

**Text of the Proposed Rule Change:<sup>1</sup>**

**NYSE MKT LLC Rules**

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**Trading of Option Contracts**

**Section 900NY. Rules Principally Applicable to Trading of Option Contracts**

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**Rule 900.3NY.**

**Orders Defined**

(a) – (d) No Change

(e) *Complex Order* is any order involving the simultaneous purchase and/or sale of two or more different option series in the same underlying security, for the same account, in a ratio that is equal to or greater than one-to-three (.333) and less than or equal to three-to-one (3.00) and for the purpose of executing a particular investment strategy.

(1) For the purpose of applying the aforementioned ratio to Complex Orders comprised of both mini-options contracts and standard contracts, ten mini-options will represent one standard contract.

(2) Orders comprised of both mini-options contracts and standard contracts are not available for Electronic Complex Order trading pursuant to Rule 980NY.

(f) - (g) No Change

(h)(1) Stock/Option Order is an order to buy or sell a stated number of units of an underlying stock or a security convertible into the underlying stock ("convertible security") coupled with the purchase or sale of option contract(s) on the opposite side of the market representing either (A) the same number of units of the underlying stock or convertible security, or (B) the number of units of the underlying stock necessary to

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<sup>1</sup> New text is underscored and deleted text is in brackets.

create a delta neutral position, but in no case in a ratio greater than 8 option contracts per unit of trading of the underlying stock or convertible security established for that series by the Clearing Corporation.

(2) Stock/Complex Order. A "Stock/Complex Order" is the purchase or sale of a Complex Order (as defined in Rule 900.3NY(e)) coupled with an order to buy or sell a stated number of units of an underlying stock or a security convertible into the underlying stock ("convertible security") representing either:

(A) the same number of units of the underlying stock or convertible security as are represented by the options leg of the Complex Order with the least number of Options contracts, or

(B) the number of units of the underlying stock necessary to create a delta neutral position, but in no case in a ratio greater than eight-to-one (8.00), where the ratio represents the total number of units of the underlying stock or convertible security in the option leg to the total number of units of the underlying stock or convertible security in the stock leg [8 options contracts per unit of trading of the underlying stock or convertible security established for that series by the Clearing Corporation, as represented by the options leg of the Complex Order with the least number of options contracts].

(i) - (y) No Change

***Commentary :***

**.01** No Change

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**Rule 990NY.**

**Definitions Related to Order Protection and Locked and Crossed Markets**

(1) – (3) No Change

(4) "Complex Trade" means: (i) the execution of an order in an option series in conjunction with the execution of one or more related order(s) in different options series in the same underlying security occurring at or near the same time in a ratio that is equal to or greater than one-to-three (.333) and less than or equal to three-to-one (3.00) and for the purpose of executing a particular investment strategy (for the purpose of applying the aforementioned ratio to Complex Trades comprised of both mini-options contracts and standard contracts, ten mini-options will represent one standard contract); or (ii) the execution of a stock option order to buy or sell a stated number of units of an underlying stock or a security convertible into the underlying stock ("convertible security") coupled with the purchase or sale of option contract(s) on the opposite side of the market representing either (A) the same number of units of the underlying stock or convertible

security, or (B) the number of units of the underlying stock or convertible security necessary to create a delta neutral position, but in no case in a ratio greater than eight-to-one (8.00), where the ratio represents the total number of units of the underlying stock or convertible security in the option leg to the total number of units of the underlying stock or convertible security in the stock leg [8 option contracts per unit of trading of the underlying stock or convertible security established for that series by the Clearing Corporation].

(5) – (17) No Change

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