalf of a Market Maker.

([w]x) *Market Participant*. For the purposes of Rule 7, the term "Market Participant" shall include electronic communications networks ("ECN"), dealer-specialists registered with a national securities exchange, and market makers registered with a national securities association.

([x]y) *NASD*. The term "NASD" shall mean the National Association of Securities Dealers, Inc.

([y] z) *Nasdaq*. The term "Nasdaq" shall mean The Nasdaq Stock Market, Inc.

[(z) *Nasdaq Market Maker*. The term "Nasdaq Market Maker" shall mean (1) a Nasdaq market maker as defined in NASD Rule 4200(a)(22), as amended from time to time, or (2) an electronic communications network ("ECN").]

(aa)-(ee) No Change

(ff) *NOW Recipient*. The term "NOW Recipient" shall mean any exchange, ECN or other broker-dealer (1) with which the NYSE Arca Marketplace maintains an electronic linkage[, which includes ITS,] and (2) which provides instantaneous responses to NOW Orders routed from the NYSE Arca Marketplace. The Corporation shall designate from time to time those exchanges, ECNs or other broker-dealers that qualify as NOW Recipients.

(gg) No Change

(hh) [OTC/]UTP Participant. The term "[OTC/]UTP Participant" shall mean any registered national securities exchange or national securities association that is a signatory to the [OTC/]UTP Plan.

(ii) [OTC/]UTP Plan. The term "[OTC/]UTP Plan" shall mean the Nasdaq Unlisted Trading Privileges Plan, as from time to time amended according to its provisions.

(jj) [OTC/]UTP Listing Market. The term "[OTC/]UTP Listing Market" for a Nasdaq Security shall have the same meaning assigned to it in the Nasdaq Unlisted Trading Privileges Plan, as amended.

(kk) [OTC/]UTP Regulatory Halt. The term "[OTC/]UTP Regulatory Halt" means a trade suspension or halt called by the [OTC/]UTP Listing Market for the purpose of dissemination of material news.

(ll)-(pp) No Change

(qq) *Routing Agreement*. The term "Routing Agreement" shall mean the form of Agreement between an ETP Holder and the broker-dealer affiliate of NYSE Arca, L.L.C., under which the broker-dealer affiliate of NYSE Arca, L.L.C., agrees to act as agent for routing orders of the ETP Holder and the ETP Holder's Sponsored Participants entered into the NYSE Arca Marketplace to other market centers or broker-dealers for execution, other than [ITS orders and any other] orders excluded by the terms of the Routing Agreement, whenever such routing is required.

(rr)-(hhh) No Change

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Rule 2.3. Application Procedures

(a) Every person applying to become an ETP Holder shall complete an application on a form prescribed by the Corporation and shall file it with the Corporation. Every person seeking to become an ETP Holder must electronically submit to [the NASD] FINRA's Web Central Registration Depository System ("CRD") (i) a Uniform Application for Securities Industry Registration or Transfer ("Form U-4") and (ii) any required amendment to Form U-4. The application shall be filed with all applicable fees and documents as prescribed by the Corporation. Application fees are not transferable and not refundable.

(b)-(g) No Change

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Rule 2.16. Amendments to ETP Holder Documents

(a) No Change.

(b) Each ETP Holder must electronically file amendments to any document in connection with an application for an ETP, including but not limited to amendments to documents required by Rule 2.3, amendments to Form BD, and changes to home or business address, within [ten (10) business] thirty (30) days of the occurrence requiring the amendment.

(c) Each ETP Holder shall electronically file within [ten (10) business] thirty (30) days of such termination a Uniform Termination Notice for Securities Industry Registration ("Form U-5") with the CRD when a person associated with that ETP Holder terminates their affiliation with an ETP Holder. Any amendments to Form U-5 shall be filed electronically with the CRD within [ten (10) business] thirty (30) days of the occurrence requiring the amendment.

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Rule 2.24. ETP Books and Records

[Each ETP Holder must make, keep current and preserve such books and records as the Exchange may prescribe and as may be prescribed by the Securities Exchange Act of 1934 and the rules and regulations thereunder (including any interpretation relating thereto) as though such ETP Holders were brokers or dealers registered with the SEC pursuant to Section 15 of the Exchange Act.]

ETP Holders shall make and retain all the books and records prescribed by the Bylaws and Rules of the Corporation, the rules and regulations of the Securities and Exchange Commission and the constitution, rules and regulations of other regulatory or governmental bodies to which such ETP Holders are subject. Such books and

records shall be retained for periods as prescribed and shall be made available for inspection by the Corporation.

If such books and records are prepared or maintained by an outside service bureau, depository, bank, or other recordkeeping service on behalf of the ETP Holder, the ETP Holder shall provide the Corporation with a copy of the written undertaking required to be filed with the Commission under SEC Rule 17a-4(i) for the Corporation's records.

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Rule 3.5. Delegation of Authority

(a)(1)-(9)(D) No Change

(E) supervise and regulate the operation of [ITS, or] any [other] [a]Application of the [s]System during active openings, heavy trading and unusual situations.

(10) No Change

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Rule 6.8. Excessive Trading

No ETP Holder nor any participant therein shall effect through the facilities of the Corporation purchases or sales for any account in which such ETP Holder or participant therein is directly or indirectly interested, which purchases or sales are excessive in view of the financial resources of such ETP Holder or participant therein or in view of the market for such security.

Commentary:

.01 An ETP Holder who issues a commitment to trade [from]through the facilities of the Corporation [through ITS] or any other Application of the System shall, as a consequence thereof, be deemed to be initiating a purchase or a sale of a security through the facilities of the Corporation as referred to in this Rule.

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Rule 6.10. ETP Holders Holding Options

(a) No Change

Commentary:

.01 An ETP Holder who issues a commitment to trade [from]through the facilities of the Corporation [through ITS] or any other Application of the System shall, as a consequence thereof, be deemed to be initiating a purchase or a sale of a security through the facilities of the Corporation as referred to in this Rule.

(b) No Change

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Rule 6.12. Joint Accounts

(a) No Change.

Commentary:

.01 An ETP Holder who issues a commitment to trade through the facilities of the Corporation [through ITS] or any other Application of the System shall, as a consequence thereof, be deemed to be initiating a purchase or a sale of a security through the facilities of the Corporation as referred to in this Rule.

(b) No Change

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Rule 6.18. Supervision

(a)-(d) No Change

Commentary .01

(a) ETP Holders shall comply with NASD Rule 3010(a)(1), (b)(1), and (c)(1) as if such rule were part of NYSE Arca's Rules.

(b) For Purposes of this Rule:

(1) References to "NASD Rules", "FINRA Rules", "Rules of [NASD]FINRA", or "Rules of this Association" shall be construed as references to "NYSE Arca Equities Rules", and

(2) references to registration with [NASD]FINRA or the Association shall be construed as references to registration with NYSE Arca.

* * *

Rule 7.7. Transmission of Bids or Offers

(a) No Change

(b) Except as otherwise permitted by these Rules, no ETP Holder shall transmit through the facilities of the Corporation any information regarding a bid, offer, other indication of an order, or the ETP Holder's [identity]identity, to a non-holder of an ETP or to another ETP Holder until permission to disclose and transmit such bid, offer, other indication of an order, or the ETP Holder's identity has been obtained from the originating ETP Holder or the originating ETP Holder affirmatively elects to disclose its identity.

* * *

Rule 7.17. Firm Orders and Quotes

(a) No Change

(b) Firm Quotes. All bids made and all offers made shall be in accordance with the provisions of Rule 602 of Regulation NMS[11Ac1-1 under the Securities Exchange Act of 1934], governing the dissemination of quotations for reported securities.

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Rule 7.18. UTP Regulatory Halts[Trading in Nasdaq Securities]

Trading in NASDAQ Securities

(a) Access.

(1) Nasdaq Market Makers may use such approved access to transmit orders for execution on the Corporation. Market Makers, via the facilities of the Corporation, may send orders via approved access to any Nasdaq Market Maker in each Nasdaq security in which it displays quotations.

(2) Any order received via approved access from a Nasdaq Market Maker shall be effected in accordance with the Rules of the Corporation applicable to transactions on the NYSE Arca Marketplace.

(3) No Market Maker shall permit the imposition of any access or execution fee, or any other fee or charge, with respect to transactions in Nasdaq Securities effected with Nasdaq Market Makers that are communicated to the Corporation through telephone access.

(b) OTC/UTP Regulatory Halts.] Whenever, in the exercise of its regulatory function, the [OTC/]UTP Listing Market for a Nasdaq Security determines that an [OTC/]UTP Regulatory Halt is appropriate, the Corporation shall halt or suspend trading in that security until the notification by the [OTC/]UTP Listing Market that the halt or suspension is no longer in effect. The Corporation will assume that adequate publication or dissemination has occurred upon the expiration of one hour after initial publication in a national news dissemination service of the information that gave rise to an [OTC/]UTP Regulatory Halt and may, at its discretion, reopen trading at that time, notwithstanding notification from the [OTC/]UTP Listing Market that the halt or suspension is no longer in effect.

* * *

Rule 7.31. Orders and Modifiers

(a)-(d) No Change

(e) Immediate-or-Cancel. A market or limit order that is marked immediate-or-cancel is to be executed in whole or in part as soon as such order is received, and the portion not so executed is to be treated as canceled.

(1)-(2) No Change

(3) A limit order and directed limit order marked as immediate-or-cancel and as an intermarket sweep may trade-through all Manual and Protected Quotations. [An immediate-or-cancel order for Trade-Through Exempt Securities (as defined in Rule 7.37) will be permitted to trade at a price no more than three cents (\$0.03) away from the NBBO displayed in the Consolidated Quote. The NBBO price protection provision set forth in Rule 7.37 will not apply to immediate-or-cancel orders in Nasdaq securities.]

(f)-(g) No Change

(h) No Change

(1) No Change

(2) No Change

(A) Passive Discretionary Order. A Discretionary Order may be designated as a Passive Discretionary Order and such order will be executed pursuant to Rule 7.37(b)(2). Such order will interact only with interest within the Arca Book and will not route away. Passive Discretionary Orders may not trade-through a Protected Quotation.

(i) For Passive Discretionary Orders in exchange-listed securities, if the discretionary price is marketable, such order will only interact with trading interest in the NYSE Arca Book pursuant to Rule 7.37(b)(2) and will not be routed away. [A Passive Discretionary Order for ITS Trade-Through Exempt Securities will be permitted to trade at a price no more than three cents (\$0.03) away from the NBBO displayed in the Consolidated Quote.

(ii) For Passive Discretionary Orders in Nasdaq securities, if the discretionary price can be matched against orders in the NYSE Arca Book, such order will interact with trading interest in the NYSE Arca Book pursuant to 7.37(b)(2). The NBBO price protection provision set forth in Rule 7.37 will not apply to Passive Discretionary Orders in Nasdaq securities.]

(B) Discretion Limit Order. A Discretionary [Order may be designated as a Discretion Limit Order for Nasdaq securities only.] If the discretionary price of a Discretion Limit Order can be matched against trading interest in the NYSE Arca Book, then such order will be executed at the discretionary price or better. If the discretionary price of a Discretion Limit Order can be matched against a Protected Quotation, then such order will be routed pursuant to Rule 7.37(d) but only if the displayed share size of the Discretion Limit Order is equal to or less than the displayed share size of the away market participant. Discretion Limit Orders may not lock, cross or trade-through a Protected Quotation. [The NBBO price protection provision set forth in Rule 7.37 will not apply to Discretion Limit Orders in Nasdaq securities.]

(i)-(k) No Change

(l) Reserved. [Stop Order. A Stop Order to buy becomes a market order when a transaction in the security occurs on the Corporation or on another national securities exchange or association at or above the stop price. A Stop Order to sell becomes a market order when a transaction in the security occurs on the Corporation or on another national securities exchange or association at or below the "stop" price. Stop Orders shall not have standing in any Order Process in the NYSE Arca Book and shall not be displayed.]

(m) Reserved. [Stop Limit Order. A Stop Limit Order to buy becomes a limit order when a transaction in the security occurs on the Corporation or on another national securities exchange or association at or above the stop price. A Stop Limit Order to sell becomes a limit order when a transaction in the security occurs on the Corporation or on another national securities exchange or association at or below the stop price.]

(n) Do Not Reduce. A limit order to buy[, a Stop Order to sell or a Stop Limit Order to sell] which is not to be reduced by the amount of an ordinary cash dividend on the ex-dividend date. A Do Not Reduce Order applies only to ordinary cash dividends; it should be reduced for other distributions such as when a stock goes "ex" a stock dividend or ex rights.

(o) Do Not Increase. A limit order to buy[, a Stop Order to sell or a Stop Limit Order to sell] which is not to be increased in shares on the ex-date as a result of a stock dividend or stock distribution.

(p)-(u) No Change

(v) NOW Order. A Limited Price Order that is to be executed in whole or in part on the Corporation, and the portion not so executed shall be routed pursuant to Rule 7.37(d) only to one or more NOW Recipients for immediate execution as soon as the order is received by the NOW Recipient. Any portion not immediately executed by the NOW Recipient shall be cancelled. If a NOW Order is not marketable when it is submitted to the Corporation, it shall be cancelled. NOW Orders may not be Directed Orders. [NOW Orders for ITS Trade-Through Exempt Securities (as defined in Rule 7.37) may be routed and executed at a price that is no more than three cents (\$0.03) away from the NBBO displayed in the Consolidated Quote. The NBBO price protection provision set forth in Rule 7.37 will not apply to NOW Orders in Nasdaq securities.] A NOW Order if routed away pursuant to Rule 7.37(d), will be routed to Protected Quotations.

(w) PNP Order (Post No Preference). A limit order to buy or sell that is to be executed in whole or in part on the Corporation, and the portion not so executed is to be ranked in the NYSE Arca Book, without routing any portion of the order to another market center; provided, however, the Corporation shall cancel a PNP Order that would trade-through, lock or cross the Protected Quotation. A PNP Order and PNP Directed Order marked as an Intermarket Sweep Order may lock and cross and trade-through Manual and Protected Quotations, but only if the User has complied with Rule 7.37(e)(3)(C). A PNP Inside Limit Order shall not lock or cross Manual Quotations. [The NBBO price protection provision set forth in Rule 7.37 will not apply to PNP Orders in Nasdaq securities.]

(1) No Change

[(2) PNP Orders for ITS Trade-Through Exempt Securities (as defined in Rule 7.37). PNP Orders for ITS Trade-Through Exempt Securities will not be canceled at the time of order entry if such orders would lock or cross the NBBO. Such orders will be ranked in the NYSE Arca Book in price, time priority with an undisplayed price and size until: (i) such orders are executed; or (ii) such orders no longer lock or cross the NBBO at which time they would be displayed in the NYSE Arca Book and ranked based upon original price and the original order entry time. The lock and cross restrictions set forth in this rule will only apply to bids or offers included in the NBBO that are for greater than 100 shares pursuant to Rule 7.56(d)(2)(E). PNP Orders in ITS Trade-Through Exempt Securities may be executed at a price no more than three cents (\$0.03) away from the NBBO. All PNP Orders whether displayed or undisplayed will execute in price, time priority.]

(x)-(gg) No Change

(hh) Proactive if Locked Reserve. A Reserve Order that will route to another market center pursuant to NYSE Arca Equities Rule 7.37(d) for the away market's displayed size up to such reserve amount in the instance in which the other market center has locked the order and the locking market has not resolved the locked market situation in a timely manner based upon average response times from [ITS Participants]other market centers. In the event that the order routed from the NYSE Arca Marketplace to the other market center is not executed in its entirety, the NYSE Arca Marketplace shall post the order or portion thereof in the NYSE Arca Marketplace Book. Proactive if Locked Reserve will apply only to exchange-listed securities.

(ii)-(mn) No Change

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Rule 7.34. Trading Sessions

(a)-(c) No Change

(d) No Change

(1) No Change

(A) No Change

[(B) Stop Orders are not eligible for execution during the Opening Session.]

[(C)B] Users may enter market and Auction-Only Limit Orders for inclusion in the Market Order Auction. Market orders and Auction-Only Limit Orders are not eligible for execution during the Opening Session, except during the Market Order Auction.

(~~D~~)C) The Tracking Order Process is not available during the Opening Session. For the purposes of the Opening Session, market Directed Orders are included in the Market Order Auction.

(~~E~~)D) NOW Orders are eligible for execution during the Opening Session, provided, however, NOW Orders are not eligible for the Opening Auction or the Market Order Auction.

(~~F~~)E) PNP Orders are eligible for execution during the Opening Session.

(~~G~~)F) Limited Price Orders are eligible for execution during the Opening Session; provided, however, a Timed Order designated for the Opening Session and designated as good from 1:00 am (Pacific Time) is not eligible for execution during the Opening Auction. Similarly, a Timed Order designated for the Opening Session and designated as good from 6:30 am (Pacific Time) is not eligible for execution during the Market Order Auction

(~~H~~)G) Notwithstanding that the Market Order Auction occurs during the Opening Session, as set forth in Rule 7.34(a)(1), the following orders not designated for the Opening Session shall participate in the Market Order Auction:

(i) Market orders designated for the Core Trading Session and entered prior to the conclusion of the Market Order Auction; and

(ii) Limited Price Orders designated for the Core Trading Session and entered prior to 6:29 am (Pacific Time).

(2) During the Core Trading Session:

(A) Market Orders, [~~Stop Orders~~], ~~NOW~~ Orders, PNP Orders and orders eligible for the Directed Order, Display Order, Working Order and Tracking Order Processes are eligible for entry into and execution on the NYSE Arca Marketplace.

(3) During the Late Trading Session:

(A) No Change

(B) Market orders [and ~~Stop Orders~~] are not eligible for execution during the Late Trading Session.

(C) No Change

(e)-(g) No Change

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Rule 7.35. Auctions

(a)-(c) No Change

(d)(1)-(2) No Change

[(3) Stop Orders entered before or during the Opening Session become eligible for execution at 6:30 am (Pacific Time) or at the conclusion of the Market Order Auction, whichever is later.]

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Rule 7.37. Order Executions

(a) No Change

(b) No Change

(1)-(2) No Change

(A)(i)-(iii) No Change

(iv)(a)-(b) No Change

[(c) For ITS Trade-Through Exempt Securities (as defined in Rule 7.37), if the BBO is outside the PBBO and a Passive Discretionary Order(s) within the Working Order Process has a discretionary price worse than the PBBO by three cents (\$0.03) or less, the incoming order will execute against such Passive Discretionary Order(s) at the price of the incoming order or the displayed price of the Discretionary Orders(s), whichever is better.]

(c) No Change

(d) (1) No Change

(2) (A) No Change

(B) if the order designation is as a Limit Order, the Exchange shall utilize available Protected Quotations in the routing determination, or;

(i) any order eligible for routing away shall be routed, either in its entirety or as component orders, to another market center or market participant as a an Intermarket Sweep Order:

[(a) for ITS Eligible Listed Securities—equal to the price and no greater than the size of the quote published by the market center or market participant; and]

[(b)a] for OTC securities—equal to the price of the quote published by the market center or market participant.

The remaining portion of the order, if any, shall be ranked and displayed in the NYSE Arca Book in accordance with the terms of such order under Rule 7.36 and such order shall be eligible for execution under Rule 7.37.

(e)-(h) No Change

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Rule 7.39. Adjustment of Open Orders

(a)-(b) No Change

[(c) Stop Orders To Sell--Sell Stop Orders will be handled in the same manner as Buy Orders as mentioned in section (b) in the event of a corporate action]

[(d)c] Open Orders that are adjusted by the CAP System pursuant to the above rules, and that thereafter continuously remain in the system, shall retain the time priority of their original entry.

[(e)d] In the event a corporate action is identified by the Corporation at a time in which an adjustment to all affected open buy orders [and sell stop orders] could not be made, the Corporation will cancel all such orders and notify the entering party(ies).

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Rule 7.63(b). Definition—Price—Special Commission

A Special Offering is defined as an offering (designated as a fixed price offering) by one or more ETP Holders acting for his, her or their own account or for the account of one or more other persons, for the sale of a block of stock dealt in on the Corporation, through the facilities of the Corporation, at a price not in excess of the last sale of such stock or the current offer of such stock, in the regular market on the facilities of the Corporation, whichever is the lower; but not lower than the current bid for such stock in such market,

unless otherwise specifically permitted by the Corporation, whereby the offeror may agree to pay a special commission to such ETP Holders as may accept all or any part of such Offering for the account of his, her or their customers.

(c)-(p) No Change

[(q) *Odd Lot Stop Orders.* Transactions effected pursuant to Special Offerings shall not elect Stop Orders or open odd lot orders for execution in the regular market.]

[(r)q] *Confirmations.* Confirmation need not be on a specially prepared form but must show clearly in type no smaller than 8-point that the purchase was part of a Special Offering; that no commission is to be charged to the customer; that the seller is to pay a special commission to the ETP Holder if such be the fact; the amount of such special commission; the information printed on the tape regarding stabilizing transactions or the intention to stabilize; and the nature of the ETP Holder's interest in the Special Offering, if any, other than its interest as a recipient of the special commission.

Confirmations used by the broker for the seller similarly need not be on a specially prepared form, but must show clearly in type no smaller than 8-point that the sale is part of a Special Offering of . . . shares of . . . stock at . . . per share less . . . special commission, and, separately, the selling commission charged by the broker for the seller.

[(s)r] *Reports.* The applicant shall submit to the Corporation at the close of each day a report of all transactions in the offered security affected for the account of any person having an interest, as seller or as agent, offering the block of stock on the seller's behalf, in the Special Offering. Such reports shall cover the period beginning with the date of commencement of the offering or the stabilizing, whichever is earlier, and ending with the date on which the short position has been covered or the Special Offering account has been terminated, whichever is later.

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Rule 9.13. Long Sales

(a) For the purposes of effecting delivery within the time period required under regular settlement procedures:

(1)(A) No Change

(B)(i) No Change

(ii) such security is on deposit, in good deliverable form, with a member of a registered securities exchange, a member of [the NASD]FINRA, any broker-dealer registered with the Securities and

Exchange Commission or any organization subject to state or federal banking regulations and that instructions have been or are being forwarded to such depository to deliver such security against payment, or

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Rule 9.14. Account Designation

Before any order for a customer of an ETP Holder is executed, [including the case where an order is to be executed by the issuance of a commitment to trade through ITS or any other Application of the System,] there shall be placed upon the order slip or other record the name or designation of the account for which such order is to be executed. No change in such account name or designation shall be made unless the change has been authorized by the ETP Holder or a partner, who shall, prior to giving his or her approval of such change, be personally informed of the essential facts relative thereto and shall indicate his or her approval of such change in writing on the order.

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Rule 9.17. Reserved[Books and Records

ETP Holders shall make and retain all the books and records prescribed by the Bylaws and Rules of the Corporation, the rules and regulations of the Securities and Exchange Commission and the constitution, rules and regulations of other regulatory or governmental bodies to which such ETP Holders are subject. Such books and records shall be retained for periods as prescribed and shall be made available for inspection by the Corporation.

If such books and records are prepared or maintained by an outside service bureau, depository, bank, or other recordkeeping service on behalf of the ETP Holder, the ETP Holder shall provide the Corporation with a copy of the written undertaking required to be filed with the Commission under SEC Rule 17a-4(i) for the Corporation's records.]

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Rule 10.12. Minor Rule Plan

(a)-(f) No Change

(g) *Minor Rule Plan: Minor Trading Rule Violations.*

(1) No Change

- [(2)] Failure to follow the provisions of the rules and regulations governing the use of the Intermarket Trading System ("ITS"). (Rules 7.55—7.57)]
- [(3)]2 Failure to maintain continuous, two-sided Q Orders in those securities in which the Market Maker is registered to trade (Rule 7.23(a)(1)).
- [(4)]3 Failure to comply with Sponsored Participant Access requirements. (Rule 7.29)
- [(5)]4 Failure to comply with Authorized Trader requirements. (Rule 7.30)
- [(6)]5 Violation of odd lot order prohibitions. (Rule 7.38(c))
- [(7)]6 Acting as a Market Maker in a security without being registered as such as required by Rule 7.20(a).
- [(8)]7 Committing any act prohibited by Rules 6.1(b), 6.2(g), or 6.15(b).

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Rule 12. Arbitration

(a) General. All arbitrations filed with the Corporation after January 31, 2007 and prior to August 15, 2007 shall be governed by the Code of Arbitration contained in the 600 series of the New York Stock Exchange, L.L.C. Rules ("NYSE Arbitration Rules"), as the same may be in effect from time to time, except that arbitrations filed on or prior to January 31, 2007 shall be governed by NYSE Arca Equities Rule 12 as it was in effect on that date. The term "member" as used in this Rule 12 and in the NYSE Arbitration Rules shall mean and refer to ETP Holders. From and after August 15, 2007 (i) any dispute, claim or controversy between or among ETP Holders and/or associated persons shall be arbitrated pursuant to the [NASD]FINRA Dispute Resolution, Inc. ("[NASD]FINRA DR") Codes of Arbitration Procedure; and, (ii) any dispute, claim or controversy between a customer or non-member and an ETP Holder and/or associated person arising in connection with the business of such ETP Holder and/or in connection with the activities of an associated person, shall be arbitrated pursuant to [NASD]FINRA DR Codes of Arbitration Procedure as provided by any duly executed and enforceable written agreement, or upon demand of the customer or non-member. Such obligation to arbitrate shall extend only to those matters that are permitted to be arbitrated under [NASD]FINRA DR Codes of Arbitration Procedure.

(b) Referrals. The Corporation may receive, investigate and take disciplinary action with respect to any referral it receives from a [NASD]FINRA DR arbitrator of any matter which comes to the attention of such arbitrator during and in connection with the arbitrator's participation in a proceeding, either from the record of the proceeding or from material or communications related to the proceeding, that the arbitrator has reason to

believe may constitute a violation of the Corporation's Rules or the federal securities laws.

(c) Failure to Arbitrate or to Pay an Arbitration Award. Any ETP Holder and/or associated person who fails to submit to arbitration a matter required to be arbitrated pursuant to this Rule, or that fails to honor an arbitration award made pursuant to the [NASD]FINRA DR Codes of Arbitration Procedure, or made under the auspices of any other self-regulatory organization, shall be subject to disciplinary proceedings in accordance with NYSE Arca Equities Rule 10.

(d) No Change

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