

Additions underlined.
Deletions [bracketed].

Rules of NYSE MKT LLC

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General and Floor Rules

DEFINITIONS

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0. Regulation of the Exchange and its Member Organizations

(a) Notwithstanding the Exchange's adoption of Rules 1 - Equities-1004 - Equities (the "Equities Rules"), all transactions conducted on or through the legacy systems or facilities of the Exchange located at 86 Trinity Place, New York, New York, including the AEMI trading platform, shall continue to be governed by the legacy Rules of the Exchange (as such rules may be amended from time to time), including Rules 1-1605 (General & Floor Definitions and Rules, Office Rules, Arbitration Rules, Contracts in Securities, Trading of Option Contracts, Trading of Certain Equity Derivatives, Trading of Stock Index and Currency Warrants, Trading of Trust Issued Receipts, Rules for After-Hours Trading Facility, Trading of Paired Trust Shares, Trading of Partnership Units and Trading of Trust Units), the Company Guide and AEMI Rules 1-1500 (including Section 910 of the Company Guide) (collectively, the "Non- Equities Rules"). For the avoidance of doubt, all disciplinary matters arising under the Non- Equities Rules shall be governed by Disciplinary Rules [475, 476, 476A, and 477, as amended]under Section 9A or 9B of the Office Rules, as applicable.

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PART I—General Rules

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Rule 31. [Requests for Books, Papers, Records or Testimony

A member, member organization, approved person or any employee, partner, trustee or director of a member organization or member shall comply with any request by an authorized representative or committee of the Exchange to produce his or its books, papers or records, or to appear and testify as to any matter pertaining to his or its business, within the time specified by the representative or committee of the Exchange making the request.

••• *Commentary* -----

.01 Extensions—The Exchange may grant an application for an extension of time to comply with a request for books, papers or records, or to appear and testify, for good cause shown. Any application for an extension of time to comply with an Exchange request for books, papers or records or for testimony must be submitted to the representative or committee of the Exchange making the request prior to the deadline for compliance with the Exchange's request. Any response to an Exchange request for books, papers or records containing material deficiencies shall be deemed not to have been received by the Exchange until such time as the material deficiencies have been corrected.

.02]Regulatory Cooperation[—]

The Exchange may enter into agreements with domestic and foreign self-regulatory organizations providing for the exchange of information and other forms of mutual assistance for market surveillance, investigative, enforcement and other regulatory purposes.

Rule 40. Reserved.[Denial of Amex Trading Permit

(a) In any proceeding by the Exchange to determine whether a person or entity shall be prohibited from receiving an Amex Trading Permit, barred from becoming associated with a member or member organization, or prohibited or limited with respect to access to services offered by the Exchange or by any member or member organization, such person shall be given notice of, and provided an opportunity to be heard upon, the specific grounds for such denial, bar, or prohibition or limitation. A written record shall be kept of any such proceeding. Any final determination to deny an Amex Trading Permit to a person, bar a person from becoming associated with a member or member organization, or prohibit or limit a person with respect to access to services offered by the Exchange or by any member or member organization, shall be supported by a statement setting forth the specific grounds on which the denial, bar, or prohibition or limitation is based.

(b) If any Exchange rule shall specifically set forth the procedures to be followed in connection with a particular proceeding, hearing or appeal, such specific procedures shall be controlling.

(c) Paragraph (a) of this Rule 40 shall not prohibit or in any way restrict the Exchange, the Board of Directors, or any officer, committee or panel of the Exchange from exercising authority pursuant to any rules of the Exchange from summarily (i) suspending a member or member organization or person associated with a member or member organization who has been and is expelled or suspended from any other national securities exchange, registered securities association or registered clearing agency (a "Self-regulatory Agency") or barred or suspended from being associated with a member of any Self-regulatory Agency, (ii) suspending a member or member organization who is in such financial or operating difficulty that the Exchange, the Board or such officer, committee or panel, determines that such member or member organization cannot be permitted to continue to do business as a member with safety to investors, creditors, other

members of the Exchange, or (iii) limiting or prohibiting any person with respect to access to services offered by the Exchange or by members if the Exchange, the Board or such officer, committee or panel determines that such person does not meet the qualification requirements or other prerequisites for such access and such person cannot be permitted to continue to have such access with safety to investors, creditors, members or the Exchange; provided, however, that any person aggrieved by any such summary action shall be promptly afforded an opportunity for a hearing by the Exchange in the manner specified in paragraph (a) of this rule.]

Rule 41. Failure to Pay Exchange Fees

Any member, member organization or principal executive who shall not pay a fee or any other sums due to the Exchange, within forty-five days after the same shall become payable, shall be reported to the Chief Financial Officer of the Exchange or designee who, after notice has been given to such member, member organization or principal executive of such arrearages, may suspend access to some or all of the facilities of the Exchange until payment is made. Except that failure to pay any fine levied in connection with a disciplinary action shall be governed by Rule 476(k) or Rule 8320, as applicable.

Denial of access to some or all of the facilities of the Exchange through suspension under the provisions of this Rule shall not prevent the member, member organization or principal executive from being proceeded against for any offense other than that for which such member, member organization, or principal executive was suspended.

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Office Rules

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Section 4. Employees and Admission of Members and Member Organizations

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Rule 341. Approval of Registered Employees and Officers

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.05 Examinations.—A candidate for full registration is required to pass a qualifying examination. An exception is made for candidates of member organizations who qualify for registration with the New York Stock Exchange, Inc. by passing an examination of that exchange and who are registered by that exchange. Each candidate will be furnished a copy of a Study Guide which outlines the matters on which the candidate will be tested and indicates the breadth and depth of the subjects which should be reviewed.

A person who passes the qualification examination for full registration but later leaves the employ of his or her member organization and remains disassociated with any member organization for more than one year may be required to satisfactorily complete

the qualifying examination once again before approval, full or conditional, is granted unless during such period of disassociation, such person was a bona fide employee of a member of a national securities association.

Under special circumstances, the Exchange may waive the qualifying examination pursuant to the Rule 9600 Series.

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Rule 353A. Revocable Privilege; Termination of an Amex Trading Permit

[(a)]The issuance of an Amex Trading Permit constitutes only a revocable privilege and confers on its holder no right or interest of any nature to continue as an Amex Trading Permit Holder.

An Amex Trading Permit will terminate upon the occurrence of any one of the following conditions:

- (1) the expulsion of the Amex Trading Permit Holder from the Exchange's Floor;
- (2) the suspension of the Amex Trading Permit Holder where such Amex Trading Permit Holder failed to be reinstated at the expiration of the period of suspension, including any extension of such period which may have been granted by the Exchange;
- (3) the formal or informal dissolution or winding up of an Amex Trading Permit Holder;
- (4) the death of an Amex Trading Permit Holder who is a natural person; or
- (5) the declaration of legal incompetence of an Amex Trading Permit Holder who is a natural person.

[(b) Every Amex Trading Permit Holder and any successor-in-interest thereto, and each Amex Trading Permit Holder whose Amex Trading Permit are terminated due to expulsion, suspension without reinstatement, death, declaration of incompetency, dissolution, winding up, or other cessation of business, must be current in all filings and payments of dues, fees and charges relating to that Amex Trading Permit, including, without limitation, filing fees and charges required by the Securities and Exchange Commission and the Securities Investor Protection Corporation. If any Amex Trading Permit Holder or any successor-in-interest thereto, fails to make all such filings, or to pay all such dues, fees and charges, the Secretary of the Exchange shall retain such jurisdiction over such former Amex Trading Permit Holder to require such filings and collect such outstanding dues, fines and charges until such time as they have been filed and/or paid.]

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Section 9A. Legacy Disciplinary Rules

Rule 475. Prohibition or Limitation with Respect to Access to Services Offered by the Exchange or a Member or Member Organization— Summary Proceedings

Rule 475 shall apply only to a proceeding for which a written notice has been issued by the Exchange under this Rule prior to [insert date], and shall continue to apply until such proceeding is final; otherwise, Rule 9558 shall apply.

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Rule 476. Disciplinary Proceedings Involving Charges Against Members, Member Organizations, Principal Executives, Approved Persons, Employees, or Others

Rule 476 shall apply only to a proceeding for which a Charge Memorandum has been filed with the hearing board under Rule 476(d) prior to [insert date] or for which a written Stipulation and Consent has been submitted to a Hearing Officer prior to [insert date] and shall continue to apply until such proceeding is final; otherwise, the Rule 8000 Series and Rule 9000 Series shall apply. Notwithstanding the preceding sentence, on or after [insert date], (1) the offenses under Rule 476(a) shall be subject to the Rule 9000 Series procedures, and (2) the Sanction Guidelines set forth in Rule 476.10 shall continue to apply to sanctions imposed under either Rule 476 or the Rule 9000 Series. The Exchange may issue a written notice of suspension for non-payment of a fine under Rule 476(k) prior to [insert date]; thereafter, Rule 8320 shall apply.

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(k) Any approved person or registered or non-registered employee who shall neglect to pay any fine within forty-five days after the same shall become payable may, after written notice mailed to such person at either the member's office or last place of residence as reflected in Exchange records, be summarily suspended from association in any capacity with a member organization or have the member's approval withdrawn until such fine is paid.

Any member, member organization or principal executive who shall not pay a fine[, or any other sums due to the Exchange,] within forty-five days after the same shall become payable, shall be reported by the Exchange Treasurer to the Chairman of the Exchange Board of Directors and, after written notice mailed to such member, member organization or principal executive of such arrearages, may be suspended by the Exchange Board of Directors until payment is made.

Whenever a member, member organization, principal executive, approved person or registered or non-registered employee of a member or member organization is suspended under the provisions of this Rule, that person or organization may be proceeded against for any offense other than that for which such member, member organization, principal executive, approved person or registered or non-registered employee was suspended.

The suspension or expulsion of a member or principal executive under the provisions of this Rule shall create a vacancy in any office or position held by the member or principal executive.

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••• *Supplementary Material:* -----

.10 Sanctions Guidelines.

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**Rule Regarding Anti-Competitive Behavior and Harassment
[Exchange] Rules 16 and 995NY**

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**Trade Reporting[- Late Reporting; Failing To Report; False, Inaccurate, Or
Misleading Reporting]
[Exchange] Rule [992]957NY**

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Rule 476A. Imposition of Fines for Minor Violation(s) of Rules

Rule 476A shall apply only to a proceeding for which a Charge Memorandum has been filed with the hearing board under Rule 476(d) prior to [insert date], until such proceeding is final; otherwise, the Rule 9000 Series shall apply. Notwithstanding the preceding sentence, on or after [insert date], (1) the violations under Rule 476A supplementary Part 1A, Part 1C and Part 1D shall be subject to the Rule 9000 Series procedures, and (2) the fine amounts and fine levels set forth in Rule 476A supplementary Part 1A, Part 1C and Part 1D shall apply to fines imposed under either Rule 476A or the Rule 9000 Series.

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••• *Supplementary Material:* -----

Part 1A: List of Equities Rule Violations and Fines Applicable Thereto

The violations and fines listed in Part 1A are applicable to trading activity and conduct on and after December 1, 2008.

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[• Rule 504(b)(6) - Equities requirement to commit staff for the trading of NYSE-listed securities separate from that for the trading of Exchange-listed securities and/or Nasdaq Securities and prohibition on trading NYSE-listed securities together with Exchange-listed securities and/or Nasdaq Securities at the same time.]

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Rule 477. Retention of Jurisdiction—Failure to Cooperate

Rule 477 shall apply to any member or member organization that resigned or had its membership canceled or revoked and any person whose status as a covered person was terminated or whose registration was revoked or canceled only if such member, member organization or person has been served with a Charge Memorandum or written notice of inquiry prior to [insert date]; otherwise, Rule 8130 shall apply.

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Section 9B. Disciplinary Rules

Rule 8000. INVESTIGATIONS AND SANCTIONS

Rule 8001. Effective Date of Rule 8000 Series

The Rule 8000 Series shall become effective on [insert date], except as otherwise provided in Rule 8130(d). The Exchange may issue a written notice of suspension for non-payment of a fine under Rule 476(k) prior to [insert date]; thereafter, Rule 8320 shall apply.

Rule 8100. GENERAL PROVISIONS

Rule 8110. Availability of Rules for Customers

Members and member organizations shall make available a current copy of the Exchange rules for examination by customers upon request. Members and member organizations may comply with this Rule by maintaining electronic access to the Exchange rules and providing customers with such access upon request.

Rule 8120. Definitions

(a) Unless otherwise provided, terms used in the Rule 8000 Series shall have the meaning as defined in applicable Exchange rules.

(b) The terms “Adjudicator,” “covered person” and “Regulatory Staff” shall have the meaning as defined in Rule 9120.

Rule 8130. Retention of Jurisdiction

(a) A member organization or ATP Holder that resigns or has its membership canceled or revoked shall continue to be subject to the filing of a complaint under Exchange rules based upon conduct which commenced prior to the effective date of the member organization’s or ATP Holder’s resignation from the Exchange or the cancellation or revocation of its membership. Any such complaint, however, shall be filed within two years after the effective date of resignation, cancellation, or revocation.

(b) A person whose status as a covered person has been terminated and is no longer a covered person of any member organization or ATP Holder or a covered person whose registration has been revoked or canceled shall continue to be subject to the filing of a complaint under Exchange rules based upon conduct that commenced prior to the termination, revocation, or cancellation or upon such person's failure, while subject to the jurisdiction of the Exchange as provided herein, to provide information requested by the Exchange pursuant to Exchange rules, but any such complaint shall be filed within:

(1) two years after the effective date of termination of registration pursuant to Rules 340, 341.09 or 359 or Rule 345.17 - Equities, provided, however that any amendment to a notice of termination filed pursuant to such rules that is filed within two years of the original notice that discloses that such person may have engaged in conduct actionable under any applicable statute, rule, or regulation shall operate to recommence the running of the two-year period under this Rule;

(2) two years after the effective date of revocation or cancellation of registration pursuant to Exchange rules; or

(3) in the case of an unregistered person, two years after the date upon which such person ceased to be a covered person of the member organization or ATP Holder.

(c) A person whose status as a covered person is terminated and is no longer a covered person of any member organization or ATP Holder shall continue to be subject to a proceeding to suspend his or her ability to associate with a member organization or ATP Holder based on such person's failure to comply with an arbitration award or a written and executed settlement agreement obtained in connection with an arbitration or mediation submitted for disposition pursuant to Exchange rules, provided that such proceeding is instituted within two years after the date of entry of such award or settlement.

(d) Rule 477 shall continue to apply to any member or member organization that resigned or had its membership canceled or revoked and any person whose status as a covered person was terminated or whose registration was revoked or canceled only if such member, member organization or person has been served with a Charge Memorandum or written notice of inquiry prior to *[insert date]*.

Rule 8200. INVESTIGATIONS

Rule 8210. Provision of Information and Testimony and Inspection and Copying of Books

(a) Authority of Adjudicator and Exchange Staff

For the purpose of an investigation, complaint, examination, or proceeding authorized by Exchange rules, an Adjudicator or Exchange staff shall have the right to:

(1) require a member organization or covered person to provide information orally, in writing, or electronically (if the requested information is, or is required to be, maintained in electronic form) and to testify at a location specified by Exchange staff, under oath or affirmation administered by a court reporter or a notary public if requested, with respect to any matter involved in the investigation, complaint, examination, or proceeding; and

(2) inspect and copy the books, records, and accounts of such member organization or covered person with respect to any matter involved in the investigation, complaint, examination, or proceeding that is in such member organization's or covered person's possession, custody or control.

In performing the functions of investigation, complaint, examination, or proceeding authorized by Exchange rules, the CRO and Regulatory Staff shall function independently of the commercial interests of the Exchange and the commercial interests of the members and member organizations.

(b) Other SROs and Regulators

(1) Exchange staff may enter into an agreement with a domestic federal agency, or subdivision thereof, or foreign regulator to share any information in the Exchange's possession for any regulatory purpose set forth in such agreement, provided that the agreement must require the other regulator, in accordance with the terms of the agreement, to treat any shared information confidentially and to assert such confidentiality and other applicable privileges in response to any requests for such information from third parties.

Any such agreement with a foreign regulator must also meet the following conditions:

(A) the other regulator party to the agreement must have jurisdiction over common regulatory matters; and

(B) the agreement must require the other regulator to reciprocate and share with the Exchange information of regulatory interest or concern to the Exchange.

(2) Exchange staff may exercise the authority set forth in paragraph (a) for the purpose of an investigation, complaint, examination, or proceeding conducted by another domestic or foreign self-regulatory organization, association, securities or contract market, or regulator of such markets with which the Exchange has entered into an agreement providing for the exchange of information and other forms of material assistance solely for market surveillance, investigative, enforcement, or other regulatory purposes.

(c) Requirement to Comply

No member organization or covered person shall fail to provide information or testimony or to permit an inspection and copying of books, records, or accounts pursuant to this Rule.

(d) Notice

A notice under this Rule shall be deemed received by the member organization or covered person (including a currently or formerly registered person) to whom it is directed by mailing or otherwise transmitting the notice to the last known business address of the member organization or the last known residential address of the covered person as reflected in the Central Registration Depository. With respect to a person who is currently associated with a member organization or ATP Holder in an unregistered capacity, a notice under this Rule shall be deemed received by the person by mailing or otherwise transmitting the notice to the last known business address of the member organization or ATP Holder as reflected in the Central Registration Depository. With respect to a person subject to the Exchange's jurisdiction who was formerly associated with a member organization or ATP Holder in an unregistered capacity, a notice under this Rule shall be deemed received by the person upon personal service, as set forth in Rule 9134(a)(1).

If the Adjudicator or Exchange staff responsible for mailing or otherwise transmitting the notice to the member organization or covered person has actual knowledge that the address in the Central Registration Depository is out of date or inaccurate, then a copy of the notice shall be mailed or otherwise transmitted to:

(1) the last known business address of the member organization, or the last known residential address of the covered person as reflected in the Central Registration Depository; and

(2) any other more current address of the member organization or covered person known to the Adjudicator or Exchange staff who is responsible for mailing or otherwise transmitting the notice.

If the Adjudicator or Exchange staff responsible for mailing or otherwise transmitting the notice to the member organization or covered person knows that the member organization or covered person is represented by counsel regarding the investigation, complaint, examination, or proceeding that is the subject of the notice, then the notice shall be served upon counsel by mailing or otherwise transmitting the notice to the counsel in lieu of the member organization or covered person, and any notice served upon counsel shall be deemed received by the member organization or covered person.

(e) Electronic Interface

In carrying out its responsibilities under this Rule, the Exchange may, as appropriate, establish programs for the submission of information to the Exchange on a regular basis through a direct or indirect electronic interface between the Exchange and members or member organizations.

(f) Inspection and Copying

A witness, upon proper identification, may inspect the official transcript of the witness' own testimony. Upon written request, a person who has submitted documentary evidence or testimony in an Exchange investigation may procure a copy of the person's documentary evidence or the transcript of the person's testimony upon payment of the appropriate fees, except that prior to the issuance of a complaint arising from the investigation, Exchange staff may for good cause deny such request.

(g) Encryption of Information Provided in Electronic Form

(1) Any member organization or covered person who, in response to a request pursuant to this Rule, provides the requested information on a portable media device must ensure that such information is encrypted.

(2) For purposes of this Rule, a "portable media device" is a storage device for electronic information, including but not limited to a flash drive, CD-ROM, DVD, portable hard drive, laptop computer, disc, diskette, or any other portable device for storing and transporting electronic information.

(3) For purposes of this Rule, "encrypted" means the transformation of data into a form in which meaning cannot be assigned without the use of a confidential process or key. To ensure that encrypted information is secure, a member organization or covered person providing encrypted information to Exchange staff pursuant to this Rule shall (a) use an encryption method that meets industry standards for strong encryption, and (b) provide the confidential process or key regarding the encryption to Exchange staff in a communication separate from the encrypted information itself.

••• *Supplementary Material:* -----

.01 Books and Records Relating to Investigations. This rule requires member organizations and covered persons to provide Exchange staff and adjudicators with requested books, records and accounts. In specifying the books, records and accounts "of such member organization or covered person," paragraph (a) of the rule refers to books, records and accounts that the broker-dealer or its associated persons make or keep relating to its operation as a broker-dealer or relating to the person's association with the member organization or ATP Holder. This includes but is not limited to records relating to an Exchange investigation of outside business activities, private securities transactions or possible violations of just and equitable principles of trade, as well as other Exchange rules and the federal securities laws. It does not ordinarily include books and records that are in the possession, custody or control of a member organization or covered person, but whose bona fide ownership is held by an independent third party and the records are unrelated to the business of the member organization or covered person. The rule requires, however, that a member organization or covered person must make available its books, records or accounts when these books, records or accounts are in the possession of another person or entity, such as a professional service provider, but the member organization or covered person controls or has a right to demand them.

Rule 8211. Automated Submission of Trading Data Requested by the Exchange

(a) A member organization or ATP Holder shall submit the trade data specified below in automated format as may be prescribed by the Exchange from time to time. This information shall be supplied with respect to any transaction or transactions that are the subject of a request for information made by the Exchange.

(b) If the transaction was a proprietary transaction effected or caused to be effected by the member organization or ATP Holder for any account in which such member organization, ATP Holder or covered person is directly or indirectly interested, such member organization or ATP Holder shall submit or cause to be submitted the following information:

(1) Clearing house number, or alpha symbol as used by the member organization or ATP Holder submitting the data;

(2) Clearing house number(s), or alpha symbol(s) as may be used from time to time, of the member organization(s) or ATP Holder(s) on the opposite side of the transaction;

(3) Identifying symbol assigned to the security;

(4) Date transaction was executed;

(5) Number of shares, or quantity of bonds or options contracts for each specific transaction and whether each transaction was a purchase, sale, short sale, or, if an options contract, whether open long or short or close long or short;

(6) Transaction price;

(7) Account number; and

(8) Market center where transaction was executed.

(c) If the transaction was effected or caused to be effected by the member organization or ATP Holder for any customer account, such member organization or ATP Holder shall submit or cause to be submitted the following information:

(1) The data described in paragraphs (b)(1) through (8) above;

(2) The customer name, address(es), branch office number, registered representative number, whether order was solicited or unsolicited, date account opened, employer name, and the tax identification number(s); and

(3) If the transaction was effected for another member organization or ATP Holder, whether the other member organization or ATP Holder was acting as principal or agent.

(d) In addition to the above trade data, a member organization or ATP Holder shall submit such other information in such automated format as may from time to time be required by the Exchange.

(e) Pursuant to the Rule 9600 Series, the Exchange may exempt a member from the requirement that the data prescribed in paragraphs (b) through (d) above be submitted to the Exchange in an automated format for good cause shown.

Rule 8212. Reserved.

Rule 8213. Reserved.

Rule 8300. SANCTIONS

Rule 8310. Sanctions for Violation of the Rules

(a) Imposition of Sanction

After compliance with the Rule 9000 Series, the Exchange may impose one or more of the following sanctions on a member, member organization or covered person for each violation of the federal securities laws, rules or regulations thereunder or Exchange rules, or may impose one or more of the following sanctions on a member organization or covered person for any neglect or refusal to comply with an order, direction, or decision issued under Exchange rules:

(1) censure a member organization or covered person;

(2) impose a fine upon a member organization or covered person;

(3) suspend the membership of a member or member organization, or suspend the registration of a covered person for a definite period or a period contingent on the performance of a particular act;

(4) expel a member or member organization, cancel the membership of a member or member organization, or revoke or cancel the registration of a covered person;

(5) suspend or bar a member organization or covered person from association with all member organizations or ATP Holders;

(6) impose a temporary or permanent cease and desist order against a member organization or covered person; or

(7) impose any other fitting sanction.

(b) Assent to Sanction

Each party to a proceeding resulting in a sanction shall be deemed to have assented to the imposition of the sanction unless such party files a written application for review or relief pursuant to the Rule 9000 Series.

Rule 8311. Effect of a Suspension, Revocation, Cancellation, or Bar

If the Exchange or the SEC issues an order that imposes a suspension, revocation, or cancellation of the registration of a covered person or bars a covered person from further association with any member organization or ATP Holder, a member organization or ATP Holder shall not allow such person to remain associated with it in any capacity, including a clerical or ministerial capacity. If the Exchange or the SEC suspends a covered person, the member organization or ATP Holder also shall not pay or credit any salary, or any commission, profit, or other remuneration that results directly or indirectly from any securities transaction, that the covered person might have earned during the period of suspension.

Rule 8312. Reserved.

Rule 8313. Release of Disciplinary Decisions

The Exchange shall publish a copy of any final disciplinary action under the Rule 9000 Series, other than minor rule violations, on its website.

Rule 8320. Payment of Fines, Other Monetary Sanctions, or Costs; Summary Action for Failure to Pay

(a) Payment to Treasurer

All fines and other monetary sanctions shall be paid to the Treasurer of the Exchange.

(b) Summary Suspension or Expulsion

After seven days notice in writing, the Exchange may summarily suspend or expel from membership a member or member organization that fails to:

(1) pay promptly a fine or other monetary sanction imposed pursuant to Rule 8310 or cost imposed pursuant to Rule 8330 when such fine, monetary sanction, or cost becomes finally due and payable; or

(2) terminate immediately the association of a covered person who fails to pay promptly a fine or other monetary sanction imposed pursuant to Rule 8310 or a cost imposed pursuant to Rule 8330 when such fine, monetary sanction, or cost becomes finally due and payable.

(c) Summary Revocation of Registration

After seven days notice in writing, the Exchange may summarily revoke the registration of a covered person if such person fails to pay promptly a fine or other monetary sanction imposed pursuant to Rule 8310 or a cost imposed pursuant to Rule 8330 when such fine, monetary sanction, or cost becomes finally due and payable.

(d) Transition

The Exchange may exercise the authority set forth in paragraphs (b) and (c) above with respect to non-payment of a fine, monetary sanction, or cost assessed in a disciplinary action initiated under Rule 476 for which a decision was issued on or after [insert date].

Rule 8330. Costs of Proceedings

A member organization or covered person disciplined pursuant to Rule 8310 shall bear such costs of the proceeding as the Adjudicator deems fair and appropriate under the circumstances.

Rule 9000. CODE OF PROCEDURE

Rule 9001. Effective Date of Rule 9000 Series

Rule 476 shall apply only to a proceeding for which a Charge Memorandum has been filed with the hearing board under Rule 476(d) prior to [insert date] or for which a written Stipulation and Consent has been submitted to a Hearing Officer prior to [insert date] and shall continue to apply until such proceeding is final; otherwise, the Rule 8000 Series and Rule 9000 Series shall apply. Notwithstanding the preceding sentence, on or after [insert date], (1) the offenses under Rule 476(a) shall be subject to the Rule 9000 Series procedures, and (2) the Sanction Guidelines set forth in Rule 476.10 shall apply to sanctions imposed under either Rule 476 or the Rule 9000 Series.

Rule 9100. APPLICATION AND PURPOSE

Rule 9110. Application

(a) Proceedings

The Rule 9000 Series is the Code of Procedure and includes proceedings for disciplining a member organization or covered person; proceedings for regulating the activities of a member or member organization experiencing financial or operational difficulties; proceedings for summary or non-summary suspensions, cancellations, bars, prohibitions, or limitations; and proceedings for obtaining relief from the eligibility requirements of the Exchange's rules. The Rule 9100 Series is of general applicability to all proceedings set forth in the Rule 9000 Series, unless a Rule specifically provides otherwise. In performing the functions under the Code, the CRO and Regulatory Staff shall function independently of the commercial interests of the Exchange and the commercial interests of the members and member organizations.

(b) Rights, Duties, and Obligations of Members, Member Organizations and Covered Persons

Unless otherwise specified, a covered person shall have the same rights as a member or member organization and shall be subject to the same duties and obligations under the Code of Procedure.

(c) Incorporation of Defined Terms and Cross References

Unless otherwise provided and where applicable, terms used in the Rule 9000 Series shall have the meaning as defined in Rule 9120 and applicable rules of the Exchange.

Rule 9120. Definitions

(a) “Adjudicator”

The term “Adjudicator” means:

(1) a body, board, committee, group, or natural person that presides over a proceeding and renders a decision;

(2) a body, board, committee, group, or natural person that presides over a proceeding and renders a recommended or proposed decision which is acted upon by an Adjudicator described in paragraph (a)(1); or

(3) a natural person who serves on a body, board, committee, or group described in paragraphs (a)(1) or (2).

(b) “Board of Directors”

The term “Board of Directors” shall mean the Board of Directors of the Exchange.

(c) “Chief Hearing Officer”

The term “Chief Hearing Officer” means the Hearing Officer that manages the Office of Hearing Officers, or his or her delegatee.

(d) “Chief Regulatory Officer” or “CRO”

The term “Chief Regulatory Officer” or “CRO” means the Chief Regulatory Officer of the Exchange, or his or her delegatee.

(e) “Code”

The term “Code” refers to the Code of Procedure.

(f) “Counsel to the Exchange Board of Directors”

The term “Counsel to the Exchange Board of Directors” means an attorney from the Exchange Office of General Counsel who is responsible for advising the Exchange Board of Directors regarding a disciplinary proceeding on review before the Exchange Board of Directors.

(g) “covered person”

The term “covered person” means a member, principal executive, approved person, registered or non-registered employee of a member organization or an ATP Holder, or other person (excluding a member organization) subject to the jurisdiction of the Exchange.

(h) "Department of Enforcement"

The term "Department of Enforcement" means the Department of Enforcement of FINRA.

(i) "Department of Market Regulation"

The term "Department of Market Regulation" means the Department of Market Regulation of FINRA.

(j) "Department of Member Regulation"

The term "Department of Member Regulation" means the Department of Member Regulation of FINRA.

(k) “Director”

The term “Director” means a member of the Board of Directors of the Exchange.

(l) “Document”

The term “Document” means a writing, drawing, graph, chart, photograph, recording, or any other data compilation, including data stored by computer, from which information can be obtained.

(m) “Enforcement”

The term “Enforcement” refers to (A) any department reporting to the CRO of the Exchange with responsibility for investigating or, when appropriate after compliance with the Rule 9000 Series, imposing sanctions on a member organization or covered person; (B) the Department of Enforcement of FINRA; and (C) the Department of Market Regulation of FINRA.

(n) “Exchange”

The term “Exchange” shall have the meaning as defined in Rule 11.

(o) “Extended Hearing”

The term “Extended Hearing” means a disciplinary proceeding described in Rule 9231(c).

(p) “Extended Hearing Panel”

The term “Extended Hearing Panel” means an Adjudicator that is constituted under Rule 9231(c) to conduct a disciplinary proceeding that is classified as an “Extended Hearing” and is governed by the Rule 9200 Series.

(q) “Floor-Based Panelist”

The term “Floor-Based Panelist” means a Panelist selected in accordance with Rule 9232(c) who is, or if retired, was, active on the Floor of the Exchange.

(r) “Hearing Officer”

The term “Hearing Officer” means an employee of FINRA who is an attorney and who is appointed by the Chief Hearing Officer to act in an adjudicative role and fulfill various adjudicative responsibilities and duties described in the Rule 9200 Series regarding disciplinary proceedings, the Rule 9550 Series regarding expedited proceedings, and the Rule 9800 Series regarding temporary cease and desist proceedings brought against member organizations and covered persons.

(s) “Hearing Panel”

The term “Hearing Panel” means an Adjudicator that is constituted under Rule 9231 to conduct a disciplinary proceeding governed by the Rule 9200 Series or that is constituted under the Rule 9520 Series or the Rule 9550 Series to conduct a proceeding.

(t) “Interested Staff”

The term “Interested Staff” means, in the context of any proceeding under the Code of Procedure, Regulatory Staff or staff who:

(A) report, directly or indirectly, to any Enforcement employee, or to the head of any department or office that issues a notice or decision or is designated as a Party under the Rule 9000 Series; or

(B)(i) directly participated in the authorization or initiation of a complaint or proceeding, (ii) directly participated in the proceeding, or (iii) directly participated in an examination, investigation, prosecution, or litigation related to a specific proceeding, and any person(s) who supervise such staff.

(u) “Office of Hearing Officers”

The term “Office of Hearing Officers” means the Office of Hearing Officers for FINRA.

(v) “Panelist”

The term “Panelist,” as used in the Rule 9200 Series, means a member of a Hearing Panel or Extended Hearing Panel who is not a Hearing Officer.

(w) “Party”

With respect to a particular proceeding, the term “Party” means:

(1) in the Rule 9200 Series and the Rule 9300 Series, and the Rule 9800 Series, Enforcement or a Respondent;

(2) in the Rule 9520 Series, the Department of Member Regulation or a member organization or ATP Holder that is the subject of a notice or files an application under Rule 9522;

(3) in the Rule 9550 Series, the Exchange department or office that issued the notice or, if another Exchange department or office is named as the party handling the matter on behalf of the issuing department or office, the Exchange department or office that is so designated or a member organization or covered person that is the subject of a notice under the Rule 9550 Series; or

(4) in the Rule 9600 Series, the department or office designated under Rule 9620 to issue the decision granting or denying an exemption or a member or member organization that seeks the exemption under Rule 9610.

(x) “Regulatory Staff”

The term “Regulatory Staff,” and for purposes of the Rule 8000 Series and Rule 9000 Series (except for Rule 9557), the term “Exchange staff,” refers to (A) any officer or employee reporting, directly or indirectly, to the CRO of the Exchange; and (B) FINRA staff acting on behalf of the Exchange in connection with the Rule 8000 Series and Rule 9000 Series.

(y) “Respondent”

The term “Respondent” means, in a disciplinary proceeding governed by the Rule 9200 Series and in a review governed by the Rule 9300 Series, a member organization or a covered person against whom a complaint is issued.

Rule 9130. Service; Filing of Papers

Rule 9131. Service of Complaint

(a) Service on Each Party

Except as provided below, a complaint shall be served on each Party by Enforcement. When counsel for a Party or other person authorized to represent others under Rule 9141 agrees to accept service of the complaint, then Enforcement may serve the complaint on counsel for a Party or other person authorized to represent others under Rule 9141 as specified in Rule 9134(a).

(b) How Served

A complaint or document initiating a proceeding shall be served pursuant to Rule 9134.

(c) Filing Requirement

A complaint that is served upon a Respondent and each document initiating a proceeding that is served upon a Party, along with the certificate of service executed in connection with the service upon such Respondent or Party, shall be filed with FINRA pursuant to Rule 9135.

Rule 9132. Service of Orders, Notices, and Decisions by Adjudicator

(a) Service on Each Party

An order, notice, or decision issued by a Hearing Officer, Hearing Panel or Extended Hearing Panel under the Rule 9200 Series shall be served on each Party, or each Party's counsel, or other person the Party designates to represent him or her in a proceeding by the Office of Hearing Officers. An order, notice, or decision issued by any other Adjudicator shall be served by that Adjudicator.

(b) How Served

An order, notice, or decision shall be served pursuant to Rule 9134.

(c) Service Upon Counsel or Other Person Acting In Representative Capacity

Whenever service is required to be made upon a person represented by counsel or a representative who has filed a notice of appearance pursuant to Rule 9141, service shall be made upon counsel or the representative. The Adjudicator, at its discretion, may also order that service be made upon the person.

Rule 9133. Service of Papers Other Than Complaints, Orders, Notices, or Decisions

(a) Service on Each Party

Other than a complaint, order, notice, or decision, any paper, including an answer and a motion, shall be served on each Party by the Party on whose behalf such paper was prepared or by his or her counsel or representative.

(b) How Served

The paper shall be served pursuant to Rule 9134.

(c) Filing Requirement

The paper that is served upon a Party, along with the certificate of service executed in connection with the service upon such Party, shall be filed with FINRA pursuant to Rule 9135.

(d) Service upon Counsel or Other Person Acting in Representative Capacity

Whenever service is required to be made upon a person represented by counsel or a representative who has filed a notice of appearance pursuant to Rule 9141, service shall be made upon counsel or the representative. The Adjudicator, at its discretion, may also order that service be made upon the person.

Rule 9134. Methods of, Procedures for Service

(a) Methods

The following methods of service are permitted:

(1) Personal Service

Personal service may be accomplished by handing a copy of the papers to the person required to be served; leaving a copy at the person's office with an employee or other person in charge thereof; or leaving a copy at the person's dwelling or usual place of abode with a person of suitable age and discretion then residing therein;

(2) Service by Mail by U.S. Postal Service

Service by mail may be accomplished by mailing the papers through the U.S. Postal Service by using first class mail, first class certified mail, first class registered mail, or Express Mail, except that a complaint shall be served upon a Respondent by U.S. Postal Service first class certified mail or Express Mail; or

(3) Service by Courier

Service by courier may be accomplished by sending the papers through a courier service that generates a written confirmation of receipt or of attempts at delivery.

(b) Procedures

(1) Service on Natural Persons

Papers served on a natural person may be served at the natural person's residential address, as reflected in the Central Registration Depository, if applicable. When a Party or other person responsible for serving such person has actual knowledge that the natural person's Central Registration Depository address is out of date, duplicate copies shall be served on the natural person at the natural person's last

known residential address and the business address in the Central Registration Depository of the entity with which the natural person is employed or affiliated. Papers may also be served at the business address of the entity with which the natural person is employed or affiliated, as reflected in the Central Registration Depository, or at a business address, such as a branch office, at which the natural person is employed, or at which the natural person is physically present during a normal business day. The Hearing Officer may waive the requirement of serving documents (other than complaints) at the addresses listed in the Central Registration Depository if there is evidence that these addresses are no longer valid, and there is a more current address available. If a natural person is represented by counsel or a representative, papers served on the natural person, excluding a complaint or a document initiating a proceeding, shall be served on the counsel or representative.

(2) Service on Entities

Papers served on an entity shall be made by service on an officer, partner of a partnership, managing or general agent, a contact employee as set forth on Form BD, or any other agent authorized by appointment or by law to accept service. Such papers shall be served at the entity's business address as reflected in the Central Registration Depository, if applicable; provided, however, that when the Party or other person responsible for serving such entity has actual knowledge that an entity's Central Registration Depository address is out of date, duplicate copies shall be served at the entity's last known address. If an entity is represented by counsel or a representative, papers served on such entity, excluding a complaint or document initiating a proceeding, shall be served on such counsel or representative.

(3) When Service Is Complete

Personal service and service by courier or express delivery are complete upon delivery. Service by mail is complete upon mailing.

Rule 9135. Filing of Papers with Adjudicator: Procedure

(a) When to File

Papers that are required to be filed with an Adjudicator within a time limit specified by the Adjudicator or within a time limit set forth in the Rules shall be deemed timely if received within the time limit, unless otherwise ordered by an Adjudicator, except complaints, which shall be deemed timely filed upon mailing, delivery by electronic mail, or delivery to the Office of Hearing Officers. Other papers that are required to be filed shall be deemed timely if, on the same day such papers are served, they are also hand-delivered, mailed via U.S. Postal service first class mail, delivered by electronic mail, or sent by courier to FINRA.

(b) Where to File

All papers required to be filed pursuant to the Rule 9200 Series shall be filed with the Office of Hearing Officers. All other papers required to be filed pursuant to the Rule 9000 Series shall be filed where specified in the Rule, or if not specified in the Rule, with the Adjudicator, unless the Adjudicator orders otherwise.

(c) Certificate of Service

Papers filed with an Adjudicator or the Office of Hearing Officers shall be accompanied by a certificate of service stating the name of the person or persons served, the date on which service is made, the method of service and, if service is not made in person, the address to which service is made. Such certificate shall be executed by the person who made the service. If the method of service on a Party is different from the method of service on any other Party, the certificate shall state why such different method was used.

Rule 9136. Filing of Papers: Form

(a) Specifications

Papers filed in connection with any proceeding under the Rule 9200 Series and the Rule 9300 Series shall:

(1) be on unglazed white paper measuring 8 ½ x 11 inches, but to the extent that the reduction of a larger document would render it illegible, such document may be filed on larger paper;

(2) be typewritten or printed in either 10 or 12 point typeface or otherwise reproduced by a process that produces a permanent and plainly legible copy;

(3) include at the head of the paper, or on a title page, the title of the proceeding, the names of the Parties, the subject of the particular paper or pleading, and the number assigned to the proceeding;

(4) be paginated at the bottom of the page and with all margins at least one inch wide;

(5) be double-spaced, with single-spaced footnotes and single-spaced indented quotations; and

(6) be stapled, clipped, or otherwise fastened in the upper left corner, but not bound.

(b) Signature Required

All papers shall be signed and dated pursuant to Rule 9137.

(c) Number of Copies

A signed original and one copy of all papers shall be filed with the Adjudicator unless otherwise ordered.

(d) Form of Briefs

A brief containing more than ten pages shall include a table of contents, and an alphabetized table of cases, statutes, and other authorities cited, with references to the pages of the brief wherein they are cited.

(e) Scandalous or Impertinent Matter

Any scandalous or impertinent matter contained in any brief, pleading, or other filing, or in connection with any oral presentation in a proceeding may be stricken on order of an Adjudicator. Any matter stricken by an Adjudicator by this Rule shall be marked “Stricken” and preserved. Matters stricken in a proceeding governed by the Rule 9200 Series shall be preserved under Rule 9267(b).

Rule 9137. Filing of Papers: Signature Requirement and Effect

(a) General Requirements

Following the issuance of a complaint in a disciplinary proceeding, or the initiation of another proceeding, every filing of a Party represented by counsel or a representative shall be signed by at least one counsel or representative of record in his or her name and shall state the business address and telephone number of such counsel or representative. A Party who appears on his or her own behalf shall sign his or her individual name and state his or her address and telephone number on every filing.

(b) Effect of Signature

(1) The signature of a counsel, representative, or Party shall constitute a certification that:

(A) the person signing the filing has read the filing;

(B) to the best of his or her knowledge, information, and belief, formed after reasonable inquiry, the filing is well grounded in fact and is warranted by existing law or a good faith argument for the extension, modification, or reversal of existing law; and

(C) the filing is not made for any improper purpose, such as to harass, cause unnecessary delay, or needlessly to increase the cost of adjudication.

(2) If a filing is not signed, an Adjudicator may strike the filing, unless it is signed promptly after the omission is called to the attention of the person making the filing.

Rule 9138. Computation of Time

(a) Calendar Day

In the Rule 9000 Series, “day” means calendar day.

(b) Formula

In computing any period of time, the day of the act, event, or default from which the period of time designated in the Code begins to run shall not be included. The last day of the period so computed shall be included, unless it is a Saturday, Sunday, or Federal holiday, in which event the period runs until the end of the next day that is not a Saturday, Sunday, or Federal holiday. Intermediate Saturdays, Sundays, and Federal holidays shall be excluded from the computation when the period prescribed is ten days or less, not including any additional time for service by mail allowed by paragraph (c).

(c) Additional Time For Service by Mail

If service is made by U.S. Postal Service first class, certified, or registered mail, three days shall be added to the prescribed period for response.

Rule 9140. Proceedings

Rule 9141. Appearance and Practice; Notice of Appearance

(a) Representing Oneself

In any proceeding, a person may appear on his or her own behalf. When a person first makes any filing or otherwise appears on his or her own behalf before an Adjudicator in a proceeding, he or she shall file with the Adjudicator, or otherwise state on the record, and keep current, an address at which any notice or other written communication required to be served upon or furnished to him or her may be sent and a telephone number where he or she may be reached during business hours.

(b) Representing Others

A person shall not be represented before an Adjudicator, except as provided in this paragraph. Subject to the prohibitions of Rules 9150 and 9280, a person may be represented in any proceeding by an attorney at law admitted to practice before the highest court of any state of the United States, the District of Columbia, or any commonwealth, territory, or possession of the United States. A member of a partnership may represent the partnership; and a bona fide officer of a corporation, trust, or association may represent the corporation, trust, or association. When a person first makes any filing or otherwise appears in a representative capacity before an Adjudicator in a proceeding, that person shall file with the Adjudicator, and keep current a notice of appearance. The notice of appearance is a written notice stating the name of the proceeding; the representative’s name, business address, and telephone number; and the name and address of the person or persons represented. Any individual appearing or practicing in a representative capacity before an Adjudicator may be required to file a

power of attorney with the Adjudicator showing his or her authority to act in such capacity.

(c) One Year Revolving Door Restriction

No former Regulatory Staff shall, within a period of one year immediately following termination of employment with the Exchange or FINRA, make an appearance before an Adjudicator on behalf of any other person in a proceeding under the Rule 9000 Series.

Rule 9142. Withdrawal by Attorney or Representative

An attorney for a Party or other person authorized to represent others by Rule 9141 seeking to withdraw his or her appearance shall file a motion to withdraw. The motion shall set forth the good cause for withdrawal and state the name, current address, and telephone number of the Party no longer being represented.

Rule 9143. Ex Parte Communications

(a) Prohibited Communications

Unless on notice and opportunity for all Parties to participate, or to the extent required for the disposition of ex parte matters as authorized by the Rule 9000 Series:

(1) No Party, or counsel to or representative of a Party, or Interested Staff shall make or knowingly cause to be made an ex parte communication relevant to the merits of a proceeding to an Adjudicator who is participating in a decision with respect to that proceeding, or to a Exchange employee who is participating or advising in the decision of an Adjudicator with respect to that proceeding; and

(2) No Adjudicator who is participating in a decision with respect to a proceeding, or no Exchange employee who is participating or advising in the decision of an Adjudicator with respect to a proceeding shall make or knowingly cause to be made to a Party, a counsel or representative to a Party, or Interested Staff an ex parte communication relevant to the merits of that proceeding.

(b) Disclosure of Prohibited Communication

An Adjudicator who is participating in a decision with respect to a proceeding, or an Exchange employee who is participating or advising in the decision of an Adjudicator, who receives, makes, or knowingly causes to be made a communication prohibited by this Rule shall place in the record of the proceeding:

(1) all such written communications;

(2) memoranda stating the substance of all such oral communications; and

(3) all written responses and memoranda stating the substance of all oral responses to all such communications.

(c) Remedies

Upon receipt of a communication made or knowingly caused to be made by any Party, any counsel or representative to a Party, or any Interested Staff in violation of paragraph (a)(1), the Exchange or an Adjudicator may, to the extent consistent with the interests of justice, the policies underlying the Act, and Exchange rules, order the Party responsible for the communication, or the Party who may benefit from the ex parte communication made, to show cause why the Party's claim or interest in the proceeding should not be dismissed, denied, disregarded, or otherwise adversely affected by reason of such ex parte communication. All participants to a proceeding may respond to any allegations or contentions contained in a prohibited ex parte communication placed in the record. Such responses shall be placed in the record.

(d) Timing

In a disciplinary proceeding governed by the Rule 9200 Series and the Rule 9300 Series, the prohibitions of this Rule shall apply beginning with the authorization of a complaint as provided in Rule 9211, unless the person responsible for the communication has knowledge that the complaint shall be authorized, in which case the prohibitions shall apply beginning at the time of his or her acquisition of such knowledge.

(e) Waiver of Ex Parte Prohibition**(1) Offer of Settlement**

If a Respondent submits an offer of settlement under Rule 9270, the submission constitutes a waiver by such Respondent of any claim that the prohibitions against ex parte communications were violated by a person or body in connection with such person's or body's participation in discussions regarding the terms and conditions of the offer of settlement and the order of acceptance, or other consideration of the offer of settlement and order of acceptance, including acceptance or rejection of such offer of settlement and order of acceptance.

(2) Letter of Acceptance, Waiver, and Consent

If a member organization or covered person submits an executed letter of acceptance, waiver, and consent under Rule 9216(a), the submission constitutes a waiver by such member organization or covered person of any claim that the prohibitions against ex parte communications were violated by a person or body in connection with such person's or body's participation in discussions regarding the terms and conditions of the letter of acceptance, waiver, and consent, or other consideration of the letter of acceptance, waiver, and consent, including acceptance or rejection of such letter of acceptance, waiver, and consent.

(3) Minor Rule Violation Plan Letter

If a member organization or covered person submits an executed minor rule violation plan letter under Rule 9216(b), the submission constitutes a waiver by

such member organization or covered person of any claim that the prohibitions against ex parte communications by a person or body in connection with such person's or body's participation in discussions regarding the terms and conditions of the minor rule violation plan letter, or other consideration of the minor rule violation plan letter, including acceptance or rejection of such minor rule plan violation letter.

Rule 9144. Separation of Functions

(a) Interested Staff

Except as counsel or a witness in a proceeding or as provided in the Rule 9550 Series, Interested Staff is prohibited from advising an Adjudicator regarding a decision or otherwise participating in a decision of an Adjudicator. An Adjudicator is prohibited from advising Interested Staff regarding a decision or otherwise participating in a decision of Interested Staff, including the decision to issue a complaint and a decision whether to request a review of a disciplinary proceeding by the Exchange Board of Directors.

(b) Separation of Adjudicators

A Hearing Officer, including the Chief Hearing Officer, or a Panelist of a Hearing Panel or an Extended Hearing Panel, is prohibited from participating in: a decision whether to issue a complaint pursuant to Rule 9211 and a decision whether to file a request for a review by the Exchange Board of Directors pursuant to Rule 9310. A Director is prohibited from participating in a discussion or a decision relating to the above referenced acts with the Adjudicators referenced above.

(c) Waiver of Prohibitions of Separation of Functions

(1) Offer of Settlement

If a Respondent submits an offer of settlement under Rule 9270, the submission constitutes a waiver by such Respondent of any claim of violation of paragraph (a) or (b) by a person or body in connection with such person's or body's participation in discussions regarding the terms and conditions of the offer of settlement and the order of acceptance, or other consideration of the offer of settlement and order of acceptance, including acceptance or rejection of such offer of settlement and order of acceptance.

(2) Letter of Acceptance, Waiver, and Consent

If a member organization or covered person submits an executed letter of acceptance, waiver, and consent under Rule 9216(a), the submission constitutes a waiver by such member organization or covered person of any claim of violation of paragraph (a) or (b) by a person or body in connection with such person's or body's participation in discussions regarding the terms and conditions of the letter of acceptance, waiver, and consent, or other consideration of the proposed letter

of acceptance, waiver, and consent, including acceptance or rejection of such letter of acceptance, waiver, and consent.

(3) Minor Rule Violation Plan Letter

If a member organization or covered person submits an executed minor rule violation plan letter under Rule 9216(b), the submission constitutes a waiver by such member organization or covered person of any claim of violation of paragraph (a) or (b) by a person or body in connection with such person's or body's participation in discussions regarding the terms and conditions of the minor rule violation plan letter or other consideration of the minor rule violation plan letter, including acceptance or rejection of such minor rule violation plan letter.

Rule 9145. Rules of Evidence; Official Notice

(a) Rules of Evidence

The formal rules of evidence shall not apply in a proceeding brought under the Rule 9000 Series.

(b) Official Notice

In a proceeding governed by the Rule 9000 Series, an Adjudicator may take official notice of such matters as might be judicially noticed by a court, or of other matters within the specialized knowledge of the Exchange as an expert body. Before an Adjudicator proposes to take official notice of a matter, it shall permit a Party the opportunity to oppose or otherwise comment upon the proposal to take official notice.

Rule 9146. Motions

(a) General Requirement for Motions

A Party may make a written or oral motion, subject to limitations set forth below. A Party or other person may make a motion under Rule 9146(k), subject to limitations set forth below.

(b) Adjudicator May Require a Written Motion

If a Party makes an oral motion, an Adjudicator may order that such motion be set forth in writing, after considering the facts and circumstances, including whether:

(1) the hearing or conference in which the Party makes such motion is being recorded; and

(2) the opposing Parties shall be fully informed and shall have adequate notice and opportunity to respond to such motion.

(c) Specificity

All motions shall state the specific relief requested and the basis therefor.

(d) Time For Filing Opposition or Other Response to Motion

Unless otherwise ordered by an Adjudicator, any Party may file an opposition or other response to a written motion and the opposition or response shall be filed within 14 days after service of the motion. If no response is filed within the response period, the Party failing to respond shall be deemed to have waived any objection to the granting of the motion. A Party shall be afforded an opportunity to respond to an oral motion at the time the oral motion is made, unless the Adjudicator orders that the Party shall be granted additional time to respond.

(e) Oral Argument

An Adjudicator may allow oral argument on motions. Oral argument may take place in person or by telephone.

(f) Frivolous Motions

An Adjudicator may deny dilatory, repetitive, or frivolous motions without awaiting a response.

(g) No Stay

Unless otherwise ordered by an Adjudicator, the filing of a motion does not stay a proceeding.

(h) Reply

The moving Party shall have no right to reply to the opposition or other response of the other Parties unless an Adjudicator permits a reply to be filed. Unless otherwise ordered by an Adjudicator, a movant's reply submission shall be filed within five days after the Adjudicator serves the order granting the motion to file a reply or a Party serves the opposition or other response to which the Adjudicator previously ordered that a reply could be filed.

(i) Page Limit, Format Requirements

Unless otherwise ordered by an Adjudicator, submissions in support of or in opposition to motions shall not exceed ten double-spaced pages, including double-spaced footnotes, exclusive of pages containing any table of contents, table of authorities, or addenda.

(j) Disposition of Procedural Motions; Disposition of Motions for Summary Disposition

(1) In the Rule 9200 Series, a motion on a procedural matter may be decided by a Hearing Officer. A motion for summary disposition of a cause of action set forth in a complaint shall be decided by a majority vote of the Hearing Panel or, if applicable, the Extended Hearing Panel.

(2) In the Rule 9300 Series, a motion on a procedural matter may be decided by the Exchange Board of Directors.

(3) In the Rule 9500 Series, a motion shall be decided by an Adjudicator.

(k) Motion For Protective Order

(1) A Party, a person who is the owner, subject, or creator of a Document subject to production under Rule 8210 or any other Rule which may be introduced as evidence in a disciplinary proceeding, or a witness who testifies at a hearing in a disciplinary proceeding may file a motion requesting a protective order to limit disclosure or prohibit from disclosure to other Parties, witnesses or other persons, except Regulatory Staff, Documents or testimony that contain confidential information. The motion shall include a general summary or extract of the Documents or testimony without revealing confidential details. If the movant seeks a protective order against disclosure to other Parties, copies of the Documents shall not be served on the other Parties. Unless the Documents are unavailable, the movant shall file for in camera inspection a sealed copy of the Documents for which the order is sought. If the movant is not a Party, the motion shall be served on each Party by the movant using a method in Rule 9134(a) and filed with the Adjudicator. A motion for a protective order shall be granted only upon a finding that disclosure of the Document or testimony would have a demonstrated adverse business effect on the movant or would involve an unreasonable breach of the movant's personal privacy.

(2) If a protective order is granted, the order shall set forth the restrictions on use and disclosure of such Document or testimony. An Adjudicator does not have the authority to issue a protective order that would limit in any manner the use by Regulatory Staff of such Documents or testimony in the staff's performance of their regulatory and self-regulatory responsibilities and functions, including the transmittal, without restriction to the recipient, of such Documents or testimony to state, federal, or foreign regulatory authorities or other self-regulatory organizations. An Adjudicator does not have the authority to issue a protective order that purports to protect from production such Documents or testimony in the event that the Exchange is subject to a subpoena requiring that the Documents or testimony be produced.

(l) General

All motions, oppositions or responses, replies, and any other filings made in a proceeding shall comply with Rules 9133, 9134, 9135, 9136 and 9137.

Rule 9147. Rulings On Procedural Matters

The Exchange Board of Directors, a Hearing Officer, or any other Adjudicator shall have full authority, except as otherwise provided by the Code, to rule on a procedural motion and any other procedural or administrative matter arising during the course of a proceeding conducted pursuant to the Code, subject to the rights of review provided by the Code.

Rule 9148. Interlocutory Review

Except as provided in Rule 9280, there shall be no interlocutory review of a ruling or order issued by any Adjudicator in a proceeding governed by the Code. If an Adjudicator grants interlocutory review of a ruling or order, such review shall not stay a proceeding, except under Rule 9280 or as otherwise ordered by the Adjudicator.

Rule 9150. Exclusion From Rule 9000 Series Proceeding

(a) Exclusion

An Adjudicator may exclude an attorney for a Party or other person authorized to represent others by Rule 9141 from acting as counsel, acting in any representative capacity, or otherwise appearing in a particular Rule 9000 Series proceeding for contemptuous conduct under Rule 9280 or unethical or improper professional conduct in that proceeding. If an attorney for a Party, or other person authorized to represent others by Rule 9141, is excluded from a disciplinary hearing or conference, or any portion thereof, such attorney or person may seek review by the Exchange Board of Directors of such exclusion under Rule 9280(c).

(b) Other Proceedings Not Precluded

Prohibiting an attorney or other person authorized to represent others by Rule 9141 from practicing or appearing in an Exchange proceeding shall not preclude the Exchange from initiating other proceedings against such person.

Rule 9160. Recusal or Disqualification

No person shall participate as an Adjudicator in a matter governed by the Code as to which he or she has a conflict of interest or bias, or circumstances otherwise exist where his or her fairness might reasonably be questioned. In any such case the person shall recuse himself or herself, or shall be disqualified as follows:

(a) Exchange Board of Directors

The Chair of the Exchange Board of Directors shall have authority to order the disqualification of a Director, and a majority of members of the Board of Directors, excluding the Chair of the Exchange Board of Directors, shall have authority to order the disqualification of the Chair.

(b) Reserved.

(c) Reserved.

(d) Reserved.

(e) Panelist of Hearing Panel or Extended Hearing Panel

Disqualification of a Panelist of a Hearing Panel or Extended Hearing Panel appointed under the Rule 9200 Series shall be governed by Rule 9234.

(f) Hearing Officer

Disqualification of a Hearing Officer of a Hearing Panel or an Extended Hearing Panel shall be governed by Rule 9233.

Rule 9200. DISCIPLINARY PROCEEDINGS

Rule 9210. Complaint and Answer

Rule 9211. Authorization of Complaint

(a) Complaint

(1) If Enforcement has reason to believe that any member organization or covered person is violating or has violated any rule, regulation, or statutory provision, including the federal securities laws and the regulations thereunder, which the Exchange has jurisdiction to enforce, Enforcement may request authorization from the CRO to issue a complaint.

(2) The Exchange Board of Directors shall have the authority to direct the CRO to authorize and Enforcement to issue a complaint when, on the basis of information and belief, the Exchange Board of Directors is of the opinion that any member organization or covered person is violating or has violated any rule, regulation, or statutory provision, including the federal securities laws and the regulations thereunder, which the Exchange has jurisdiction to enforce.

(b) Commencement of Disciplinary Proceeding

A disciplinary proceeding shall begin when the complaint is served and filed.

Rule 9212. Complaint Issuance — Requirements, Service, Amendment, Withdrawal, and Docketing

(a) Form, Content, Notice, Docketing, and Service

(1) Each complaint shall be in writing and signed by authorized Enforcement staff. The complaint shall specify in reasonable detail the conduct alleged to constitute the violative activity and the rule, regulation, or statutory provision the Respondent is alleged to be violating or to have violated. If the complaint consists of several causes of action, each cause shall be stated separately. Complaints shall

be served by Enforcement on each Party pursuant to Rules 9131 and 9134, and filed at the time of service with the Office of Hearing Officers pursuant to Rules 9135, 9136, and 9137.

(2) At the time of issuance of a complaint, Enforcement may propose:

(A) an appropriate location for the hearing; and

(B) if the complaint alleges at least one cause of action involving activities on the Floor of the Exchange, that the Chief Hearing Officer select a Floor-Based Panelist for the Hearing Panel, or, if applicable, the Extended Hearing Panel as described in Rule 9231.

(b) Amendments to Complaint

Enforcement may file and serve an amended complaint once as a matter of course at any time before the Respondent answers the complaint. Otherwise, upon motion by Enforcement, the Hearing Officer may permit Enforcement to amend the complaint, including amendments so as to make the complaint conform to the evidence presented, after considering whether Enforcement has shown good cause for the amendment and whether any Respondent will suffer any unfair prejudice if the amendment is allowed. Amendments to complaints will be freely granted when justice so requires.

(c) Withdrawal of Complaint

With prior leave of the Hearing Officer, Enforcement may withdraw a complaint. If Enforcement withdraws the complaint before the earlier of

(1) the Hearing Panel's or, if applicable, the Extended Hearing Panel's, issuance of a ruling on a motion for summary disposition, or

(2) the start of the hearing on the merits, the withdrawal of the complaint by Enforcement shall be without prejudice and Enforcement shall be permitted to refile a case based on allegations concerning the same facts and circumstances that are set forth in the withdrawn complaint.

If Enforcement requests to withdraw such complaint after the occurrence of either of the two events set forth in (1) and (2) in this paragraph, the Hearing Panel or, if applicable, the Extended Hearing Panel, after considering the facts and circumstances of the request, shall determine whether the withdrawal shall be granted with prejudice.

(d) Disciplinary Proceeding Docket

The Office of Hearing Officers shall promptly record each complaint filed with it in the Exchange's disciplinary proceeding docket, and record in the disciplinary proceeding docket each event, filing, and change in the status of a disciplinary proceeding.

Rule 9213. Assignment of Hearing Officer and Appointment of Panelists to Hearing Panel or Extended Hearing Panel

(a) Assignment of Hearing Officer

As soon as practicable after Enforcement has filed a complaint with the Office of Hearing Officers, the Chief Hearing Officer shall assign a Hearing Officer to preside over the disciplinary proceeding and shall serve the Parties with notice of the Hearing Officer's assignment pursuant to Rule 9132.

(b) Appointment of Panelists

As soon as practicable after assigning a Hearing Officer to preside over a disciplinary proceeding, the Chief Hearing Officer shall appoint Panelists pursuant to Rules 9231 and 9232 to a Hearing Panel or, if the Chief Hearing Officer determines that an Extended Hearing Panel should be appointed, to an Extended Hearing Panel.

Rule 9214. Consolidation or Severance of Disciplinary Proceedings

(a) Consolidation Initiated by Chief Hearing Officer

The Chief Hearing Officer may order the consolidation of two or more disciplinary proceedings, upon his or her own motion, under circumstances where such consolidation would further the efficiency of the disciplinary process, and where the subject complaints involve common questions of law or fact, or one or more of the same Respondents. In determining whether to order the consolidation of such disciplinary proceedings, the Chief Hearing Officer shall consider:

- (1) whether the same or similar evidence reasonably would be expected to be offered at each of the hearings;
- (2) whether the proposed consolidation would conserve the time and resources of the Parties; and
- (3) whether any unfair prejudice would be suffered by one or more Parties as a result of the consolidation.

If the Chief Hearing Officer proposes to consolidate two or more disciplinary proceedings, the Chief Hearing Officer shall serve upon the Parties notice of the proposed consolidation of disciplinary proceedings, together with a copy of each relevant complaint and any answer that has been filed thereto, pursuant to Rule 9132. The Parties shall have 14 days after service to file a response, stating any arguments in favor of or opposition to consolidation.

(b) Consolidation Initiated by a Party

A Party may file a motion to consolidate two or more disciplinary proceedings if such consolidation would further the efficiency of the disciplinary process, if the subject

complaints involve common questions of law or fact or one or more of the same Respondents, or if one or more of the factors favoring consolidation set forth in paragraph (a) appear to be present. If a Party moves to consolidate two or more disciplinary proceedings, the Party shall file such motion, together with a copy of each relevant complaint and any answer thereto that has been filed, with the Office of Hearing Officers, and, pursuant to Rule 9133, shall serve the same upon the Parties in each of the cases proposed to be consolidated. The Parties shall have 14 days after service to file a response, stating any arguments in favor of or opposition to consolidation, and shall serve the response upon the Parties in each of the cases proposed to be consolidated. The Chief Hearing Officer shall issue an order approving or denying the request for consolidation.

(c) Impact on Hearing Panel or Extended Hearing Panel

If the Chief Hearing Officer issues an order to consolidate two or more disciplinary proceedings for which Hearing Panels or, if applicable, Extended Hearing Panels, have been appointed, the Chief Hearing Officer's order shall specify which Hearing Panel or, if applicable, Extended Hearing Panel, shall preside over the consolidated disciplinary proceeding, or shall appoint a new Hearing Panel or, if applicable, Extended Hearing Panel, to preside, based on the criteria set forth in Rules 9231 and 9232.

(d) Severance Initiated by Chief Hearing Officer

The Chief Hearing Officer may order the severance of a disciplinary proceeding into two or more disciplinary proceedings, upon his or her own motion. In determining whether to order the severance of such disciplinary proceedings, the Chief Hearing Officer shall consider:

- (1) whether the same or similar evidence reasonably would be expected to be offered at each of the possible hearings;
- (2) whether the severance would conserve the time and resources of the Parties;
and
- (3) whether any unfair prejudice would be suffered by one or more Parties if the severance is (not) ordered.

If the Chief Hearing Officer proposes to sever a disciplinary proceeding, the Chief Hearing Officer shall serve upon the Parties notice of the proposed severance of disciplinary proceedings pursuant to Rule 9132. The Parties shall have 14 days after service to file a response, stating any arguments in favor of or opposition to severance.

(e) Severance Initiated by a Party

A Party may file a motion to sever a disciplinary proceeding if one or more of the factors favoring severance set forth in paragraph (d) appear to be present. If a Party moves to sever a disciplinary proceeding, the Party shall file such motion with the Office of Hearing Officers, and, pursuant to Rule 9133, shall serve the same upon each of the parties to the action proposed to be severed. The Parties shall have 14 days after service

to file a response, stating any arguments in favor of or opposition to severance, and shall serve the response upon the Parties in the case proposed to be severed. The Chief Hearing Officer shall issue an order approving or denying the request for severance.

(f) Impact on Hearing Panel or Extended Hearing Panel of Severance

If the Chief Hearing Officer issues an order to sever a disciplinary proceeding for which a Hearing Panel or, if applicable, Extended Hearing Panel, has been appointed, the Chief Hearing Officer's order shall specify whether the same Hearing Panel or, if applicable, Extended Hearing Panel, shall preside over the severed disciplinary proceedings, or shall appoint a new Hearing Panel(s) or, if applicable, Extended Hearing Panel(s), to preside over any or all of the severed proceedings, based on the criteria set forth in Rules 9231 and 9232.

Rule 9215. Answer to Complaint

(a) Form, Service, Notice

Pursuant to Rule 9133, each Respondent named in a complaint shall serve an answer to the complaint on all other Parties within 25 days after service of the complaint on such Respondent, and at the time of service shall file such answer with the Office of Hearing Officers pursuant to Rules 9135, 9136 and 9137. The Hearing Officer assigned to a disciplinary proceeding pursuant to Rule 9213 may extend such period for good cause. Upon the receipt of a Respondent's answer, the Office of Hearing Officers shall promptly send written notice of the receipt of such answer to all Parties.

(b) Content, Affirmative Defenses

Unless otherwise ordered by the Hearing Officer, an answer shall specifically admit, deny, or state that the Respondent does not have and is unable to obtain sufficient information to admit or deny, each allegation in the complaint. When a Respondent intends to deny only part of an allegation, the Respondent shall specify so much of it as is admitted and deny only the remainder. A statement of lack of information shall be deemed a denial. Any allegation not denied in whole or in part shall be deemed admitted. Any affirmative defense shall be asserted in the answer.

(c) Motion for More Definite Statement

A Respondent may file with an answer a motion for a more definite statement of specified matters of fact or law to be considered or determined. Such motion shall state why each such matter of fact or law should be required to be made more definite. If the motion is granted, the order granting such motion shall set the periods for filing such a statement and any answer thereto.

(d) Amendments to Answer

Upon motion by a Respondent, the Hearing Officer may, after considering good cause shown by the Respondent and any unfair prejudice which may result to any other Party, permit an answer to be amended.

(e) Extension of Time to Answer Amended Complaint

If a complaint is amended pursuant to Rule 9212(b), the time for filing an answer or amended answer shall be the greater of the original time period within which the Respondent is required to respond, or 14 days after service of the amended complaint. If any Respondent has already filed an answer, such Respondent shall have 14 days after service of the amended complaint, unless otherwise ordered by the Hearing Officer, within which to file an amended answer.

(f) Failure to Answer, Default

If a Respondent does not file an answer or make any other filing or request related to the complaint with the Office of Hearing Officers within the time required, Enforcement shall send a second notice to such Respondent requiring an answer within 14 days after service of the second notice. The second notice shall state that failure of the Respondent to reply within the period specified shall allow the Hearing Officer, in the exercise of his or her discretion, pursuant to Rule 9269 to:

- (1) treat as admitted by the Respondent the allegations in the complaint; and
- (2) issue a default decision against the Respondent. If the Respondent fails to file an answer with the Office of Hearing Officers within the time required, the Hearing Officer may issue a default decision against the Respondent pursuant to Rule 9269.

Rule 9216. Acceptance, Waiver, and Consent; Procedure for Imposition of Fines for Minor Violation(s) of Rules

(a) Acceptance, Waiver, and Consent Procedures

(1) Notwithstanding Rule 9211, if Enforcement has reason to believe a violation has occurred and the member organization or covered person does not dispute the violation, Enforcement may prepare and request that the member organization or covered person execute a letter accepting a finding of violation, consenting to the imposition of sanctions, and agreeing to waive such member organization's or covered person's right to a hearing before a Hearing Panel or, if applicable, an Extended Hearing Panel, and any right to review by the Exchange Board of Directors, the SEC, and the courts, or to otherwise challenge the validity of the letter, if the letter is accepted. The letter shall describe the act or practice engaged in or omitted, the rule, regulation, or statutory provision violated, and the sanction or sanctions to be imposed. Unless the letter states otherwise, the effective date of any sanction(s) imposed will be a date to be determined by Regulatory Staff.

(2)(A) If a member organization or covered person submits an executed letter of acceptance, waiver, and consent, by the submission such member organization or covered person also waives:

(i) any right to claim bias or prejudice of the CRO, the Exchange Board of Directors, Counsel to the Exchange Board of Directors, or any Director, in connection with such person's or body's participation in discussions regarding the terms and conditions of the letter of acceptance, waiver, and consent, or other consideration of the letter of acceptance, waiver, and consent, including acceptance or rejection of such letter of acceptance, waiver, and consent; and

(ii) any right to claim that a person violated the ex parte prohibitions of Rule 9143 or the separation of functions prohibitions of Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of the letter of acceptance, waiver, and consent, or other consideration of the letter of acceptance, waiver, and consent, including acceptance or rejection of such letter of acceptance, waiver, and consent.

(B) If a letter of acceptance, waiver, and consent is rejected, the member organization or covered person shall be bound by the waivers made under paragraphs (a)(1) and (a)(2)(A) for conduct by persons or bodies occurring during the period beginning on the date the letter of acceptance, waiver, and consent was executed and submitted and ending upon the rejection of the letter of acceptance, waiver, and consent.

(3) If the member organization or covered person executes the letter of acceptance, waiver, and consent, it shall be submitted to the CRO. The CRO may accept or reject such letter. If the letter is rejected by the CRO, the member organization or covered person who executed the letter shall be notified in writing and the letter shall be deemed withdrawn.

(4) If the letter is accepted by the CRO, it shall be sent to each Director and each member of the Committee for Review via courier, express delivery or electronic means, and shall be deemed final and shall constitute the complaint, answer, and decision in the matter, 25 days after it is sent to each Director and each member of the Committee for Review, unless review by the Exchange Board of Directors is requested pursuant to Rule 9310(a)(1)(B). If the letter is rejected by the CRO, the Exchange may take any other appropriate disciplinary action with respect to the alleged violation or violations. If the letter is rejected, the member organization or covered person shall not be prejudiced by the execution of the letter of acceptance, waiver, and consent under paragraph (a)(1) and the letter may not be introduced into evidence in connection with the determination of the issues set forth in any complaint or in any other proceeding.

(b) Procedure for Imposition of Fines for Minor Violation(s) of Rules

(1) Notwithstanding Rule 9211, the Exchange may, subject to the requirements set forth in paragraphs (b)(2) through (b)(4), impose a fine in accordance with the fine amounts and fine levels set forth in Rule 476A or Rule 9217 and/or a censure on any member organization or covered person with respect to any rule listed in Rule 9217. If Enforcement has reason to believe a violation has occurred and if the member organization or covered person does not dispute the violation, Enforcement may prepare and request that the member organization or covered person execute a minor rule violation plan letter accepting a finding of violation, consenting to the imposition of sanctions, and agreeing to waive such member's, member organization's or covered person's right to a hearing before a Hearing Panel or, if applicable, an Extended Hearing Panel, and any right of review by the Exchange Board of Directors, the SEC, and the courts, or to otherwise challenge the validity of the letter, if the letter is accepted. The letter shall describe the act or practice engaged in or omitted, the rule, regulation, or statutory provision violated, and the sanction or sanctions to be imposed. Unless the letter states otherwise, the effective date of any sanction(s) imposed will be a date to be determined by Regulatory Staff.

(2)(A) If a member organization or covered person submits an executed minor rule violation plan letter, by the submission such member organization or covered person also waives:

(i) any right to claim bias or prejudgment of the CRO, the Exchange Board of Directors, Counsel to the Exchange Board of Directors, or any Director, in connection with such person's or body's participation in discussions regarding the terms and conditions of the minor rule violation plan letter or other consideration of the minor rule violation plan letter, including acceptance or rejection of such minor rule violation plan letter; and

(ii) any right to claim that a person violated the ex parte prohibitions of Rule 9143 or the separation of functions prohibitions of Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of the minor rule violation plan letter or other consideration of the minor rule violation plan letter, including acceptance or rejection of such minor rule violation plan letter.

(B) If a minor rule violation plan letter is rejected, the member organization or covered person shall be bound by the waivers made under paragraphs (b)(1) and (b)(2)(A) for conduct by persons or bodies occurring during the period beginning on the date the minor rule violation plan letter was executed and submitted and ending upon the rejection of the minor rule violation plan letter.

(3) If the member organization or covered person executes the minor rule violation plan letter, it shall be submitted to the CRO. The CRO, on behalf of the SRO Board, may accept or reject such letter.

(4) If the letter is accepted by the CRO, it shall be deemed final. Any fine imposed pursuant to this Rule and not contested shall not be publicly reported, except as may be required by Rule 19d-1 under the Securities Exchange Act of 1934, and as may be required by any other regulatory authority. If the letter is rejected by the CRO, the Exchange may take any other appropriate disciplinary action with respect to the alleged violation or violations. If the letter is rejected, the member organization or covered person shall not be prejudiced by the execution of the minor rule violation plan letter under paragraph (b)(1) and the letter may not be introduced into evidence in connection with the determination of the issues set forth in any complaint or in any other proceeding.

Rule 9217. Violations Appropriate for Disposition Under Rule 9216(b)

Any member organization or covered person may be subject to a fine under Rule 9216(b) with respect to any rules listed below. The fine amounts and fine levels set forth below shall apply to the fines imposed.

List of Equities Rule Violations and Fines Applicable Thereto

- Rule 15 - Equities (Pre-Opening Indications)
- Rule 19 - Equities (Locking or Crossing Protected Quotations in NMS Stocks)
- Rule 35 - Equities requirement that employees of members and member organizations be registered with, qualified by and approved by the Exchange before being admitted to the Trading Floor.
- Failure to notify the Exchange's Security Office and surrender Exchange-issued identification cards within 24 hours of Floor members' or employees' termination or reassignment, or cancellation of such identification cards, as required by Rule 35.80 - Equities
- Rule 36 - Equities provisions governing member and member organization communications between the Floor and other locations, the use and/or possession of portable or wireless communication or trading devices, and the proper handling and reporting of "give ups."
- Rule 60 - Equities requirements for dissemination of quotations for reported securities.
- Violation of the agency provisions of Rule 72(d) - Equities
- Rule 91.10 - Equities requirements for a DMM to summon a representative of a firm who had entrusted an order with the DMM who has elected to take or supply for his or

her account the securities named in the order to confirm the acceptance or rejection of such transaction.

• Rule 95 - Equities order identification requirements and prohibition of transactions which involve discretion on the Floor as to choice of security, total amount of security to be bought or sold or whether transaction is purchase or sale

• Reporting rule violations (Rules 104A.50 - Equities, 312(a) - Equities, 312(b) - Equities, 312(c) - Equities, 313 - Equities, 345.12 - Equities, 345.17 - Equities, 351 - Equities, 440H- Equities, 4110.01 - Equities, 4521 - Equities, 4530 - Equities, and 4560(a) - Equities)

• Rule 103.11 - Equities requirements to keep and provide records to the Exchange with respect to the time DMM and DMM clerks are on the Floor of the Exchange acting in those capacities.

• Rule 104 - Equities requirements for the dealings and responsibilities of DMMs

• Rule 105 - Equities and Guidelines (DMMs' Interest in Pools, Options, and Single Stock Futures)

• Rule 116.30 - Equities requirement for DMMs' stopping stock

• Record retention rule violations (Rules 117 - Equities, 121 - Equities, 123 - Equities, 123A.20 - Equities, 345.11 - Equities, 410- Equities, 432(a) - Equities, 440- Equities, 440I- Equities and 472(c) - Equities)

• Failure to Time-Record Orders Received at the DMM's Post (Rule 121 - Equities) and Failure to Time-Record Orders received at a Member's Booth from off the Floor (Rule 123 - Equities)

• Failure of a member or member organization to use standardized Floor stationery as required by Rule 123A.23 - Equities

• Rule 123C - Equities - Failure to adhere to entry and cancellation procedures for limit-at-the-close and market-at-the-close orders

• Rule 123D - Equities requirements for DMMs relating to openings, re-openings, delayed openings, trading halts, and tape indications

• Failure to utilize procedures of Rule 127 - Equities to satisfy all better priced limit orders when effecting block crosses outside the quote and failure to provide public orders an execution at the cross price when required by Rule 127 - Equities procedures

• Failure to submit required trade data to comparison pursuant to Rule 130 - Equities within time periods determined by the Exchange.

- Failure to collect all audit trail data specified in Rule 132 - Equities
- Rule 134(c) - Equities and 134(e) - Equities requirement to comply with specified QT procedures and time periods
- Failure to Obtain Exchange Approval Rule Violations (Rules 312(h) - Equities, 312(i) - Equities, 382(a) - Equities, and 4110 - Equities
- Failure of a member organization to have individuals responsible and qualified for the positions of Financial Principal, Operations Principal, Compliance Official, Branch Office Manager and Supervisory Analyst (Rules 311(b)(5) - Equities, 344 - Equities, 3110(a) - Equities and 3130(a) - Equities)
- Failure of a member organization to have individuals responsible and qualified for the positions of Securities Lending Supervisor (Rule 345(a) - Equities)
- Failure to obtain employer's prior written consent for engaging in an outside activity as required by Rule 3270 - Equities
- Guaranteeing a customer's account against loss or sharing in profits or losses as prohibited by Rules 352(b) - Equities, 352(c) - Equities, and 2150(b) - and (c) - Equities
- Rule 387 - Equities requirements for customer COD/POD transactions
- Rules 392 - Equities and 5190 - Equities notification requirements
- Failure to acknowledge customer complaint within 15 business days, as required by Rule 401A - Equities
- Rule 407 - Equities requirements for transactions of employees of the Exchange, members or member organizations
- Rule 407A - Equities reporting and notification requirements for members
- Rule 408(a) - Equities requirement that written authorization be obtained for discretionary power in a customer's account
- Rule 410A - Equities and Rule 8211 requirements for automated submission of trading data
- Rule 410B - Equities requirements to report transactions in Exchange listed securities not otherwise reported to the Consolidated Tape

- Rule 411(b) - Equities requirement to not combine the orders of several different customers to buy or sell odd-lots of the same stock, into a round lot order, without the prior approval of the customers interested
- Failure to transfer a customer securities account in accordance with the requirements of Rule 412 - Equities and the interpretations thereunder
- Failure to promptly provide or promptly update required membership profile information through the Exchange's Electronic Filing Platform ("EFP"), or failure to electronically certify that required membership profile information is complete and accurate, as required by Rule 416A - Equities
- Rule 440B - Equities short sale rule violations
- Rule 440C - Equities failure to deliver against a short sale without diligent effort to borrow
- Failure to designate and identify to the Exchange an Anti-Money Laundering contact person or persons as required by Rules 445(4) - Equities and 3310(d) - Equities
- Rules 451 - Equities and 452 - Equities requirements relating to transmission of proxy material and authorizing the giving of proxies
- Misstatements or omission of fact on submissions filed with the Exchange (Disciplinary Rule 476(a)(10))
- Rule 460.30 - Equities notification requirements
- Failure to submit books and records or to furnish information on the date or within the time period that the Exchange requires (Disciplinary Rule 476(a)(11) and Rule 8210)
- Rule 502 - Equities prohibition on making a bid, offer or transaction, or routing an order, for Nasdaq Securities on or from Exchange systems before 9:30 a.m. or after the close of the Off-Hours Trading session.
- Rule 504(b)(5) - Equities requirement for a DMM Unit registered in a Nasdaq Security that is an Exchange Traded Fund to report the listed concentration measures.
- Rule 508(a)(2) - Equities requirement for a DMM Unit to open trading in Nasdaq Securities at 9:30 a.m. or as soon thereafter as possible.
- Rule 508(a)(3) - Equities requirement for a DMM Unit to reopen trading in Nasdaq Securities as soon as possible after a trading halt, suspension or pause has been lifted.
- Rule 508(b)(2) - Equities requirements for closing a Nasdaq Security in a manual or slow market.

- Rule 509(a) - Equities requirements for DMM Units.
- Rule 509(b) - Equities requirements for DMM communications from the Floor.
- Rule 510(c) - Equities requirements for dissemination and distribution of information for Nasdaq Securities that are derivative securities products.
- Rule 516 - Equities requirements for reporting and recordkeeping of transactions in Nasdaq Securities.
- Rule 518 - Equities requirements for clearance and settlement of transactions in Nasdaq Securities.

<u>Fine Amount</u>	<u>Individual</u>	<u>Member Organization</u>
<u>1st Offense</u>	<u>\$500</u>	<u>\$1,000</u>
<u>2nd Offense *</u>	<u>\$1,000</u>	<u>\$2,500</u>
<u>Subsequent Offenses *</u>	<u>\$2,500</u>	<u>\$5,000</u>

* Within a "rolling" 24 month period from the date of the violation.

List of Options Rule Violations and Fines Applicable Thereto

(i) Minor Rule Plan: Options Floor Decorum and Minor Trading Rule Violations¹

- (1) Floor Broker failed to use due diligence in the handling or execution of an order. (Rule 933NY)
- (2) Failure to comply with the order format and system entry requirements of Rule 955NY or proper documentation of time stamps (Rule 955NY)
- (3) Floor Broker improperly executed a cross transaction. (Rule 934NY-934.3NY)
- (4) Market Maker or Floor Broker violated procedures concerning the Market Maker's use of a Floor Broker to effect transactions. (Rule 936NY and 925.3NY)
- (5) Market Maker failed to respond to a call for Market Makers by a Trading Official. (Rule 940NY)
- (6) Market Maker failed to respond to demands for bids and/or offers. (Rule 925NY)
- (7) ATP Holder failed to give up the name of the clearing member by open outcry when requesting a quote and size of the market or after effecting a trade. (Rule 954NY)

- (8) ATP Holder failed to remain accessible for a specified amount of time after trade processing. (Rule 964)
- (9) ATP Holder failed to honor a guaranteed market. (Rules 927NY and 970NY)
- (10) ATP Holder failed to identify broker-dealer order. (Rules 954NY(c) and 970NY)
- (11) Improper communication on the floor. (Rule 902NY, Commentary .02.)
- (12) ATP Holder established or maintained a telephonic communication between the Floor and another location, or between locations on the Floor, without prior registration with the Exchange (Rule 902NY(i)); ATP Holder established or maintained an alternative communication device between the Floor and another location, or between locations on the Floor, without the prior approval of the Exchange (Rule 902NY(i)).
- (13) Improper vocalization of a trade. (Rules 959NY and 961NY)
- (14) Violation of rules related to floor decorum. (Rule 902NY)
- (15) Disruptive action involving physical contact while on the Trading Floor. (Rule 902NY)
- (16) ATP Holder used abusive language on the Trading Floor. (Rule 902NY)
- (17) Position Limit or Exercise Limit Violation. (Rule 904, 904C, 905, 905C, 1107, 1108)
- (18) Failure to meet 75% Primary Appointment Requirement. (Rule 923NY)
- (19) Failure to comply with Authorized Trader rules. (Rule 921.1NY).
- (20) Violation of rules on visitors to the Options Floor. (Rule 902NY)
- (21) Misuse of ATP Holder badge or identification. (Rule 902NY)
- (22) Violation of rules pertaining to Exercise of Option Contracts (Rule 980 and 980C)
- (23) Failure to satisfy the Order Exposure Requirements set forth in Rule 935NY and its Commentary.
- (24) Failure to comply with the requirements for avoidance of locked markets as required by Rule 992NY.

(25) Abusing Exchange Property. (Rule 902NY)

(26) Market Maker failed to apply for an Appointment in one or more option classes. (Rule 923NY)

(27) Failure to comply with the reporting duties of Rule 957NY

(28) Failure by a Specialist or Market Maker to comply with the Quotation Requirements of Rule 925NY or 964.1NY.

(29) ATP Holder failed to honor the priority of bids and offers. (Rule 963NY)

(30) Market Maker failed to quote markets within the maximum quote spread differentials or failed to disseminate quotes accurately. (Rules 925NY and 927NY)

(31) ATP Holder traded either before the opening or after the close of market. (Rule 901NY)

(32) ATP Holder failed to maintain an accurate record of orders. (Rule 956NY)

(33) Failure to maintain adequate procedures and controls to monitor and supervise the entry of electronic orders by Users to prevent the prohibited practices set forth in Rule 995NY.

(34) Failure to adhere to the principles of good business practice in the conduct of business affairs, as required by Rule 16.

(35) Reserved

(36) Removal of handheld wireless trading device from the Options Trading Floor or have possession of an NYSE Floor Broker Hand Held Terminal while on the Options Trading Floor (Rule 902NY(g) and (h)).

(37) Effecting opening transactions in restricted series. (Rule 916 and 916C)

(38) Reporting of options positions. (Rule 906(a) and 906C(a))

(39) Failure to complete mandatory regulatory training. (Rule 50 Commentary .03-.04)

(ii) Minor Rule Plan: Record Keeping and Other Minor Rule Violations

(1) Failure to submit trade data to the Exchange in a timely manner. (Section 9A and Rule 8211)

- (2) Failure to furnish in a timely manner books, records or other requested information or testimony in connection with an examination of financial responsibility and/or operational conditions. (Rule 31 and Rule 8210)
- (3) Failure to notify the Exchange of any change of address where notices may be served. (Rule 311)
- (4) Failure to file a financial report or financial information in the type, form, manner and time prescribed by the Exchange (Rule 441). Failure to comply with the notification requirements of (Rule 440)
- (5) Delaying, impeding or failing to cooperate in an Exchange investigation. (Rule Section 9A and Rule 8210)
- (6) Failure to comply with the requirements for preventing the Misuse of Material Nonpublic Information as set forth in Rule 3(i) and 3(l).
- (7) Failure to comply with the Supervision requirements set forth in Rule 320, including but not limited to, an ATP Holder's failure to:

 - (a) supervise persons associated with it to assure their compliance with the federal securities laws and the Constitution and Rules of the Exchange (Rule 320(e));
or
 - (b) establish and maintain a system to supervise the activities of its associated persons and the operations of its business that is reasonably designed to ensure compliance with applicable federal securities laws and regulations and NYSE Arca Rules (Rule 320(e)); or
 - (c) establish, maintain, and enforce written procedures to supervise the business in which it engages and the activities of its associated persons that are reasonably designed to achieve compliance with applicable federal securities laws and regulations and with the Rules (Rule 320(e)).
- (8)

 - (a) Failure to exercise due diligence as to accounts as required by Section 7.
 - (b) Failure to diligently supervise all accounts and licensed personnel as required by Section 7.
 - (c) Failure to keep current and preserve records concerning all Customer accounts as required by Section 7.
- (9) Failure to comply with the books and records requirements of Rule 324.

(10) Failure to comply with the U-4, U-5, and fingerprint submission policies. (Rule 340, Commentary .01)

(11) Failure to comply with the Employee Registration or other requirements of Rule 341.

(12) Failure to satisfy the anti-money laundering compliance program requirements set forth in Rule 432.

(iii) Minor Rule Plan: Recommended Fine Schedule

The following fine schedule sets forth the amount of the fine(s) to be imposed. Except as noted below, the amount of the fine(s) shall be imposed at the First Level pursuant to the chart below. If another Minor Rule Plan Fine has been issued to the same ATP Holder, or associated person for the same or similar conduct violating the same rule (regardless of when paid) within 24 months from the date of occurrence of the violation(s) set forth in the current Notice of Minor Rule Plan Fine, then the fine(s) shall be imposed at the Second Level. If two or more separate Notices of Minor Rule Plan Fine have previously been issued to the same ATP Holder or associated person for the same or similar conduct violating the same rule within 24 months from the date of occurrence of the violation(s) set forth in the current Notice of Minor Rule Plan Fine, then the fine(s) shall be imposed at the Third Level.

These fines are intended to apply to minor violations. For more serious violations, other disciplinary action may be sought.

<u>Options Floor Decorum and Minor Trading Rule Violations</u>	<u>1st Level</u>	<u>2nd Level</u>	<u>3rd Level</u>
<u>1. Floor Broker failed to use due diligence in the handling or execution of an order. (Rule 933NY)</u>	<u>\$1,000.00</u>	<u>\$2,500.00</u>	<u>\$5,000.00</u>
<u>2. Failure to comply with the order format and system entry requirements of Rule 955NY or proper documentation of time stamps (Rule 955NY)</u>	<u>\$1,500.00</u>	<u>\$3,000.00</u>	<u>\$5,000.00</u>
<u>3. Floor Broker improperly executed a cross transaction. (Rule 934NY-934.3NY)</u>	<u>\$1,000.00</u>	<u>\$2,500.00</u>	<u>\$3,500.00</u>
<u>4. Market Maker or Floor Broker violated procedures concerning the Market Maker's use of a Floor Broker to effect transactions. (Rule 936NY and 925.3NY)</u>	<u>\$1,000.00</u>	<u>\$2,500.00</u>	<u>\$3,500.00</u>
<u>5. Market Maker failed to respond to a call</u>	<u>\$2,000.00</u>	<u>\$2,500.00</u>	<u>\$3,500.00</u>

<u>for Market Makers by a Trading Official. (Rule 940NY)</u>			
<u>6. Market Maker failed to respond to demands for bids and/or offers. (Rule 925NY)</u>	<u>\$1,000.00</u>	<u>\$2,500.00</u>	<u>\$3,500.00</u>
<u>7. ATP Holder failed to give up the name of the clearing member by open outcry when requesting a quote and size of the market or after effecting a trade. (Rule 954NY)</u>	<u>\$500.00</u>	<u>\$1,000.00</u>	<u>\$2,500.00</u>
<u>8. ATP Holder failed to remain accessible for a specified amount of time after trade processing. (Rule 964)</u>	<u>\$500.00</u>	<u>\$1,000.00</u>	<u>\$2,500.00</u>
<u>9. ATP Holder failed to honor a guaranteed market. (Rules 927NY and 970NY)</u>	<u>\$1,000.00</u>	<u>\$2,500.00</u>	<u>\$3,500.00</u>
<u>10. ATP Holder failed to identify broker-dealer order. (Rules 954NY(c) and 970NY)</u>	<u>\$500.00</u>	<u>\$1,500.00</u>	<u>\$3,000.00</u>
<u>11. Improper communication on the floor. (Rule 902NY, Commentary .02)</u>	<u>\$1,000.00</u>	<u>\$2,500.00</u>	<u>\$3,500.00</u>
<u>12. ATP Holder or ATP Firm established or maintained a telephonic communication between the Floor and another location, or between locations on the Floor, without prior registration with the Exchange (Rule 902NY(i)); ATP Holder established or maintained an alternative communication device between the Floor and another location, or between locations on the Floor, without the prior approval of the Exchange (Rule 902NY(i)).</u>	<u>\$500.00</u>	<u>\$1,000.00</u>	<u>\$2,500.00</u>
<u>13. Improper vocalization of a trade. (Rule 959NY and 961NY)</u>	<u>\$1,000.00</u>	<u>\$2,500.00</u>	<u>\$3,500.00</u>
<u>14. Violation of rules related to floor decorum (Rules 902NY)</u>	<u>\$1,000.00</u>	<u>\$2,000.00</u>	<u>\$3,500.00</u>
<u>15. Disruptive action involving physical contact while on the Trading Floor. (Rule 902NY)</u>	<u>\$2,000.00</u>	<u>\$4,000.00</u>	<u>\$5,000.00</u>
<u>16. ATP Holder used abusive language on the Trading Floor. (Rule 902NY)</u>	<u>\$500.00</u>	<u>\$2,000.00</u>	<u>\$3,500.00</u>
<u>17. Position Limit or Exercise Limit violation. (Rule 904, 904C, 905, 905C,</u>	<u>\$500.00</u>	<u>\$1,000.00</u>	<u>\$2,500.00</u>

1107, 1108)

<u>18. Failure to meet 75% Primary Appointment Requirement. (Rule 923NY)</u>	<u>\$1000.00</u>	<u>\$2500.00</u>	<u>\$3,500.00</u>
<u>19. Failure to comply with Authorized Trader rules. (Rules 921.1NY)</u>	<u>\$1,000.00</u>	<u>\$2,500.00</u>	<u>\$3,500.00</u>
<u>20. Violation of rules on visitors to the Options Floor. (Rule 902NY)</u>	<u>\$1,000.00</u>	<u>\$2,500.00</u>	<u>\$3,500.00</u>
<u>21. Misuse of ATP Holder badge identification. (Rule 902NY)</u>	<u>\$1,000.00</u>	<u>\$2,500.00</u>	<u>\$3,500.00</u>
<u>22. Violation of rules pertaining to Exercise of Options Contracts (Rule 980, 980C)</u>	<u>\$1,000.00</u>	<u>\$2,500.00</u>	<u>\$5,000.00</u>
<u>23. Failure to satisfy the Order Exposure Requirements set forth in Rule 935NY and its Commentary.</u>	<u>\$1,000.00</u>	<u>\$2,500.00</u>	<u>\$5,000.00</u>

¹ Quantifiable monetary gains attributable to these violations may be required to be disgorged in addition to the specified fine amounts.

<u>24. Failure to avoid locking a market (Rule 992NY)</u>	<u>\$500.00</u>	<u>\$1,000.00</u>	<u>\$2,500.00</u>
<u>25. Abusing Exchange Property (plus repair or replacement costs). (Rule 902NY)</u>	<u>\$1,000.00</u>	<u>\$2,000.00</u>	<u>\$3,500.00</u>
<u>26. Market Maker failed to apply for an Appointment in one or more option classes. (Rule 923NY)</u>	<u>\$1,000.00</u>	<u>\$2,500.00</u>	<u>\$5,000.00</u>
<u>27. Failure to comply with the reporting duties of Rule 957NY.</u>	<u>\$1,500.00</u>	<u>\$3,000.00</u>	<u>\$5,000.00</u>
<u>28. Failure by a Specialist or Market Maker to comply with the Quotation Requirements of Rule 925NY or 964.1NY.</u>	<u>\$1,000.00</u>	<u>\$2,500.00</u>	<u>\$5,000.00</u>
<u>29. ATP Holder failed to honor the priority of bids and offers. (Rule 963NY)</u>	<u>\$1,000.00</u>	<u>\$2,500.00</u>	<u>\$5,000.00</u>
<u>30. Market Maker failed to quote markets within the maximum quote spread differentials or failed to disseminate quotes accurately. (Rules 925NY and 927NY)</u>	<u>\$1,000.00</u>	<u>\$2,500.00</u>	<u>\$5,000.00</u>
<u>31. ATP Holder traded either before the opening of market or after the close of market. (Rule 901NY)</u>	<u>\$1,000.00</u>	<u>\$2,500.00</u>	<u>\$3,500.00</u>
<u>32. ATP Holder failed to maintain accurate record of orders. (Rule 956NY)</u>	<u>\$500.00</u>	<u>\$1,000.00</u>	<u>\$2,500.00</u>
<u>33. Failure to maintain adequate procedures and controls to monitor and supervise the entry of electronic orders by Users to prevent the prohibited practices set forth in Rule 995NY</u>	<u>\$500.00</u>	<u>\$1,000.00</u>	<u>\$2,500.00</u>

34. <u>Bad Business Practice (Rule 16).</u>	<u>\$1,000.00</u>	<u>\$2,500.00</u>	<u>\$3,500.00</u>
35. <u>Reserved.</u>			
36. <u>Removal of handheld wireless trading device from the Options Trading Floor or have possession of an NYSE Floor Broker Hand Held Terminal while on the Options Trading Floor. (Rule 902NY (g) and (h)).</u>	<u>\$1,000.00</u>	<u>\$2,500.00</u>	<u>\$3,500.00</u>
37. <u>Effecting opening transactions in restricted series. (Rules 916 and 916C)</u>	<u>\$1,000.00</u>	<u>\$2,500.00</u>	<u>\$5,000.00</u>
38. <u>Reporting of options. positions. (Rules906(a) and 906C(a))</u>	<u>\$1,000.00</u>	<u>\$2,500.00</u>	<u>\$5,000.00</u>
39. <u>Failure to complete mandatory regulatory training. (Rule 50, Commentary .03-.04)</u>	<u>\$1,000.00</u>	<u>\$2,500.00</u>	<u>\$5,000.00</u>

Fine Levels

<u>(ii) Record Keeping and Other Minor Rule Violations</u>	<u>1st Level</u>	<u>2nd Level</u>	<u>3rd Level</u>
1. <u>Failure to submit trade data to the Exchange in a timely manner (Section 9A and Rule 8211)</u>	<u>\$1,000.00</u>	<u>\$2,500.00</u>	<u>\$3,500.00</u>
2. <u>Failure to furnish in a timely manner books, records or other requested information or testimony in connection with an examination of financial responsibility and/or operational conditions. (Rule 31 and Rule 8210)</u>	<u>\$2,000.00</u>	<u>\$4,000.00</u>	<u>\$5,000.00</u>
3. <u>Failure to comply with the notification requirements of Rule 311).</u>	<u>\$500.00</u>	<u>\$1,000.00</u>	<u>\$2,500.00</u>
4. <u>Failure to file a financial report or financial information in the type, form, manner and time prescribed by the Exchange. Failure to follow the notification requirements (Rule 440, 441)</u>	<u>\$2,000.00</u>	<u>\$4,000.00</u>	<u>\$5,000.00</u>
5. <u>Delaying, impeding or failing to cooperate in an Exchange investigation. (Section 9A and Rule 8210)</u>	<u>\$3,500.00</u>	<u>\$4,000.00</u>	<u>\$5,000.00</u>
6. <u>Failure to comply with the requirements for preventing the</u>	<u>\$2,000.00</u>	<u>\$4,000.00</u>	<u>\$5,000.00</u>

Misuse of Material Nonpublic Information as set forth in Rule 3(j) and 3(1).

7. <u>Failure to comply with the Supervision requirements set forth in Rule 320(e).</u> ²	<u>\$3,500.00</u>	<u>\$4,000.00</u>	<u>\$5,000.00</u>
8a. <u>Failure to exercise due diligence as to accounts as required by Section 7.</u> ²	<u>\$3,500.00</u>	<u>\$4,000.00</u>	<u>\$5,000.00</u>
8b. <u>Failure to diligently supervise all accounts and licensed personnel as required by Section 7.</u> ²	<u>\$3,500.00</u>	<u>\$4,000.00</u>	<u>\$5,000.00</u>
8c. <u>Failure to keep current and preserve records concerning all Customer accounts as required by Section 7.</u>	<u>\$2,000.00</u>	<u>\$4,000.00</u>	<u>\$5,000.00</u>
9. <u>Failure to comply with the books and records requirements of Rule 324.</u>	<u>\$2,000.00</u>	<u>\$4,000.00</u>	<u>\$5,000.00</u>
10. <u>Failure to comply with the U-4, U-5, and fingerprint submission policies. (Rule 340, Commentary .01)</u>	<u>\$1,000.00</u>	<u>\$2,500.00</u>	<u>\$3,500.00</u>
11. <u>Failure to comply with the Employee Registration or other requirements of Rule 341</u> ³	<u>\$1,000.00</u>	<u>\$2,500.00</u>	<u>\$3,500.00</u>
12. <u>Anti-Money Laundering Compliance Program Violations (Rule 432)</u> ²	<u>\$2,000.00</u>	<u>\$4,000.00</u>	<u>\$5,000.00</u>

¹ Quantifiable monetary gains attributable to these violations may be required to be disgorged in addition to the specified fine amounts.

² In addition to the specified fines, the Exchange may require the violator to make specified changes to its supervisory or other compliance procedures.

³ In addition to the specified fines, the Exchange may require the violator to remit all fees that it should have paid to the Exchange pursuant to compliance with Rule 341.

List of Reports Required to be Filed with the Exchange by ATP Holders and Filing Deadlines

The Exchange shall, in accordance with the procedures of Rule 9216(b), impose on any ATP Holder a fine of \$100 per day for each day that a report listed below is not timely filed as required under Exchange Rules and/or the federal securities laws. The fee will be assessed for a period not to exceed 10 business days. Requests for such extension of time must be submitted to the Exchange at least three business days prior to the due date.

<u>Report</u>	<u>Required to be filed by</u>	<u>Frequency/Due Date</u>
<u>Equity Computation</u>	<u>ATP Holders designated to the Exchange NOT subject to SEC Rule 15c3-1 that are engaged solely in the business of acting as registered traders</u>	<u>Monthly—17th business day following month-end</u>
<u>Net Capital Computation</u>	<u>ATP Holders designated to the Exchange subject to SEC Rule 15c3-1</u>	<u>Monthly—17th business day month-end</u>
<u>X-17A-5 Part II (FOCUS Report)</u>	<u>ATP Holders designated to the Exchange that self-clear or carry customer accounts that are subject to SEC Rule 15c3-1</u>	<u>Quarterly—17th business day following quarter-end</u>
<u>X-17A-5 Part I (FOCUS Report)</u>	<u>ATP Holders designated to the Exchange that self-clear or carry customer accounts that are subject to SEC Rule 15c3-1</u>	<u>Monthly—(Interim to quarterly filings above) 17th business day following interim month-end</u>
<u>X-17A-5 Part IIA (FOCUS Report)</u>	<u>ATP Holders designated to the Exchange that are subject to SEC Rule 15c3-1</u>	<u>Quarterly—17th business day following quarter-end</u>

	<u>but do NOT file FOCUS Parts I or II</u>	
<u>X-17A-5 Part IIA (Short Form) (FOCUS Report)</u>	<u>ATP Holders that do not file one of the FOCUS reports listed above</u>	<u>Quarterly - 17th business day following quarter end</u>
<u>ITSFEA Forms I & II</u>	<u>ATP Holders designated to the Exchange</u>	<u>Annually--17th business day following calendar year end</u>
<u>Annual Audited Financial Statements</u>	<u>ATP Holders designated to the Exchange</u>	<u>Annually--60 calendar days following the date of the financial statement</u>

Rule 9220. Request for Hearing; Extensions of Time, Postponements, Adjournments

Rule 9221. Request for Hearing

(a) Respondent Request for Hearing.

With the filing of any Respondent's answer, such Respondent may:

- (1) request a hearing;
- (2) propose an appropriate location for the hearing; and
- (3) propose, if the complaint alleges at least one cause of action involving activities on the Floor of the Exchange, that the Chief Hearing Officer select a Floor-Based Panelist for a Hearing Panel or, if applicable, an Extended Hearing Panel as described in Rule 9231.

If a Respondent requests a hearing, a hearing shall be granted. A Respondent who fails to request a hearing with the filing of his or her answer waives the right to a hearing unless a Hearing Officer, Hearing Panel, or, if applicable, an Extended Hearing Panel, grants, for good cause shown, a later filed motion by such Respondent requesting a hearing.

(b) Hearing Officer Order Requiring Hearing

In the absence of a request for a hearing from any Respondent, the Hearing Officer may order any complaint set down for hearing.

(c) Authority of Hearing Panel, Extended Hearing Panel to Order Hearing

If all Respondents waive a hearing, and the Hearing Officer does not order a hearing on his or her own motion, the Hearing Panel or, if applicable, the Extended Hearing Panel, may order a hearing or may consider the matter on the record, as defined in Rule 9267. If fewer than all Respondents waive a hearing, the Hearing Officer, the Hearing Panel, or, if applicable, the Extended Hearing Panel, may, in the exercise of its discretion, order that a hearing be held as to all Respondents. Alternatively, the Hearing Officer, the Hearing Panel, or, if applicable, the Extended Hearing Panel, may conduct a hearing as to only those Respondents who requested a hearing and consider the matter on the record as to those Respondents who waived a hearing.

(d) Notice of Hearing

The Hearing Officer shall issue a notice stating the date, time, and place of the hearing, and whether the hearing shall be held before a Hearing Panel or an Extended Hearing Panel, and shall serve such notice on the Parties at least 28 days before the hearing, unless:

- (1) in the discretion of the Hearing Officer, he or she determines that extraordinary circumstances require a shorter notice period; or
- (2) the Parties waive the notice period.

Rule 9222. Extensions of Time, Postponements, and Adjournments

(a) Availability

At any time prior to the issuance of the decision of the Hearing Panel or, if applicable, the Extended Hearing Panel, the Hearing Officer may, for good cause shown, extend or shorten any time limits prescribed by the Code for the filing of any papers and may, consistent with paragraph (b), postpone or adjourn any hearing.

(b) Limitations on Postponements, Adjournments, and Extensions

A hearing shall begin at the time and place ordered, unless the Hearing Officer, for good cause shown, changes the place of the hearing, postpones the commencement of the hearing, or adjourns a convened hearing for a reasonable period of time, subject to the limitations in paragraph (b)(2).

(1) Additional Considerations

In considering a motion for the postponement of the start of a hearing or, adjournment once a hearing has begun, the Hearing Officer shall consider:

- (A) the length of the proceeding to date;
- (B) the number of postponements, adjournments, or extensions already granted;

(C) the stage of the proceedings at the time of the request;

(D) potential harm to the investing public if an extension of time, adjournment, or postponement is granted; and

(E) such other matters as justice may require.

(2) Time Limit

Postponements, adjournments, or extensions of time for filing papers shall not exceed 28 days unless the Hearing Officer states on the record or provides by written order the reasons a longer period is necessary.

Rule 9230. Appointment of Hearing Panel, Extended Hearing Panel

Rule 9231. Appointment by the Chief Hearing Officer of Hearing Panel or Extended Hearing Panel or Replacement Hearing Officer

(a) Appointment

The Chief Hearing Officer shall appoint a Hearing Panel or an Extended Hearing Panel to conduct the disciplinary proceeding and issue a decision.

(b) Hearing Panel

(1) The Hearing Panel shall be composed of a Hearing Officer and two Panelists, except as provided in paragraph (e) and in Rule 9234(a), (c), (d), or (e). The Hearing Officer shall serve as the chair of the Hearing Panel, and shall appoint Panelists pursuant to the criteria in Rule 9232.

(2) The Chief Hearing Officer may select a Floor-Based Panelist if the complaint alleges at least one cause of action involving activities on the Floor of the Exchange.

(c) Extended Hearing Panel

Upon consideration of the complexity of the issues involved, the probable length of the hearing, or other factors that the Chief Hearing Officer deems material, the Chief Hearing Officer may determine that a matter shall be designated an Extended Hearing, and that such matter shall be considered by an Extended Hearing Panel. The Extended Hearing Panel shall be composed of a Hearing Officer and two Panelists, except as provided in Rule 9234(a), (c), (d), or (e). The Hearing Officer will serve as the chair of the Extended Hearing Panel. The Chief Hearing Officer shall have discretion to compensate any or all Panelists of an Extended Hearing Panel at the rate then in effect for FINRA arbitrators.

(1) Except as provided in (2), the Chief Hearing Officer shall select as a Panelist a person who meets the criteria set forth in Rule 9232.

(2) If the complaint alleges at least one cause of action involving activities on the Floor of the Exchange, the Chief Hearing Officer may select a Floor-Based Panelist.

(d) Observer

A person who is qualified to serve as a Panelist may be designated by the Chief Hearing Officer to serve as an observer to a Hearing Panel or an Extended Hearing Panel. If the Chief Hearing Officer designates more than two people to serve as observers to a Hearing Panel or an Extended Hearing Panel, the Chief Hearing Officer shall obtain the consent of the Parties. An observer may attend any hearing of a disciplinary proceeding and observe the proceeding, but may not vote or participate in any other manner in the hearing or the deliberations of the Hearing Panel or the Extended Hearing Panel, or participate in the administration of the disciplinary proceeding.

(e) Appointment of Replacement Hearing Officer

In the event that a Hearing Officer withdraws, is incapacitated, or otherwise is unable to continue service after being appointed, the Chief Hearing Officer shall appoint a replacement Hearing Officer. To ensure fairness to the parties and expedite completion of the proceeding when a replacement Hearing Officer is appointed after the hearing has commenced, the replacement Hearing Officer has discretion to exercise the following powers:

(1) Allow the Hearing Panelists to resolve the issues in the proceeding and issue a decision without the participation of the replacement Hearing Officer in the decision. The replacement Hearing Officer may advise the Hearing Panelists regarding legal issues, and shall exercise the powers of the Hearing Officer under Rule 9235(a), including preparing and signing the decision on behalf of the Hearing Panel, in accordance with Rule 9268; or

(2) Certify familiarity with the record and participate in the resolution of the issues in the case and in the issuance of the decision. In exercising this power, the replacement Hearing Officer may recall any witness before the Hearing Panel.

Rule 9232. Criteria for Selection of Panelists, Replacement Panelists, and Floor-Based Panelists

(a) Each Panelist shall be a person of integrity and judgment and, other than the Hearing Officer, shall be a member of the Exchange hearing board as provided in paragraph (b). At least one Panelist shall be engaged in securities activities differing from that of the Respondent or, if retired, was so engaged in differing activities at the time of retirement.

(b) The Exchange Board of Directors shall from time to time appoint a hearing board to be composed of such number of members and former allied members of the Exchange who are not members of the Exchange Board of Directors and registered employees and nonregistered employees of member organizations or ATP Holders. Former members, allied members, or registered and non-registered employees of member organizations or

ATP Holders who have retired from the securities industry may be appointed to the hearing board. The members of the hearing board shall be appointed annually and shall serve at the pleasure of the Exchange Board of Directors.

(c) The Chief Hearing Officer may select one but not more than one Floor-Based Panelist to serve in a disciplinary proceeding if the complaint alleges at least one cause of action involving activities on the Floor of the Exchange.

(d) Criteria for Appointment of a Panelist

The Chief Hearing Officer shall select Panelists from the current members of the Exchange hearing board based upon the following criteria:

(1) expertise;

(2) the absence of any conflict of interest or bias, and any appearance thereof;

(3) availability; and,

(4) the frequency with which a person has served as a Panelist on a Hearing Panel during the past two years, favoring the selection of a person as a Panelist who has never served or served infrequently as a Panelist during the period.

Rule 9233. Hearing Panel or Extended Hearing Panel: Recusal and Disqualification of Hearing Officers

(a) Recusal, Withdrawal of Hearing Officer

If at any time a Hearing Officer determines that he or she has a conflict of interest or bias or circumstances otherwise exist where his or her fairness might reasonably be questioned, the Hearing Officer shall notify the Chief Hearing Officer and the Chief Hearing Officer shall issue and serve on the Parties a notice stating that the Hearing Officer has withdrawn from the matter. In the event that a Hearing Officer withdraws, is incapacitated, or otherwise is unable to continue service after being appointed, the Chief Hearing Officer shall appoint a replacement Hearing Officer. In such a case, the replacement Hearing Officer shall proceed according to Rule 9231(e).

(b) Motion for Disqualification

A Party may move for the disqualification of a Hearing Officer. A motion shall be based upon a reasonable, good faith belief that a conflict of interest or bias exists or circumstances otherwise exist where the Hearing Officer's fairness might reasonably be questioned, and shall be accompanied by an affidavit setting forth in detail the facts alleged to constitute grounds for disqualification, and the dates on which the Party learned of those facts. Such motions shall be filed not later than 15 days after the later of:

(1) when the Party learned of the facts believed to constitute the disqualification;
or

(2) when the Party was notified of the assignment of the Hearing Officer.

(c) Disposition of Disqualification Motion

A motion for disqualification of a Hearing Officer shall be decided by the Chief Hearing Officer who shall promptly investigate whether disqualification is required and issue a written ruling on the motion. In the event of a disqualification of the Hearing Officer, the Chief Hearing Officer shall appoint a replacement Hearing Officer.

Rule 9234. Hearing Panel or Extended Hearing Panel: Recusal and Disqualification of Panelists

(a) Recusal, Withdrawal of Panelist

If at any time a Panelist of a Hearing Panel or an Extended Hearing Panel determines that he or she has a conflict of interest or bias or circumstances otherwise exist where his or her fairness might reasonably be questioned, the Panelist shall notify the Hearing Officer and the Hearing Officer shall issue and serve on the Parties a notice stating that the Panelist has withdrawn from the matter. In the event that a Panelist withdraws, is incapacitated, or otherwise is unable to continue service after being appointed, the Chief Hearing Officer may, in the exercise of discretion, determine whether to appoint a replacement Panelist. In the event that both Panelists withdraw, are incapacitated, or otherwise are unable to continue service after being appointed, the Chief Hearing Officer shall appoint two replacement Panelists.

(b) Disqualification: Motion of Party; Order of Chief Hearing Officer

(1) A Party may file a motion to disqualify a Panelist of a Hearing Panel or an Extended Hearing Panel. A motion shall be based upon a reasonable, good faith belief that a conflict of interest or bias exists or circumstances otherwise exist where the Panelist's fairness might reasonably be questioned, and shall be accompanied by an affidavit setting forth in detail the facts alleged to constitute grounds for disqualification, and the dates on which the Party learned of those facts.

(2) Such motions shall be filed not later than 15 days after the later of:

(A) when the Party learned of the facts believed to constitute the disqualification; or

(B) when the Party was notified of the appointment of the Panelist.

(3) The Chief Hearing Officer may order the disqualification of a Panelist of a Hearing Panel or an Extended Hearing Panel if the Chief Hearing Officer determines that a conflict of interest or bias exists or circumstances otherwise exist where the Panelist's fairness might reasonably be questioned, and shall state the facts constituting the grounds for disqualification.

(c) Disposition of Disqualification Motion: Challenge to Single Member of Hearing Panel

If a Party files a motion to disqualify a Panelist of a Hearing Panel or an Extended Hearing Panel, the Hearing Officer shall promptly investigate whether disqualification is required and shall issue a written ruling on the motion. In the event a Panelist is disqualified, the Chief Hearing Officer may, in the exercise of discretion, appoint a replacement Panelist.

(d) Disposition of Disqualification Motion: Challenge to Both Panelists of Hearing Panel or Extended Hearing Panel

If a Party files a motion to disqualify both Panelists of a Hearing Panel or an Extended Hearing Panel, the Hearing Officer shall promptly investigate whether disqualification is required and shall issue a written ruling on the motion. In the event one Panelist is disqualified, the Chief Hearing Officer may, in the exercise of discretion, appoint a replacement Panelist. In the event both Panelists are disqualified, the Chief Hearing Officer shall promptly appoint two persons as replacement Panelists.

(e) Disposition of Disqualification Motion: Challenge to Both Panelists of Hearing Panel or Extended Hearing Panel and Hearing Officer

If a Party files a motion to disqualify both Panelists of a Hearing Panel or an Extended Hearing Panel, and the Hearing Officer, the Chief Hearing Officer shall promptly investigate whether disqualification is required and shall issue a written ruling on the motion. In the event a Panelist is disqualified, the Chief Hearing Officer may, in the exercise of discretion, appoint a replacement Panelist. In the event both Panelists are disqualified, the Chief Hearing Officer shall promptly appoint two persons as replacement Panelists. In the event a Hearing Officer and a Panelist are disqualified, the Chief Hearing Officer shall promptly appoint a replacement Hearing Officer. In the event both Panelists and the Hearing Officer are disqualified, the Chief Hearing Officer shall promptly appoint a replacement Hearing Officer and two persons as replacement Panelists.

(f) Criteria for Replacement Panelist

If the Chief Hearing Officer appoints a replacement Panelist by operation of this Rule, the Chief Hearing Officer shall do so using the criteria set forth in Rule 9232.

Rule 9235. Hearing Officer Authority

(a) Hearing Officer Authority

The Hearing Officer shall be selected by the Chief Hearing Officer and shall have authority to do all things necessary and appropriate to discharge his or her duties. In addition to the powers exercised by all members of the Hearing Panel or, if applicable, the Extended Hearing Panel, the powers of the Hearing Officer include, but are not limited to:

- (1) holding pre-hearing and other conferences and requiring the attendance at any such conference of at least one representative of each Party who has authority to negotiate the resolution of issues in controversy;
- (2) regulating the course of the hearing;
- (3) ordering the Parties to present oral arguments at any stage of the disciplinary proceeding;
- (4) resolving any and all procedural and evidentiary matters, discovery requests, and other non-dispositive motions, subject to any limitations set forth elsewhere in the Code;
- (5) reopening any hearing, upon notice to all Parties, prior to the issuance of the decision of the Hearing Panel or, if applicable, the Extended Hearing Panel;
- (6) creating and maintaining the official record of the disciplinary proceeding; and
- (7) drafting a decision that represents the views of the majority of the Hearing Panel or, if applicable, the Extended Hearing Panel.

(b) Authority in the Absence of Hearing Officer

If the Hearing Officer appointed to a case is temporarily unavailable or unable for any reason to discharge his or her duties in a particular proceeding under conditions not requiring the appointment of a replacement Hearing Officer, the Chief Hearing Officer or the Deputy Chief Hearing Officer in his or her discretion may exercise the necessary authority in the same manner as if he or she had been appointed Hearing Officer in the particular proceeding.

Rule 9240. Pre-hearing Conference and Submission

Rule 9241. Pre-hearing Conference

(a) Purposes

The purposes of a pre-hearing conference include, but are not limited to:

- (1) expediting the disposition of the proceeding;
- (2) establishing procedures to manage the proceeding efficiently; and
- (3) improving the quality of the hearing through more thorough preparation.

(b) Procedure

On his or her own motion or at the request of a Party, the Hearing Officer may, in his or her discretion, order counsel or any Party to meet for a pre-hearing conference. Such

conferences also may be held with one or more persons participating by telephone or other remote means.

(c) Subjects to be Discussed

At a pre-hearing conference, the Hearing Officer shall schedule an expedited proceeding as required by Rule 9290, and may consider and take action with respect to any or all of the following:

- (1) simplification and clarification of the issues;
- (2) exchange of witness and exhibit lists and copies of exhibits;
- (3) stipulations, admissions of fact, and stipulations concerning the contents, authenticity, or admissibility into evidence of documents;
- (4) matters of which official notice may be taken;
- (5) the schedule for exchanging pre-hearing motions or briefs, if any;
- (6) the method of service and filing of papers by the Parties;
- (7) determination of hearing dates;
- (8) amendments to the complaint or answers thereto;
- (9) production of documents as set forth in Rule 9251;
- (10) designation of relevant portions of transcripts from investigative testimony or other proceedings and the inclusion of an index for such testimony; and
- (11) such other matters as may aid in the orderly and expeditious disposition of the proceeding.

(d) Scheduling

An initial pre-hearing conference, unless determined by the Hearing Officer to be unnecessary or premature, shall be held within 21 days after filing of an answer, or after the expiration of the second period provided for filing an answer as set forth in Rule 9215(f). When a complaint names multiple Respondents, the 21-day period shall commence from the later of:

- (1) the date on which the last timely answer was filed, or
- (2) if one or more Respondents have failed to answer, from the expiration of the second period provided for filing an answer under Rule 9215(f).

(e) Pre-hearing Order

At or following the conclusion of any conference held pursuant to this Rule, the Hearing Officer shall enter a written ruling or order that recites any agreements reached and any procedural determinations made by the Hearing Officer.

(f) Failure to Appear: Default

The Hearing Officer may issue a default decision, pursuant to Rule 9269, against a Party that fails to appear, in person or through counsel or a representative, at a prehearing conference of which the Party has due notice.

Rule 9242. Pre-hearing Submission

(a) Requirement to Furnish Information

Prior to a hearing before a Hearing Panel or, if applicable, an Extended Hearing Panel, the Hearing Officer, in the exercise of his or her discretion, may order a Party to furnish to all other Parties and the Hearing Panel or, if applicable, the Extended Hearing Panel, such information as deemed appropriate, including any or all of the following:

- (1) an outline or narrative summary of a Party's case or defense;
- (2) the legal theories upon which a Party shall rely;
- (3) a list and copies of documents that a Party intends to introduce at the hearing;
- (4) a list of witnesses who shall testify on a Party's behalf, including the witnesses' names, occupations, addresses, and a brief summary of their expected testimony; and,
- (5) if a witness shall be called to testify as an expert, a statement of the expert's qualifications, a listing of other proceedings in which the expert has given expert testimony, a list of the expert's publications, and copies of those publications that are not readily available to the other Parties and the Hearing Panel or, if applicable, the Extended Hearing Panel.

(b) Prohibition on Serving as Expert Witness

No former Regulatory Staff shall, within a period of one year immediately following termination of employment with the Exchange or FINRA, provide expert testimony on behalf of any other person in any proceeding under the Rule 9000 Series. Nothing in this Rule shall prohibit former Regulatory Staff from testifying as a witness on behalf of the Exchange or FINRA.

Rule 9250. Discovery

Rule 9251. Inspection and Copying of Documents in Possession of Staff

(a) Documents to be Available for Inspection and Copying

(1) Unless otherwise provided by this Rule, or by order of the Hearing Officer, Enforcement shall make available for inspection and copying by any Respondent, Documents prepared or obtained by Interested Staff in connection with the investigation that led to the institution of proceedings. Such Documents include but are not limited to:

(A) requests for information issued pursuant to Rule 8210;

(B) every other written request directed to persons not employed by the Exchange to provide Documents or to be interviewed;

(C) the Documents provided in response to any such requests described in (A) and (B) above;

(D) all transcripts and transcript exhibits; and

(E) all other Documents obtained from persons not employed by the Exchange.

(2) Enforcement shall promptly inform the Hearing Officer and each other Party if, after the issuance of a complaint, requests for information under Rule 8210 are issued under the same investigative file number under which the investigation leading to the institution of disciplinary proceedings was conducted. If Interested Staff receives Documents pursuant to a request for information under Rule 8210 after Documents have been made available to a Respondent for inspection and copying as set forth in paragraph (a), and if such Documents are material and relevant to the disciplinary proceeding in which such Respondent is a Party, the additional Documents shall be made available to the Respondent not later than 14 days after the Interested Staff receives such Documents. If a hearing on the merits is scheduled to begin, Interested Staff shall make the additional Documents available to the Respondent not less than ten days before the hearing. If Interested Staff receives such Documents ten or fewer days before a hearing on the merits is scheduled to begin or after such hearing begins, Interested Staff shall make the additional Documents available immediately to the Respondent.

(3) Nothing in paragraph (a)(1) shall limit the discretion of Enforcement to make available any other Document or the authority of the Hearing Officer to order the production of any other Document.

(b) Withheld Documents

(1) Enforcement may withhold a Document if:

(A) the Document is privileged or constitutes attorney work product;

(B) the Document is an examination or inspection report, an internal memorandum, or other note or writing prepared by an Exchange employee that shall not be offered in evidence;

(C) the Document would disclose:

(i) an examination, investigatory or enforcement technique or guideline of the Exchange, a federal, state, or foreign regulatory authority, or a self-regulatory organization;

(ii) the identity of a source, including a federal, state, or foreign regulatory authority or a self-regulatory organization that furnished information or was furnished information on a confidential basis regarding an investigation, an examination, an enforcement proceeding, or any other type of civil or criminal enforcement action; or

(iii) an examination, an investigation, an enforcement proceeding, or any other type of civil or criminal enforcement action under consideration by, or initiated by, the Exchange, a federal, state, or foreign regulatory authority, or a self-regulatory organization; or

(D) the Hearing Officer grants leave to withhold a Document or category of Documents as not relevant to the subject matter of the proceeding, or for other good cause shown.

(2) Enforcement shall withhold a Document if the Document is prohibited from disclosure by federal law.

(3) Nothing in paragraph (b)(1) authorizes Enforcement to withhold a Document, or a part thereof, that contains material exculpatory evidence.

(c) Withheld Document List

The Hearing Officer may require Enforcement to submit to the Hearing Officer a list of Documents withheld pursuant to paragraph (b) or to submit to the Hearing Officer any Document withheld. Upon review, the Hearing Officer may order Enforcement to make the list or any Document withheld available to the other Parties for inspection and copying unless federal law prohibits disclosure of the Document or its existence. A motion to require Enforcement to produce a list of Documents withheld pursuant to paragraph (b) shall be based upon some reason to believe that a Document is being withheld in violation of the Code.

(d) Timing of Inspection and Copying

The Hearing Officer shall determine the schedule of production of documents pursuant to this Rule. Unless otherwise ordered by the Hearing Officer, Enforcement shall commence making Documents available to a Respondent for inspection and copying pursuant to this Rule not later than 21 days after service of the Respondent's answer or, if there are multiple Respondents, not later than 21 days after the last timely answer is filed. If a Respondent in a multi-Respondent case fails to answer, Enforcement shall make Documents available to all other Respondents not later than the later of:

(1) 21 days after the filing date of the last timely answer, or

(2) the expiration of the second period provided for filing an answer as set forth in Rule 9215(f).

(e) Place and Time of Inspection and Copying

Documents subject to inspection and copying pursuant to this Rule shall be made available to the Respondent for inspection and copying at the Exchange office where they are ordinarily maintained, or at such other office as the Hearing Officer, in his or her discretion, shall designate, or as the Parties otherwise agree. A Respondent shall be given access to the Documents during normal business hours. A Respondent shall not be given custody of the Documents or be permitted to remove the Documents from the Exchange's offices.

(f) Copying Costs

A Respondent may obtain a photocopy of all Documents made available for inspection. A Respondent shall be responsible for the cost of photocopying. Unless otherwise ordered, charges for copies made at the request of a Respondent shall be at a rate to be established by the Exchange.

(g) Failure to Make Documents Available — Harmless Error

In the event that a Document required to be made available to a Respondent pursuant to this Rule is not made available by Enforcement, no rehearing or amended decision of a proceeding already heard or decided shall be required unless the Respondent establishes that the failure to make the Document available was not harmless error. The Hearing Officer, or, upon review under Rule 9310, the Exchange Board of Directors, shall determine whether the failure to make the document available was not harmless error, applying applicable Exchange, FINRA, SEC, and federal judicial precedent.

Rule 9252. Requests for Information

(a) Content and Timing of Requests

A Respondent who requests that the Exchange invoke Rule 8210 to compel the production of Documents or testimony at the hearing shall do so in writing and serve copies on all Parties. Such request shall: be submitted to the Hearing Officer no later than 21 days before the scheduled hearing date; describe with specificity the Documents, the category or type of Documents, or the testimony sought; state why the Documents, the category or type of Documents, or the testimony are material; describe the requesting Party's previous efforts to obtain the Documents, the category or type of Documents, or the testimony through other means; and state whether the custodian of each Document, or the custodian of the category or type of Documents, or each proposed witness is subject to the Exchange's jurisdiction.

(b) Standards for Issuance

A request that the Exchange compel the production of Documents or testimony shall be granted only upon a showing that: the information sought is relevant, material, and non-cumulative; the requesting Party has previously attempted in good faith to obtain the desired Documents and testimony through other means but has been unsuccessful in such efforts; and each of the persons from whom the Documents and testimony are sought is subject to the Exchange's jurisdiction. In addition, the Hearing Officer shall consider whether the request is unreasonable, oppressive, excessive in scope, or unduly burdensome, and whether the request should be denied, limited, or modified.

(c) Limitations on Requests

If, after consideration of all the circumstances, the Hearing Officer determines that a request submitted pursuant to this Rule is unreasonable, oppressive, excessive in scope, or unduly burdensome, he or she shall deny the request, or grant it only upon such conditions as fairness requires. In making the foregoing determination, the Hearing Officer may inquire of the other Parties whether they shall stipulate to the facts sought to be proved by the Documents or testimony sought. If the Hearing Officer grants the request, the Hearing Officer shall order that requested Documents be produced to all Parties not less than ten days before the hearing, and order that witnesses whose testimony was requested appear and testify at the hearing. If the Hearing Officer grants the request ten or fewer days before a hearing on the merits is scheduled to begin or after such hearing begins, the Documents or testimony shall be produced immediately to all Parties.

Rule 9253. Production of Witness Statements

(a) Availability

Notwithstanding the provisions of Rule 9251(b),

(1) A Respondent in a disciplinary proceeding may file a motion requesting that Enforcement produce for inspection and copying any statement of any person called or to be called as a witness by Enforcement that pertains, or is expected to pertain, to his or her direct testimony and which is "a stenographic, mechanical, electrical, or other recording, or a transcription thereof, which is a substantially verbatim recital of an oral statement made by said witness and recorded contemporaneously with the making of such oral statement," as that phrase is used in 18 U.S.C. § 3500(e)(2).

(2) A Respondent in a disciplinary proceeding may also file a motion requesting that Enforcement produce for inspection and copying any contemporaneously written statement made by an Interested Staff member during a routine examination or inspection about the substance of oral statements made by a non-Exchange person when

(A) either the Interested Staff member or non-Exchange person is called as a witness by Enforcement, and

(B) that portion of the statement for which production is sought directly relates to the Interested Staff member's testimony or the testimony of the non-Exchange witness.

(b) Failure to Produce — Harmless Error

In the event that a statement required to be made available for inspection and copying by a Respondent is not provided by Enforcement, there shall be no rehearing of a proceeding already heard, or issuance of an amended decision in a proceeding already decided, unless the Respondent establishes that the failure to provide the statement was not harmless error. The Hearing Officer, or upon review under Rule 9310, the Exchange Board of Directors, shall determine whether the failure to provide any statement was not harmless error, applying applicable Exchange, FINRA, SEC, and federal judicial precedent.

Rule 9260. Hearing and Decision

Rule 9261. Evidence and Procedure in Hearing

(a) Submission of Documentary Evidence and List of Witnesses Before Hearing

No later than ten days before the hearing, or at such earlier date as may be specified by the Hearing Officer, each Party shall submit to all other Parties and to the Hearing Officer copies of documentary evidence and the names of the witnesses each Party intends to present at the hearing. The documentary evidence submitted by the Parties prior to the hearing pursuant to this paragraph shall not become part of the record, unless the Hearing Officer, Hearing Panel, or Extended Hearing Panel orders some or all of it included pursuant to Rule 9267(a)(8). The Hearing Officer may order each Party to refrain from submitting its documentary evidence to the Hearing Officer.

(b) Party's Right to Be Heard

If a hearing is held, a Party shall be entitled to be heard in person, by counsel, or by the Party's representative.

(c) Request to Submit Additional Evidence

Notwithstanding paragraph (a), a Party, for good cause shown, may seek to submit any additional evidence at the hearing as the Hearing Officer, in his or her discretion, determines may be relevant and necessary for a complete record.

Rule 9262. Testimony

A person who is subject to the jurisdiction of the Exchange shall testify under oath or affirmation. The oath or affirmation shall be administered by a court reporter or a notary public.

Rule 9263. Evidence: Admissibility

(a) Criteria for Receiving and Excluding Evidence

The Hearing Officer shall receive relevant evidence, and may exclude all evidence that is irrelevant, immaterial, unduly repetitious, or unduly prejudicial.

(b) Objections

Objections to the admission or exclusion of evidence shall be made on the record and shall succinctly state the grounds relied upon. Excluded material shall be deemed a supplemental document, which shall be attached to the record and retained under Rule 9267.

Rule 9264. Motion for Summary Disposition**(a) Pre-hearing**

After a Respondent's answer has been filed and Documents have been made available to that Respondent for inspection and copying pursuant to Rule 9251, the Respondent or Enforcement, without leave of the Hearing Officer, may make a motion for summary disposition of any or all the causes of action in the complaint with respect to that Respondent, as well as any defense raised in a Respondent's answer. All pre-hearing motions for summary disposition and supporting papers shall be filed at least 21 days before the time set for the hearing, or at such earlier time as ordered by the Hearing Officer. Notwithstanding the provisions of Rule 9146(d), any opposition or response to a pre-hearing motion for summary disposition shall be filed at least seven days before the time set for the hearing.

(b) After Commencement of Hearing on Merits

After a hearing on the merits has commenced, a Respondent or Enforcement may make a motion for summary disposition of any or all of the causes of action in the complaint with respect to that Respondent or defenses raised in that Respondent's answer only with leave of the Hearing Officer.

(c) Case Not Fully Adjudicated on Motion

If on motion under this rule a decision is not rendered upon the whole case or for all the relief asked and a hearing is necessary, the Hearing Panel or, if applicable, the Extended Hearing Panel, at the hearing of the motion, by examining the pleadings and the evidence before it and by questioning counsel, shall, if practicable, ascertain what material facts exist without substantial controversy and what material facts are actually and in good faith controverted. It shall thereupon make an order specifying the facts that appear without substantial controversy, and directing such further proceedings in the action as are just. Upon the hearing of the action the facts so specified shall be deemed established, and the hearing shall be conducted accordingly.

(d) Form of Papers

A motion for summary disposition pursuant to paragraph (a) shall be accompanied by the following: a statement of undisputed facts; a supporting memorandum of points and authorities; and affidavits or declarations that set forth such facts as would be admissible at the hearing and show affirmatively that the affiant is competent to testify to the matters stated therein. A memorandum of points and authorities in support or opposition shall not exceed 35 pages.

(e) Rulings on Motion

The Hearing Officer may promptly deny or defer decisions on any motion for summary disposition, however, only the Hearing Panel or, if applicable, the Extended Hearing Panel, may grant a motion for summary disposition, except the Hearing Officer may grant motions for summary disposition with respect to questions of jurisdiction. The Hearing Panel or, if applicable, the Extended Hearing Panel, may grant the motion for summary disposition if there is no genuine issue with regard to any material fact and the Party that files the motion is entitled to summary disposition as a matter of law. If a Party files a motion under paragraph (a), the facts alleged in the pleadings of the Party against whom the motion is made shall be taken as true, except as modified by stipulations or admissions made by the non-moving Party, by uncontested affidavits or declarations, or by facts officially noticed pursuant to Rule 9145. If a Party opposing a motion for summary disposition made under paragraph (a) cannot present, by affidavit prior to the hearing, facts essential to justify the Party's opposition to the motion, the Hearing Panel or, if applicable, the Extended Hearing Panel, may deny the motion for summary disposition or defer the decision on the motion.

Rule 9265. Record of Hearing

(a) Recordation

A hearing shall be recorded by a court reporter and a transcript shall be prepared. Unless otherwise ordered by a Hearing Officer, a pre-hearing conference shall be recorded by a court reporter and a transcript shall be prepared.

(b) Availability of a Transcript

A transcript of a pre-hearing conference and a transcript of a hearing shall be available to a Party for purchase from the court reporter at prescribed rates. A witness may purchase from the court reporter a transcript of his or her own testimony.

(c) Transcript Correction

Prior to the filing of post-hearing briefs or proposed findings and conclusions, or within such earlier time as ordered by the Hearing Officer, a Party or witness may seek to correct his or her transcript. A proposed correction of the transcript shall be submitted to the Hearing Officer by affidavit. Upon notice to all Parties to the disciplinary proceeding, the Hearing Officer may order the correction to the transcript as requested or sua sponte.

Rule 9266. Proposed Findings of Fact, Conclusions of Law, and Post-Hearing Briefs

(a) Discretion of Hearing Officer to Require Proposed Findings of Fact, Conclusions of Law, and Post-Hearing Briefs

At the discretion of the Hearing Officer, the Parties may be ordered to file proposed findings of facts and conclusions of law, or post-hearing briefs, or both. The Hearing Officer may order that such proposed findings and conclusions be filed together with, or as part of, post-hearing briefs.

(b) Reference to Record Required

Proposed findings of fact or other statements of fact in briefs shall be supported by specific references to the record.

(c) Period for Filing

In any case in which the Hearing Officer ordered the filing of proposed findings or conclusions of law, or post-hearing briefs, the Hearing Officer shall, after consultation with the Parties, prescribe the period within which proposed findings and conclusions of law and post-hearing briefs are to be filed. Such period shall be reasonable under all the circumstances but the total period allowed for the filing of post-hearing submissions shall not exceed 60 days after the conclusion of the hearing unless the Hearing Officer, for good cause shown, permits a different period and sets forth in an order the reasons why a longer period is necessary.

(d) Form, Length of Papers

Unless the Hearing Officer orders otherwise, each post-hearing submission shall not exceed 25 pages, exclusive of cover sheets, tables of contents, and tables of authorities.

Rule 9267. Record; Supplemental Documents Attached to Record; Retention

(a) Contents of the Record, Retention

The record shall consist of:

- (1) the complaint, answers, each notice of hearing, pre-hearing order, and any amendments thereto;
- (2) each application, motion, submission, and other paper, and any amendments, motions, objections, and exceptions to or regarding them;
- (3) each transcript of a pre-hearing conference and of a hearing, and each stipulation, transcript of testimony, Document, and other item admitted into evidence;
- (4) each written communication accepted at the discretion of the Hearing Officer;

(5) with respect to a motion to disqualify a Hearing Officer under Rule 9233 or a Panelist under Rule 9234, each affidavit or transcript of testimony taken and the ruling made in connection with the request;

(6) all proposed findings and conclusions;

(7) each written ruling, order, and decision issued by the Chief Hearing Officer, Hearing Officer, Hearing Panel or, if applicable, Extended Hearing Panel; and,

(8) any other Document or item accepted into the record by the Hearing Officer, the Hearing Panel or, if applicable, the Extended Hearing Panel.

(b) Supplemental Documents Attached To Record; Retention

(1) A supplemental Document attached to the record is any Document submitted to the Hearing Officer that did not become part of the record, including:

(A) a Document not admitted by the Hearing Officer, Hearing Panel or, if applicable, the Extended Hearing Panel;

(B) any matter stricken from any filing or stricken during an oral presentation, including any matter stricken from any filing or stricken during any oral presentation because the Adjudicator determined it was scandalous or impertinent as provided in Rule 9136(e); and

(C) a list of Documents, if any, that a Respondent unsuccessfully sought by motion to inspect and copy under Rule 9251(c).

(2) A supplemental Document attached to the record shall not constitute part of the record, but shall be retained until the date upon which the Exchange's decision becomes final disciplinary action or, if applicable, upon the conclusion of any review by the SEC or the federal courts.

(c) Substitution of Copies

Parties may submit to the Hearing Officer for substitution a true copy of a Document in the record.

Rule 9268. Decision of Hearing Panel or Extended Hearing Panel

(a) Majority Decision

Within 60 days after the final date allowed for filing proposed findings of fact, conclusions of law, and post-hearing briefs, or by a date established at the discretion of the Chief Hearing Officer, the Hearing Officer shall prepare a written decision that reflects the views of the Hearing Panel or, if applicable, the Extended Hearing Panel, as determined by majority vote.

(b) Contents of Decision

The decision shall include:

- (1) a statement describing the investigative or other origin of the disciplinary proceeding, if not otherwise contained in the record;
- (2) the specific statutory or rule provisions that were alleged to have been violated;
- (3) a statement setting forth the findings of fact with respect to any act or practice the Respondent was alleged to have committed or omitted;
- (4) the conclusions of the Hearing Panel, or Extended Hearing Panel, as to whether the Respondent violated any provision alleged in the complaint;
- (5) a statement of the Hearing Panel, or the Extended Hearing Panel, in support of the disposition of the principal issues raised in the proceeding; and
- (6) a statement describing any sanction imposed, the reasons therefor, and the date upon which such sanction shall become effective. Unless otherwise provided in the decision, the sanction(s) shall become effective pursuant to paragraph (f) of this Rule.

(c) Dissenting Opinion

Within 65 days after the final date allowed for filing proposed findings of fact and conclusions of law, and post-hearings briefs, or by a date established at the discretion of the Chief Hearing Officer, the Hearing Officer or any Panelist may prepare a written dissenting opinion.

(d) Service, Notice, and Dissemination Requirements

The Office of Hearing Officers shall promptly serve the decision of the Hearing Panel, or the Extended Hearing Panel, and any dissenting opinion on the Parties; publish notice of the decision and any dissenting opinion in the Central Registration Depository; and provide a copy of the decision and any dissenting opinion to each member organization and ATP Holder with which a Respondent is associated.

(e) Review

- (1) If a request for review is not timely filed pursuant to Rule 9310, the majority decision shall constitute final disciplinary action of the Exchange for purposes of SEA Rule 19d-1(c)(1).
- (2) A majority decision with respect to an Exchange member or member organization that is an affiliate of the Exchange shall constitute final disciplinary

action of the Exchange for purposes of SEC Rule 19d-1(c)(1) and may not be reviewed pursuant to Rule 9310.

(f) Effectiveness of Sanctions

Unless otherwise provided in the majority decision issued under paragraph (a) of this Rule:

(1) a sanction (other than a bar or an expulsion) specified in a decision constituting final disciplinary action of the Exchange for purposes of SEA Rule 19d-1(c)(1) shall become effective on a date to be determined by the Exchange; and

(2) a bar or an expulsion specified in a decision shall become effective immediately upon the decision becoming the final disciplinary action of the Exchange for purposes of SEA Rule 19d-1(c)(1).

Rule 9269. Default Decisions

(a) Issuance of Default Decisions

(1) The Hearing Officer may issue a default decision against a Respondent that fails to answer the complaint within the time afforded under Rule 9215, or a Party that fails to appear at a pre-hearing conference held pursuant to Rule 9241 of which the Party has due notice, or a Party that fails to appear at any hearing that the Party is required to attend under the Rule 9200 Series of which the Party has due notice.

(2) If the defaulting Party is the Respondent, the Hearing Officer may deem the allegations against that Respondent admitted. If the Defaulting Party is Enforcement, the Hearing Officer may issue a default decision ordering that the complaint be dismissed with prejudice.

(3) The Hearing Officer may order a Party that fails to appear at the prehearing conference or the hearing to pay the costs incurred by other Parties in connection with their appearance.

(b) Contents of Decision

The contents of a default decision shall conform to the requirements of Rule 9268(b).

(c) Review of Default Decision

Party may, for good cause shown, file a motion to set aside a default, dismissal, and the imposition of costs. Upon a showing of good cause, the Hearing Officer that entered the original order shall decide the motion. If the Hearing Officer that issued the original order is not available, the Chief Hearing Officer shall appoint another Hearing Officer to decide the motion.

(d) Final Disciplinary Action of the Exchange; Effectiveness of Sanctions

If a request for a review of a default decision is not filed pursuant to Rule 9310 within 25 days after the date the Office of Hearing Officers serves it on the Parties, the default decision shall become the final disciplinary action of the Exchange for purposes of SEA Rule 19d-1(c)(1). Unless otherwise provided in the default decision, the sanctions shall become effective on a date to be determined by Regulatory Staff, except that a bar or expulsion shall become effective immediately upon the default decision becoming the final disciplinary action of the Exchange. The decision shall be served on a Respondent by courier or other means reasonably likely to obtain prompt service when the sanction is a bar or an expulsion.

Rule 9270. Settlement Procedure**(a) When Offer Allowed; No Stay of Proceeding**

A Respondent who is notified that a proceeding has been instituted against him or her may propose in writing an offer of settlement at any time. If a Respondent proposes an offer of settlement before the hearing on the merits has begun, the making of an offer of settlement shall not stay the proceeding, unless otherwise decided by the Hearing Officer. If a Respondent proposes an offer of settlement after the hearing on the merits has begun, the making of an offer of settlement shall not stay the proceeding, unless otherwise decided by the Hearing Panel or, if applicable, the Extended Hearing Panel.

(b) Settlement Offer Shall Conform to Rule

A Respondent who makes an offer of settlement shall do so in conformity with the provisions of this Rule and shall not make such an offer of settlement frivolously or propose a sanction inconsistent with the seriousness of the violations to be found.

(c) Content and Signature Requirements

An offer of settlement shall be in writing and signed by the person making the offer, and, if the person is represented by counsel or a representative, signed also by the counsel or representative. The offer of settlement shall contain in reasonable detail:

- (1) a statement describing the investigative or other origin of the disciplinary action;
- (2) the specific statutory or rule provisions that the member organization or covered person is alleged to have violated;
- (3) a statement containing the acts or practices which the member organization or covered person is alleged to have engaged in or omitted;
- (4) a statement consenting to findings of fact and violations consistent with the statements contained in the offer of settlement required by paragraphs (c)(2) and (c)(3);

(5) a proposed sanction to be imposed that is consistent with the Exchange's then current sanction guidelines, if applicable, or, if inconsistent with the sanction guidelines, a detailed statement supporting the proposed sanction; and

(6) a description of the proposed sanction and the effective date of any sanction(s) imposed, or a statement that the effective date of the sanction(s) will be a date to be determined by Regulatory Staff.

(d) Waiver

(1) If a Respondent submits an offer of settlement, by the submission such Respondent waives:

(A) any right of such Respondent to a hearing before a Hearing Panel or, if applicable, an Extended Hearing Panel, and any right of review by the Exchange Board of Directors, the SEC, and the courts, or any right otherwise to challenge or contest the validity of the order issued, if the offer of settlement and order of acceptance are accepted;

(B) any right of such Respondent to claim bias or prejudgment of the Chief Hearing Officer, Hearing Officer, a Hearing Panel or, if applicable, an Extended Hearing Panel, a Panelist on a Hearing Panel, or, if applicable, an Extended Hearing Panel, the CRO, the Exchange Board of Directors, Counsel to the Exchange Board of Directors, or any Director, in connection with such person's or body's participation in discussions regarding the terms and conditions of the offer of settlement and the order of acceptance, or other consideration of the offer of settlement and order of acceptance, including acceptance, or rejection of such offer of settlement and order of acceptance; and

(C) any right of such Respondent to claim that a person or body violated the ex parte prohibitions of Rule 9143 or the separation of functions prohibitions of Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of the offer of settlement and the order of acceptance, or other consideration of the offer of settlement and order of settlement, including acceptance or rejection of such offer of settlement and order of acceptance.

(2) If an offer of settlement and an order of acceptance are rejected, the Respondent shall be bound by the waivers made in this paragraph (d) for conduct by persons or bodies occurring during the period beginning from the date the offer of settlement was submitted and ending upon the rejection of the offer of settlement and order of acceptance.

(e) Contested Offers of Settlement Deemed Rejected

If a Respondent makes an offer of settlement and Enforcement opposes it, the offer of settlement is contested. A contested offer of settlement shall be deemed rejected, shall not

be transmitted to the Office of Hearing Officers, CRO, or Hearing Panel or Extended Hearing Panel, and shall not constitute a part of the record in any proceeding against the Respondent making the offer.

(f) Uncontested Offers of Settlement

If a Respondent makes an offer of settlement and Enforcement does not oppose it, the offer of settlement is uncontested. If an offer of settlement is determined to be uncontested by Enforcement before a hearing on the merits has begun, Enforcement shall transmit the uncontested offer of settlement and a proposed order of acceptance to the CRO with its recommendation. If an offer of settlement is determined to be uncontested by Enforcement after a hearing on the merits has begun, Enforcement shall transmit the offer of settlement and a proposed order of acceptance to the Hearing Panel or, if applicable, the Extended Hearing Panel to be accepted or not accepted.

(1) A proposed order of acceptance shall make findings of fact, including a statement of the rule, regulation, or statutory provision violated, and impose sanctions consistent with the terms of the offer of settlement.

(2) Before an offer of settlement and an order of acceptance shall become effective, they shall be submitted to and accepted by the CRO, the Hearing Panel, or if applicable, Extended Hearing Panel. The CRO, Hearing Panel, or if applicable, Extended Hearing Panel, may or may not accept such offer of settlement and order of acceptance.

(3) If the offer of settlement and order of acceptance are accepted by the CRO, the Hearing Panel or, if applicable, Extended Hearing Panel, they shall be issued and shall be sent to each Director and each member of the Committee for Review via courier, express delivery or electronic means. The offer of settlement and order of acceptance shall become final 25 days after they are sent to each Director and each member of the Committee for Review, unless review by the Exchange Board of Directors is requested pursuant to Rule 9310(a)(1).

(g) Final Disciplinary Action of the Exchange

The proceeding shall conclude as of the date the order of acceptance is final. The final order of acceptance shall constitute final disciplinary action of the Exchange. The sanction shall take effect as set forth in the order.

(h) Uncontested Offer of Settlement Not Accepted

If an uncontested offer of settlement or an order of acceptance is not accepted by the CRO, the Hearing Panel or the Extended Hearing Panel, the Respondent shall be notified in writing and the offer of settlement and proposed order of acceptance shall be deemed withdrawn. An offer and a proposed order of acceptance that are not accepted shall not constitute a part of the record in any proceeding against the Respondent making the offer.

(i) Disciplinary Proceeding With Multiple Respondents

When a disciplinary proceeding names multiple Respondents, settlement offers may be accepted or rejected as to any one or all of the Respondents submitting offers. The proceedings shall thereafter be terminated as to those Respondents whose offers of settlement are accepted, but such Respondents may be required to participate in any hearing conducted as to those Respondents that did not submit offers of settlement or whose offers of settlement were rejected.

(j) No Prejudice from Rejected Offer of Settlement

If an offer of settlement is rejected by the CRO, a Hearing Panel or Extended Hearing Panel, the Respondent shall not be prejudiced by the offer, which may not be introduced into evidence in connection with the determination of the issues involved in the pending complaint or in any other proceeding.

Rule 9280. Contemptuous Conduct

(a) Persons Subject to Sanctions

If a Party, attorney for a Party, or other person authorized to represent others by Rule 9141, engages in conduct in violation of an order of a Hearing Officer, a Hearing Panel or, if applicable, an Extended Hearing Panel, or other contemptuous conduct during a proceeding, a Hearing Officer, Hearing Panel or, if applicable, an Extended Hearing Panel, may:

- (1) subject the Party, attorney for a Party, or other person authorized to represent others by Rule 9141, to the sanctions set forth in paragraph (b); and
- (2) exclude an attorney for a Party, or other person authorized to represent others by Rule 9141, under Rule 9150.

(b) Sanctions Other Than Exclusion

A Hearing Officer, Hearing Panel or, if applicable, an Extended Hearing Panel, may make such orders as are just in regard to a Party, an attorney for a Party, or other person authorized to represent others by Rule 9141.

(1) Such orders may include:

- (A) an order providing that the matters on which the order is made or any other designated facts shall be taken to be established for the purposes of the disciplinary proceeding in accordance with the claim of the Party obtaining the order;
- (B) an order providing that the disobedient Party may not support or oppose designated claims or defenses, or may not introduce designated matters in evidence;

(C) an order providing that pleadings or a specified part of the pleading shall be stricken, or an order providing that the proceeding shall be stayed until the Party subject to the order obeys it;

(D) in lieu of any of the foregoing orders or in addition thereto, an order providing that contemptuous conduct includes the failure to obey any order; and

(E) an order as provided in subparagraphs (A), (B), and (C) where a Party has failed to comply with an order to produce a person for examination, unless the Party failing to comply shows that such Party is unable to produce such person for examination.

(2) A Party that without substantial justification fails to disclose information required by the Rule 9240 Series and the Rule 9250 Series or otherwise required by order of the Hearing Officer, Hearing Panel or, if applicable, the Extended Hearing Panel, shall not, unless such failure is harmless, be permitted to use as evidence at a hearing, in a motion or in any other filing of papers, or in oral argument, any witness or information not so disclosed. In addition to, or in lieu of this sanction, the Hearing Officer, Hearing Panel or, if applicable, the Extended Hearing Panel, on motion and after affording an opportunity to be heard, may impose other appropriate sanctions. These sanctions may include any of the sanctions provided for in paragraphs (b)(1)(A) through (C).

(c) Review of Exclusions

If an attorney for a Party, or other person authorized to represent others by Rule 9141, is excluded from a disciplinary hearing or conference, or any portion thereof, such attorney or other person may seek review of the exclusion by filing a motion to vacate with the Chief Hearing Officer. Such motion to vacate shall be filed and served on all Parties within five days after service of the exclusion order. Any response shall be filed with the Chief Hearing Officer and served on all Parties within five days after the service of the motion to vacate. The Chief Hearing Officer shall consider such motion on an expedited basis and promptly issue a written order. The filing of a motion to vacate shall stay all aspects of the disciplinary proceeding until at least seven days after service of the order of the Chief Hearing Officer. The review proceedings shall be conducted on the basis of the written record without oral argument.

(d) Adjournment

The hearing, conferences, or other activities relating to the disciplinary proceeding shall be stayed pending the review by the Chief Hearing Officer of an exclusion order in paragraph (c). In the event that the Chief Hearing Officer upholds an exclusion of an attorney or other person authorized to represent others by Rule 9141, the Hearing Officer may, upon motion by a Party represented by an attorney or other person subject to an order of exclusion, grant an adjournment to allow the retention of new counsel or selection of a new representative. In determining whether to grant an adjournment or the

length of an adjournment, the Hearing Officer shall consider whether there are other counsel or representatives of record on behalf of the Party, the availability of other counsel or other members of an excluded attorney's firm, or the availability of other representatives for the Party, and any other relevant factors.

Rule 9290. Expedited Disciplinary Proceedings

For any disciplinary proceeding, the subject matter of which also is subject to a temporary cease and desist proceeding initiated pursuant to Rule 9810 or a temporary cease and desist order, hearings shall be held and decisions shall be rendered at the earliest possible time. An expedited hearing schedule shall be determined at a pre-hearing conference held in accordance with Rule 9241.

Rule 9300. REVIEW OF DISCIPLINARY PROCEEDING BY EXCHANGE BOARD OF DIRECTORS

Rule 9310. Review by Exchange Board of Directors

(a) Request for Review

(1)(A) Any Party, any Director, and any member of the Committee for Review may require a review by the Exchange Board of Directors of any determination or penalty, or both, imposed by a Hearing Panel or Extended Hearing Panel under the Rule 9200 Series, except that none of the aforementioned persons may request a review by the Exchange Board of Directors of a decision concerning an Exchange member or member organization that is an affiliate. A request for review shall be made by filing with the Secretary of the Exchange a written request therefor, which states the basis and reasons for such review, within 25 days after notice of the determination and/or penalty is served upon the Respondent. The Secretary of the Exchange shall give notice of any such request for review to the Parties.

(B) In addition to the provisions for review by the Exchange Board of Directors set forth in Rule 9310(a)(1)(A):

(i) Any Director and any member of the Committee for Review may require a review by the Exchange Board of Directors of any determination or penalty, or both, imposed in connection with a letter of acceptance, waiver, and consent under Rule 9216 or an offer of settlement determined to be uncontested before a hearing on the merits has begun under Rule 9270(f), except that none of the aforementioned persons may request a review by the Exchange Board of Directors of a determination or penalty concerning an Exchange member or member organization that is an affiliate. A request for review shall be made by filing with the Secretary of the Exchange a written request therefor, which states the basis and reasons for such review, within 25 days after a letter of acceptance, waiver, and consent or an offer of settlement has been sent to each Director and each member of the Committee for Review pursuant to Rule 9216(a)(4) or Rule

9270(f)(3). The Secretary of the Exchange shall give notice of any such request for review to the Parties.

(ii) Any Party may require a review by the Exchange Board of Directors of any rejection by the CRO of a letter of acceptance, waiver, and consent under Rule 9216 or an offer of settlement determined to be uncontested before a hearing on the merits has begun under Rule 9270(f), except that no Party may request a review by the Exchange Board of Directors of a rejection of a letter of acceptance, waiver, and consent or an offer of settlement concerning an Exchange member or member organization that is an affiliate. A request for review shall be made by filing with the Secretary of the Exchange a written request therefor, which states the basis and reasons for such review, within 25 days after notification pursuant to Rule 9216(a)(3) or Rule 9270(h) that a letter of acceptance, waiver, and consent, or an uncontested offer of settlement or an order of acceptance is not accepted by the CRO. The Secretary of the Exchange shall give notice of any such request for review to the Parties.

(2) In connection with any review under paragraph (a)(1)(A), the Secretary of the Exchange shall direct the Office of Hearing Officers to complete and transmit a record of the disciplinary proceeding in accordance with Rule 9267. Within 21 days after the Secretary of the Exchange gives notice of a request for review to the Parties, or at such later time as the Secretary of the Exchange may designate, the Office of Hearing Officers shall assemble and prepare an index to the record, transmit the record and the index to the Secretary of the Exchange, and serve copies of the index upon all Parties. The Hearing Officer who participated in the disciplinary proceeding, or the Chief Hearing Officer, shall certify that the record transmitted to the Secretary of the Exchange is complete.

(b) Review by Exchange Board of Directors

Any review by the Exchange Board of Directors shall be based on oral arguments and written briefs and shall be limited to consideration of the record before the Hearing Panel or Extended Hearing Panel. The Committee for Review may, but is not required to, appoint an appeals panel to conduct a review under this subsection and make a recommendation to the Committee for Review. An appeals panel appointed by the Committee for Review would consist of at least three and no more than five individuals. An appeals panel appointed by the Committee for Review for equity matters would be composed of at least one director and one member or individual associated with an equities member organization. An appeals panel appointed by the Committee for Review for options matters would be composed of at least one director and one member or individual associated with an options member organization. Upon review, and with the advice of the Committee for Review, the Exchange Board of Directors, by the affirmative vote of a majority of the Exchange Board of Directors then in office, may sustain any determination or penalty imposed, or both, may modify or reverse any such determination, and may increase, decrease or eliminate any such penalty, or impose any penalty permitted under the Exchange's rules, as it deems appropriate. Unless the

Exchange Board of Directors otherwise specifically directs, the determination and penalty, if any, of the Exchange Board of Directors after review shall be final and conclusive subject to the provisions for review of the Securities Exchange Act of 1934.

(c) Remand

Notwithstanding the foregoing, if either Party upon review applies to the Exchange Board of Directors for leave to adduce additional evidence, and shows to the satisfaction of the Exchange Board of Directors that the additional evidence is material and that there were reasonable grounds for failure to adduce it before the Hearing Panel or Extended Hearing Panel, the Exchange Board of Directors may remand the case for further proceedings, in whatever manner and on whatever conditions the Exchange Board of Directors considers appropriate.

(d) Chief Executive Officer

Notwithstanding any other provisions of this Rule 9000 Series, the Chief Executive Officer may not require a review by the Exchange Board of Directors under this Rule and shall be recused from deliberations and actions of the Exchange Board of Directors with respect to matters to be reviewed by the Exchange Board of Directors under this Rule.

Rule 9500. OTHER PROCEEDINGS

Rule 9520. Eligibility Proceedings

Rule 9521. Purpose and Definitions

(a) Purpose

The Rule 9520 Series sets forth procedures for a covered person to become or remain associated with a member organization or ATP Holder, notwithstanding the existence of a statutory disqualification as defined in Section 3(a)(39) of the Exchange Act and for a current member organization or covered person to obtain relief from the eligibility or qualification requirements of the Exchange's Rules. Such actions hereinafter are referred to as "eligibility proceedings."

(b) Definitions

(1) The term "Application" means FINRA's Form MC-400 for covered persons or Form MC-400A for member organizations, filed with FINRA's Department of Registration and Disclosure ("RAD").

(2) The term "disqualified member organization" means a broker, dealer, municipal securities broker or dealer, government securities broker or dealer, ATP Holder or member organization that is or becomes subject to a disqualification or is otherwise ineligible for membership under Exchange rules.

(3) The term “disqualified person” means a covered person or person seeking to become a covered person who is or becomes subject to a disqualification or is otherwise ineligible for association under Exchange rules.

(4) The term “sponsoring member organization” means the member organization, ATP Holder or applicant for membership pursuant to Exchange rules that is sponsoring the association or continued association of a disqualified person to be admitted, readmitted, or permitted to continue in association.

Rule 9522. Initiation of Eligibility Proceeding; Member Regulation Consideration

(a) Initiation by the Exchange

(1) Issuance of Notice of Disqualification or Ineligibility

If Exchange staff has reason to believe that a disqualification exists or that a member organization or covered person otherwise fails to meet the eligibility requirements of the Exchange, Exchange staff shall issue a written notice to the member organization, ATP Holder or applicant for membership under Exchange rules. The notice shall specify the grounds for such disqualification or ineligibility. Exchange staff shall not issue such written notice to member organizations, ATP Holders or applicants for membership under Exchange rules with respect to disqualifications arising solely from findings or orders specified in Section 15(b)(4)(D), (E), or (H) of the Exchange Act or arising under Section 3(a)(39)(E) of the Exchange Act, unless the member organization, ATP Holder or applicant for membership under Exchange rules is required to file an application pursuant to an Information Memo entitled “Eligibility Proceedings: Exchange Rule 9520 Series to Establish Procedures Applicable to Member Organizations and Covered Persons Subject to Certain Statutory Disqualifications” (the “SD Information Memo”).

(2) Notice Regarding a Member Organization

A notice issued to a disqualified member organization shall state that the disqualified member organization may apply for relief by filing an application or, in the case of a matter set forth in Rule 9522(e)(1), a written request for relief, within ten business days after service of the notice. If the member organization fails to file the application or, where appropriate, the written request for relief, within the 10-day period, the membership of the member organization shall be canceled, unless the Department of Member Regulation grants an extension for good cause shown.

(3) Notice Regarding a Covered Person

A notice issued regarding a disqualified person to a member organization or ATP Holder or applicant for membership under Exchange rules shall state that such member organization or ATP Holder or applicant for membership may file an application on behalf of itself and such covered person or, in the case of a matter

set forth in Rule 9522(e)(1), a written request for relief, within ten business days after service of the notice. If the member organization or ATP Holder fails to file the application or, where appropriate, the written request for relief, within the 10-day period, the registration of the disqualified person shall be revoked, unless the Department of Member Regulation grants an extension for good cause shown.

(4) Service

A notice issued under this paragraph (a) shall be served pursuant to Rules 9131 and 9134.

(b) Obligation of Member Organization or ATP Holder to Initiate Proceeding

(1) A member organization or ATP Holder shall file an application or, in the case of a matter set forth in Rule 9522(e)(1), a written request for relief, with RAD, if the member organization or ATP Holder determines prior to receiving a notice under paragraph (a) that:

(A) it has become a disqualified member organization;

(B) a covered person associated with such member organization or ATP Holder or whose association is proposed by an applicant for membership under Exchange rules has become a disqualified person; or

(C) the member organization, ATP Holder, or applicant for membership under Exchange rules wishes to sponsor the association of a covered person who is a disqualified person.

(2) For any disqualifications arising solely from findings or orders specified in Section 15(b)(4)(D), (E), or (H) of the Exchange Act or arising under Section 3(a)(39)(E) of the Exchange Act, a member organization or ATP Holder shall not file an application unless instructed to do so by the SD Information Memo.

(c) Withdrawal of Application

A member organization or ATP Holder may withdraw its application or written request for relief prior to a hearing by filing a written notice with RAD pursuant to Rules 9135, 9136, and 9137. A member organization or ATP Holder may withdraw its application after the start of a hearing but prior to the issuance of a decision by the Exchange Board of Directors by filing a written notice with RAD and the CRO pursuant to Rules 9135, 9136, and 9137.

(d) Ex Parte Communications

The prohibitions against ex parte communications set forth in Rule 9143 shall become effective under the Rule 9520 Series when Exchange staff has initiated the eligibility proceeding and Exchange staff has knowledge that a member organization or ATP

Holder intends to file an application or written request for relief pursuant to the Rule 9520 Series.

(e) Member Regulation Consideration

(1) Matters that may be Approved by the Department of Member Regulation without the Filing of an Application

The Department of Member Regulation, as it deems consistent with the public interest and the protection of investors, is authorized to approve a written request for relief from the eligibility requirements by a disqualified member organization or a sponsoring member organization without the filing of an application by such disqualified member organization or sponsoring member organization if a disqualified member organization or disqualified person is subject to one or more of the following conditions but is not otherwise subject to disqualification:

(A) a disqualified member organization or disqualified person is subject to a disqualification based on an injunction that was entered ten or more years prior to the proposed admission or continuance by order, judgment, or decree of any court of competent jurisdiction from acting as an investment adviser, underwriter, broker, dealer, municipal securities dealer, government securities broker, government securities dealer, transfer agent, foreign person performing a function substantially equivalent to any of the above, entity or person required to be registered under the Commodity Exchange Act, or any substantially equivalent foreign statute or regulation, or as an affiliated person or employee of any investment company, bank, insurance company, foreign entity substantially equivalent to any of the above, or entity or person required to be registered under the Commodity Exchange Act or any substantially equivalent foreign statute or regulation, or from engaging in or continuing any conduct or practice in connection with any such activity, or in connection with the purchase or sale of any security.

(B) a sponsoring member organization makes a request to change the supervisor of a disqualified person; or

(C) a disqualified member organization or sponsoring member organization is a member of both the Exchange and another self-regulatory organization; and:

(i) the other self-regulatory organization intends to file a Notice under SEA Rule 19h-1 approving the membership continuance of the disqualified member organization or, in the case of a sponsoring member organization, the proposed association or continued association of the disqualified person; and

(ii) the Department of Member Regulation concurs with that determination.

(2) Matters that may be Approved by the Department of Member Regulation after the Filing of an Application

The Department of Member Regulation, as it deems consistent with the public interest and the protection of investors, is authorized to approve an application filed by a disqualified member organization or sponsoring member organization if the disqualified member organization or disqualified person is subject to one or more of the following conditions but is not otherwise subject to disqualification (other than a matter set forth in paragraph (e)(1)):

(A) The disqualified person is already a participant in, a member of, or a person associated with a member of, a self-regulatory organization (other than the Exchange), and the terms and conditions of the proposed admission to the Exchange are the same in all material respects as those imposed or not disapproved in connection with such covered person's prior admission or continuance pursuant to an order of the SEC under SEA Rule 19h-1 or other substantially equivalent written communication;

(B) The Department of Member Regulation finds, after reasonable inquiry, that except for the identity of the employer concerned, the terms and conditions of the proposed admission or continuance are the same in all material respects as those imposed or not disapproved in connection with a prior admission or continuance of the disqualified person pursuant to an order of the SEC under SEA Rule 19h-1 or other substantially equivalent written communication, and that there is no intervening conduct or other circumstance that would cause the employment to be inconsistent with the public interest or the protection of investors;

(C) The disqualification previously was a basis for the institution of an administrative proceeding pursuant to a provision of the federal securities laws, and was considered by the SEC in determining a sanction against such disqualified person in the proceeding; and the SEC concluded in such proceeding that it would not restrict or limit the future securities activities of such disqualified person in the capacity now proposed, or, if it imposed any such restrictions or limitations for a specified time period, such time period has elapsed;

(D) The disqualification consists of a court order or judgment of injunction or conviction, and such order or judgment:

(i) expressly includes a provision that, on the basis of such order or judgment, the SEC will not institute a proceeding against such covered person pursuant to Section 15(b) or 15B of the Exchange Act or that the future securities activities of such covered persons in the capacity now proposed will not be restricted or limited; or

(ii) includes such restrictions or limitations for a specified time period and such time period has elapsed;

(E) The disqualified person's functions are purely clerical and/or ministerial in nature; or

(F) The disqualification arises from findings or orders specified in Section 15(b)(4)(D), (E), or (H) of the Exchange Act or arises under Section 3(a)(39)(E) of the Exchange Act.

(3) Rights of Disqualified Member Organization, Sponsoring Member Organization, Disqualified Person, and Department of Member Regulation

(A) In the event the Department of Member Regulation does not approve a written request for relief from the eligibility requirements pursuant to paragraph (e)(1), the disqualified member organization or sponsoring member organization may file an application, and such member organization shall have the right to proceed under Rule 9523 or 9524, as applicable. The Department of Member Regulation may require a disqualified member organization or sponsoring member organization to file an application with RAD, notwithstanding the provisions of paragraph (e)(1).

(B) In the event the Department of Member Regulation does not approve an application pursuant to paragraph (e)(2), the disqualified member organization or sponsoring member organization shall have the right to proceed under Rule 9523 or 9524, as applicable.

Rule 9523. Acceptance of Member Regulation Recommendations and Supervisory Plans by Consent Pursuant to SEA Rule 19h-1

(a) With respect to all disqualifications, except those arising solely from findings or orders specified in Section 15(b)(4)(D), (E) or (H) of the Exchange Act or arising under Section 3(a)(39)(E) of the Exchange Act, after an application is filed, the Department of Member Regulation may recommend the membership or continued membership of a disqualified member organization or sponsoring member organization or the association or continuing association of a disqualified person pursuant to a supervisory plan where the disqualified member organization, sponsoring member organization, and/or disqualified person, as the case may be, consent to the recommendation and the imposition of the supervisory plan. The disqualified member organization, sponsoring member organization, and/or disqualified person, as the case may be, shall execute a letter consenting to the imposition of the supervisory plan.

(1) If a disqualified member organization, sponsoring member organization, and/or disqualified person submitted an executed letter consenting to a supervisory plan, by the submission of such letter, the disqualified member organization, sponsoring member organization and/or disqualified person waive:

(A) the right to a hearing before a Hearing Panel and any right of appeal to the Exchange Board of Directors, the SEC, and the courts, or otherwise challenge the validity of the supervisory plan, if the supervisory plan is accepted.

(B) any right of the disqualified member organization, sponsoring member organization, and/or disqualified person to claim bias or prejudice by the Department of Member Regulation, the CRO, the Exchange Board of Directors, or any member of the Exchange Board of Directors, in connection with such person's or body's participation in discussions regarding the terms and conditions of the Department of Member Regulation's recommendation or the supervisory plan, or other consideration of the recommendation or supervisory plan, including acceptance or rejection of such recommendation or supervisory plan; and

(C) any right of the disqualified member organization, sponsoring member organization, and/or disqualified person to claim that a person violated the ex parte prohibitions of Rule 9143 or the separation of functions prohibitions of Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of the recommendation or supervisory plan, or other consideration of the recommendation or supervisory plan, including acceptance or rejection of such recommendation or supervisory plan.

(2) If a recommendation or supervisory plan is rejected, the disqualified member organization, sponsoring member organization, and/or disqualified person shall be bound by the waivers made under paragraph (a)(1) for conduct by persons or bodies occurring during the period beginning on the date the supervisory plan was submitted and ending upon the rejection of the supervisory plan and shall have the right to proceed under this rule and Rule 9524, as applicable.

(3) If the disqualified member organization, sponsoring member organization, and/or disqualified person execute the letter consenting to the supervisory plan, it shall be submitted to the CRO by the Department of Member Regulation with a proposed Notice under SEA Rule 19h-1, where required. The CRO may accept or reject the recommendation of the Department of Member Regulation and the supervisory plan.

(4) If the recommendation and supervisory plan is accepted by the CRO, it shall be deemed final and, where required, the proposed Notice under SEA Rule 19h-1 will be filed by the Exchange. If the recommendation and supervisory plan are rejected by the CRO, the Exchange may take any other appropriate action with respect to the disqualified member organization, sponsoring member organization, and/or disqualified person. If the recommendation and supervisory plan are rejected, the disqualified member organization, sponsoring member organization, and/or disqualified person shall not be prejudiced by the execution of the letter

consenting to the supervisory plan under this paragraph (a) and the letter may not be introduced into evidence in any proceeding.

(b) With respect to disqualifications arising solely from findings or orders specified in Section 15(b)(4)(D), (E) or (H) of the Exchange Act or arising under Section 3(a)(39)(E) of the Exchange Act, after an application is filed, in approving an application under Rule 9522(e)(2)(F), the Department of Member Regulation is authorized to accept the membership or continued membership of a disqualified member organization or sponsoring member organization or the association or continuing association of a disqualified person pursuant to a supervisory plan where the disqualified member organization, sponsoring member organization, and/or disqualified persons, as the case may be, consent to the imposition of the supervisory plan. The disqualified member organization, sponsoring member organization, and/or disqualified person, as the case may be, shall execute a letter consenting to the imposition of the supervisory plan. The Department of Member Regulation shall prepare a proposed Notice under SEA Rule 19h-1, where required, and the Exchange shall file such Notice.

(1) If a disqualified member organization, sponsoring member organization, and/or disqualified person submitted an executed letter consenting to a supervisory plan, by the submission of such letter, the disqualified member organization, sponsoring member organization and/or disqualified person waive:

(A) the right of appeal to the Exchange Board of Directors, the SEC, and the courts, or otherwise challenge the validity of the supervisory plan, if the supervisory plan is accepted;

(B) any right of the disqualified member organization, sponsoring member organization, and/or disqualified person to claim bias or prejudice by the Department of Member Regulation or the CRO in connection with such person's or body's participation in discussions regarding the terms and conditions of the Department of Member Regulation's recommended supervisory plan, or other consideration of the supervisory plan, including acceptance or rejection of such recommendation or supervisory plan; and

(C) any right of the disqualified member organization, sponsoring member organization, and/or disqualified person to claim that a person violated the ex parte prohibitions of Rule 9143 or the separation of functions prohibitions of Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of the supervisory plan, or other consideration of the supervisory plan, including acceptance or rejection of such supervisory plan.

(2) If the supervisory plan is rejected, the disqualified member organization, sponsoring member organization, and/or disqualified person shall be bound by the waivers made under paragraph (b)(1) for conduct by persons or bodies occurring during the period beginning on the date the supervisory plan was submitted and

ending upon the rejection of the supervisory plan and shall have the right to proceed under Rule 9524.

Rule 9524. Exchange Board of Directors Consideration

(a) Request for Review

A disqualified member organization, sponsoring member organization, or applicant may request that the Exchange Board of Directors review a decision to reject a supervisory plan under Rule 9523. A request for review shall be made by filing with the Secretary of the Exchange a written request therefor, which states the basis and reasons for such review, within 25 days after notice of the decision is served. The Secretary of the Exchange shall give notice of any such request for review to the CRO and the Department of Member Regulation.

(b) Review by Exchange Board of Directors

Any review by the Exchange Board of Directors shall be based on oral arguments and written briefs and shall be limited to consideration of the record before the Department of Member Regulation and the CRO. Upon review, the Exchange Board of Directors, by the affirmative vote of a majority of the Exchange Board of Directors then in office, may sustain, modify, or reverse any such decision. Unless the Exchange Board of Directors otherwise specifically directs, the decision of the Exchange Board of Directors after review shall be final and conclusive subject to the provisions for review of the Securities Exchange Act of 1934.

(c) Remand

Notwithstanding the foregoing, if either Party upon review applies to the Exchange Board of Directors for leave to adduce additional evidence, and shows to the satisfaction of the Exchange Board of Directors that the additional evidence is material and that there was reasonable ground for failure to adduce it previously, the Exchange Board of Directors may remand the matter for further proceedings, in whatever manner and on whatever conditions the Exchange Board of Directors considers appropriate.

Rule 9525. Reserved.

Rule 9526. Reserved.

Rule 9527. Application to SEC for Review

The right to have any action taken pursuant to this Rule Series reviewed by the SEC is governed by Section 19 of the Exchange Act. The filing of an application for review shall not stay the effectiveness of final action by the Exchange, unless the SEC otherwise orders.

Rule 9550. Expedited Proceedings

Rule 9551. Failure to Comply with Public Communication Standards**(a) Notice of Pre-Use Filing Requirement**

Pursuant to Rules 2210(c)(1)(B) - Equities and 991(c)(2), Regulatory Staff may issue a written notice requiring a member or member organization to file communications with the Exchange's Advertising Regulation Department at least ten days prior to use if Regulatory Staff determines that the member or member organization has departed from the standards of Rule 2210 - Equities or 991.

(b) Service of Notice of Pre-Use Filing Requirement

Except as provided below, Regulatory Staff shall serve the member or member organization with such notice in accordance with Rule 9134. When counsel for the member or member organization or other person authorized to represent others under Rule 9141 agrees to accept service of such notice, then Regulatory Staff may serve notice on counsel or other person authorized to represent others under Rule 9141 as specified in Rule 9134.

(c) Contents of Notice

A notice issued under this Rule shall state the specific grounds and include the factual basis for the Exchange action. The notice shall state when the Exchange action will take effect. The notice shall state that the respondent may file a written request for a hearing with the Office of Hearing Officers pursuant to Rule 9559. The notice also shall inform the respondent of the applicable deadline for filing a request for a hearing and shall state that a request for a hearing must set forth with specificity any and all defenses to the Exchange action. In addition, the notice shall explain that, pursuant to Rules 8310(a) and 9559(n), a Hearing Officer or, if applicable, Hearing Panel, may approve, modify or withdraw any and all sanctions or limitations imposed by the notice, and may impose any other fitting sanction.

(d) Effective Date of Notice of Pre-Use Filing Requirement

Pursuant to Rules 2210(c)(1)(B) - Equities and 991(c)(2), the pre-use filing requirement referenced in a notice issued and served under this Rule shall become effective 21 days after service of the notice, unless stayed by a request for a hearing pursuant to Rule 9559.

(e) Request for Hearing

A member or member organization served with a notice under this Rule may file with the Office of Hearing Officers a written request for a hearing pursuant to Rule 9559. A request for a hearing shall be made before the effective date of the notice, as indicated in paragraph (d) of this Rule. A request for a hearing must set forth with specificity any and all defenses to the Exchange action.

(f) Failure to Request Hearing

If a member or member organization does not timely request a hearing, the pre-use filing requirements specified in the notice shall become effective 21 days after service of the notice and the notice shall constitute final Exchange action.

(g) Request for Modification or Termination of Pre-Use Filing Requirement

A member or member organization that is subject to a pre-use filing requirement under this Rule may file a written request for modification or termination of the requirement. Such request shall be filed with the head of the Exchange department or office that issued the notice or, if another Exchange department or office is named as the party handling the matter on behalf of the issuing department or office, with the head of the Exchange department or office that is so designated. The head of the appropriate department or office may grant relief for good cause shown.

Rule 9552. Failure to Provide Information or Keep Information Current

(a) Notice of Suspension of a Member Organization or Covered Person if Corrective Action is Not Taken

If a member organization or covered person fails to provide any information, report, material, data, or testimony requested or required to be filed pursuant to the Exchange's Rules, or fails to keep its membership application or supporting documents current, Regulatory Staff may provide written notice to such member organization or covered person specifying the nature of the failure and stating that the failure to take corrective action within 21 days after service of the notice will result in suspension of membership of the member or member organization or of association of the covered person with any member organization or ATP Holder.

(b) Service of Notice of Suspension

Except as provided below, Regulatory Staff shall serve the member organization or covered person with such notice in accordance with Rule 9134. A copy of a notice under this Rule that is served on a covered person associated with a member organization or ATP Holder also shall be served on such member organization or ATP Holder. When counsel for the member organization or covered person, or other person authorized to represent others under Rule 9141 agrees to accept service of such notice, then Regulatory Staff may serve notice on counsel or other person authorized to represent others under Rule 9141 as specified in Rule 9134.

(c) Contents of Notice

A notice issued under this Rule shall state the specific grounds and include the factual basis for the Exchange action. The notice shall state when the Exchange action will take effect and explain what the respondent must do to avoid such action. The notice shall state that the respondent may file a written request for a hearing with the Office of Hearing Officers pursuant to Rule 9559. The notice also shall inform the respondent of the applicable deadline for filing a request for a hearing and shall state that a request for a hearing must set forth with specificity any and all defenses to the Exchange action. In

addition, the notice shall explain that, pursuant to Rules 8310(a) and 9559(n), a Hearing Officer or, if applicable, Hearing Panel, may approve, modify or withdraw any and all sanctions or limitations imposed by the notice, and may impose any other fitting sanction.

(d) Effective Date of Suspension

The suspension referenced in a notice issued and served under this Rule shall become effective 21 days after service of the notice, unless stayed by a request for a hearing pursuant to Rule 9559.

(e) Request for Hearing

A member organization or covered person served with a notice under this Rule may file with the Office of Hearing Officers a written request for a hearing pursuant to Rule 9559. A request for a hearing shall be made before the effective date of the notice, as indicated in paragraph (d) of this Rule. A request for a hearing must set forth with specificity any and all defenses to the Exchange action.

(f) Request for Termination of the Suspension

A member organization or covered person subject to a suspension pursuant to this Rule may file a written request for termination of the suspension on the ground of full compliance with the notice or decision. Such request shall be filed with the head of the Exchange department or office that issued the notice or, if another Exchange department or office is named as the party handling the matter on behalf of the issuing department or office, with the head of the Exchange department or office that is so designated. The head of the appropriate department or office may grant relief for good cause shown.

(g) Settlement Procedure

Uncontested offers of settlement shall be permitted under this Rule and shall conform to the requirements of Rule 9270, except that, if an uncontested offer of settlement, made under Rule 9270(e) after a hearing on the merits has begun, is accepted by the Hearing Officer, the Hearing Officer shall issue the order of acceptance, which shall constitute final Exchange action. Contested offers of settlement shall not be considered in proceedings initiated under this Rule.

(h) Defaults

A member organization or covered person who is suspended under this Rule and fails to request termination of the suspension within three months of issuance of the original notice of suspension will automatically be expelled or barred.

Rule 9553. Reserved.

Rule 9554. Failure to Comply with an Arbitration Award or Related Settlement or an Order of Restitution or Settlement Providing for Restitution

(a) Notice of Suspension or Cancellation

If a member organization or covered person fails to comply with an arbitration award or a settlement agreement related to an arbitration or mediation under the Exchange's Rules, or an Exchange order of restitution or Exchange settlement agreement providing for restitution, Regulatory Staff may provide written notice to such member organization or covered person stating that the failure to comply within 21 days of service of the notice will result in a suspension or cancellation of membership or a suspension from associating with any member organization or ATP Holder. When a member organization or covered person fails to comply with an arbitration award or a settlement agreement related to an arbitration or mediation involving a customer, a claim of inability to pay is no defense.

(b) Service of Notice of Suspension or Cancellation

Except as provided below, Regulatory Staff shall serve the member organization or covered person with such notice in accordance with Rule 9134. A copy of a notice under this Rule that is served on a covered person associated with a member organization or ATP Holder also shall be served on such member organization or ATP Holder. When counsel for the member organization, covered person, or other person authorized to represent others under Rule 9141 agrees to accept service of such notice, then Regulatory Staff may serve notice on counsel or other person authorized to represent others under Rule 9141 as specified in Rule 9134.

(c) Contents of Notice

A notice issued under this Rule shall state the specific grounds and include the factual basis for the Exchange action. The notice shall state when the Exchange action will take effect and explain what the respondent must do to avoid such action. The notice shall state that the respondent may file a written request for a hearing with the Office of Hearing Officers pursuant to Rule 9559. The notice also shall inform the respondent of the applicable deadline for filing a request for a hearing and shall state that a request for a hearing must set forth with specificity any and all defenses to the Exchange action. In addition, the notice shall explain that, pursuant to Rules 8310(a) and 9559(n), a Hearing Officer or, if applicable, Hearing Panel, may approve, modify or withdraw any and all sanctions or limitations imposed by the notice, and may impose any other fitting sanction.

(d) Effective Date of Suspension or Cancellation

The suspension or cancellation referenced in a notice issued and served under this Rule shall become effective 21 days after service of the notice, unless stayed by a request for a hearing pursuant to Rule 9559.

(e) Request for Hearing

A member organization or covered person served with a notice under this Rule may file with the Office of Hearing Officers a written request for a hearing pursuant to Rule 9559. A request for a hearing shall be made before the effective date of the notice, as indicated

in paragraph (d) of this Rule. A request for a hearing must set forth with specificity any and all defenses to the Exchange action.

(f) Failure to Request Hearing

If a member organization or covered person does not timely request a hearing, the suspension or cancellation specified in the notice shall become effective 21 days after the service of the notice and the notice shall constitute final Exchange action.

(g) Request for Termination of the Suspension

A member organization or covered person subject to a suspension under this Rule may file a written request for termination of the suspension on the ground of full compliance with the notice or decision. Such request shall be filed with the head of the Exchange department or office that issued the notice or, if another department or office is named as the party handling the matter on behalf of the issuing department or office, with the head of the department or office that is so designated. The appropriate head of the department or office may grant relief for good cause shown.

Rule 9555. Failure to Meet the Eligibility or Qualification Standards or Prerequisites for Access to Services

(a) Notice to Member Organization or Covered Person of Suspension, Cancellation, Bar, or Limitation or Prohibition on Access to Services

(1) If a member organization or covered person does not meet the eligibility or qualification standards set forth in the Exchange's Rules, Exchange staff may provide written notice to such member organization or covered person stating that the failure to become eligible or qualified will result in a suspension or cancellation of membership or a suspension or bar from associating with any member organization or ATP Holder.

(2) If a member organization or covered person does not meet the prerequisites for access to services offered by the Exchange or a member or member organization thereof or cannot be permitted to continue to have access to services offered by the Exchange or a member or member organization thereof with safety to investors, creditors, members or member organizations, or the Exchange, Exchange staff may provide written notice to such member organization or covered person limiting or prohibiting access to services offered by the Exchange or a member or member organization thereof.

(b) Service of Notice

Except as provided below, Exchange staff shall serve the member organization or covered person with such notice in accordance with Rule 9134. A copy of a notice under this Rule that is served on a covered person associated with a member organization or ATP Holder also shall be served on such member organization or ATP Holder. When counsel for the member organization or covered person, or other person authorized to

represent others under Rule 9141 agrees to accept service of such notice, then Exchange staff may serve notice on counsel or other person authorized to represent others under Rule 9141 as specified in Rule 9134.

(c) Contents of Notice

A notice issued under this Rule shall state the specific grounds and include the factual basis for the Exchange action. The notice shall state when the Exchange action will take effect and explain what the respondent must do to avoid such action. The notice shall state that the respondent may file a written request for a hearing with the Office of Hearing Officers pursuant to Rule 9559. The notice also shall inform the respondent of the applicable deadline for filing a request for a hearing and shall state that a request for a hearing must set forth with specificity any and all defenses to the Exchange action. In addition, the notice shall explain that, pursuant to Rules 8310(a) and 9559(n), a Hearing Officer or, if applicable, Hearing Panel, may approve, modify or withdraw any and all sanctions or limitations imposed by the notice, and may impose any other fitting sanction.

(d) Effective Date of Limitation, Prohibition, Suspension, Cancellation or Bar

The limitation, prohibition, suspension, cancellation or bar referenced in a notice issued under this Rule shall become effective 14 days after service of the notice, except that the effective date for a notice of a limitation or prohibition on access to services offered by the Exchange or a member or member organization thereof with respect to services to which the member organization or covered person does not have access shall be upon service of the notice. A request for a hearing, pursuant to Rule 9559, shall stay the effectiveness of the notice, except that the effectiveness of a notice of a limitation or prohibition on access to services offered by the Exchange or a member or member organization thereof with respect to services to which the member organization or covered person does not have access shall not be stayed by a request for a hearing.

(e) Request for Hearing

A member organization or covered person served with a notice under this Rule may file with the Office of Hearing Officers a written request for a hearing pursuant to Rule 9559. A request for a hearing shall be made within 14 days after service of the notice. A request for a hearing must set forth with specificity any and all defenses to the Exchange action.

(f) Failure to Request Hearing

If a member organization or covered person does not timely request a hearing, the limitation, prohibition, suspension, cancellation or bar specified in the notice shall become effective 14 days after service of the notice, except that the effective date for a notice of a limitation or prohibition on access to services offered by the Exchange or a member or member organization thereof with respect to services to which the member organization or covered person does not have access shall be upon service of the notice. The notice shall constitute final Exchange action if the member organization or covered person does not request a hearing within 14 days after service of the notice.

(g) Request for Termination of the Limitation, Prohibition or Suspension

A member organization or covered person subject to a limitation, prohibition or suspension under this Rule may file a written request for termination of the limitation, prohibition or suspension on the ground of full compliance with the notice or decision. Such request shall be filed with the head of the Exchange department or office that issued the notice or, if another department or office is named as the party handling the matter on behalf of the issuing department or office, with the head of the department or office that is so designated. The appropriate head of the department or office may grant relief for good cause shown.

Rule 9556. Failure to Comply with Temporary and Permanent Cease and Desist Orders**(a) Notice of Suspension, Cancellation or Bar**

If a member organization or covered person fails to comply with a temporary or permanent cease and desist order issued under the Rule 9200, 9300 or 9800 Series, Regulatory Staff, after receiving written authorization from the Exchange's CRO or such other senior officer as the CRO may designate, may issue a notice to such member organization or covered person stating that the failure to comply with the temporary or permanent cease and desist order within seven days of service of the notice will result in a suspension or cancellation of membership or a suspension or bar from associating with any member organization or ATP Holder.

(b) Service of Notice

Regulatory Staff shall serve the member organization or covered person subject to a notice issued under this Rule (or upon counsel representing the member organization or covered person, or other person authorized to represent others under Rule 9141, when counsel or other person authorized to represent others under Rule 9141 agrees to accept service for the member organization or covered person) by overnight courier or personal delivery. Papers served on a member organization, covered person or counsel for such member organization or covered person, or other person authorized to represent others under Rule 9141 by overnight courier or personal delivery shall conform to paragraphs (a)(1) and (3) and, with respect to a member organization or covered person, (b)(1) and (2) of Rule 9134. A copy of a notice under this Rule that is served on a covered person associated with a member organization or ATP Holder also shall be served on such member organization or ATP Holder. Service is complete upon mailing the notice by overnight courier or delivering it in person.

(c) Contents of Notice

The notice shall explicitly identify the provision of the permanent or temporary cease and desist order that is alleged to have been violated and shall contain a statement of facts specifying the alleged violation. The notice shall state when the Exchange action will take effect and explain what the respondent must do to avoid such action. The notice shall state that the respondent may file a written request for a hearing with the Office of

Hearing Officers pursuant to Rule 9559. The notice also shall inform the respondent of the applicable deadline for filing a request for a hearing and shall state that a request for a hearing must set forth with specificity any and all defenses to the Exchange action. In addition, the notice shall explain that, pursuant to Rules 8310(a) and 9559(n), a Hearing Officer or, if applicable, Hearing Panel, may approve, modify or withdraw any and all sanctions or limitations imposed by the notice, and may impose any other fitting sanction.

(d) Effective Date of Suspension, Cancellation or Bar

The suspension, cancellation or bar referenced in a notice issued and served under this Rule shall become effective seven days after service of the notice, unless stayed by a request for a hearing pursuant to Rule 9559.

(e) Request for a Hearing

A member organization or covered person served with a notice under this Rule may file with the Office of Hearing Officers a written request for a hearing pursuant to Rule 9559. A request for a hearing shall be made before the effective date of the notice, as indicated in paragraph (d) of this Rule. A request for a hearing must set forth with specificity any and all defenses to the Exchange action.

(f) Failure to Request Hearing

If a member organization or covered person does not timely request a hearing, the suspension, cancellation or bar specified in the notice shall become effective seven days after the service of the notice and the notice shall constitute final Exchange action.

(g) Request for Termination of the Suspension

A member organization or covered person subject to a suspension under this Rule may file a written request for termination of the suspension on the ground of full compliance with the notice or decision. Such request shall be filed with the head of the Exchange department or office that issued the notice or, if another department or office is named as the party handling the matter on behalf of the issuing department or office, with the head of the department or office that is so designated. The appropriate head of the department or office may grant relief for good cause shown.

Rule 9557. Procedures for Regulating Activities Under Rules 470, 471, 4110 - Equities, 4120 - Equities and 4130 - Equities Regarding a Member or Member Organization Experiencing Financial or Operational Difficulties

(a) Notice of Requirements and/or Restrictions; Exchange Action

Exchange staff may issue a notice directing a member or member organization to comply with the provisions of Rule 470, 471, 4110 - Equities, 4120 - Equities or 4130 - Equities or restrict its business activities, either by limiting or ceasing to conduct those activities consistent with Rule 470, 471, 4110 - Equities, 4120 - Equities or 4130 - Equities, if Exchange staff has reason to believe that a condition specified in Rule 470, 471, 4110 -

Equities, 4120 - Equities or 4130 - Equities exists. A notice served under this Rule shall constitute Exchange action.

(b) Service of Notice

Exchange staff shall serve the member or member organization subject to a notice issued under this Rule by overnight courier or personal delivery. Papers served by overnight courier or personal delivery shall conform to paragraphs (a)(1) and (3) and (b)(2) of Rule 9134. Service is complete upon mailing the notice by overnight courier or delivering it in person.

(c) Contents of Notice

A notice issued under this Rule shall:

- (1) state the specific grounds and include the factual basis for the Exchange action;
- (2) specify the date of the notice and the requirements and/or restrictions being imposed by the notice;
- (3) state that the requirements and/or restrictions imposed by the notice are immediately effective;
- (4) specify the conditions for complying with and, where applicable, avoiding or terminating the requirements and/or restrictions imposed by the notice;
- (5) inform the member or member organization that, pursuant to paragraph (f) of this Rule, the failure to comply with the requirements and/or restrictions imposed by an effective notice under this Rule shall be deemed, without further notice from Exchange staff, to result in automatic and immediate suspension unless Exchange staff issues a letter of withdrawal of all requirements and/or restrictions imposed by the notice pursuant to paragraph (g)(2) of this Rule;
- (6) explain that the member or member organization may make a request for a letter of withdrawal of the notice pursuant to paragraph (e) of this Rule;
- (7) state that, in addition to making a request for a letter of withdrawal of the notice, the member or member organization may file a written request for a hearing with the Office of Hearing Officers pursuant to Rule 9559;
- (8) inform the member or member organization of the applicable deadline for filing a request for a hearing and state that a request for a hearing must set forth with specificity any and all defenses to the Exchange action; and
- (9) explain that, pursuant to Rule 9559(n), a Hearing Panel may approve or withdraw the requirements and/or restrictions imposed by the notice, and that if the Hearing Panel approves the requirements and/or restrictions imposed by the

notice and finds that the member or member organization has not complied with all of them, the Hearing Panel shall impose an immediate suspension on the member or member organization.

(d) Effectiveness of the Requirements and/or Restrictions

The requirements and/or restrictions imposed by a notice issued and served under this Rule are immediately effective, except that a timely request for a hearing shall stay the effective date for ten business days after service of the notice or until the Office of Hearing Officers issues a written order under Rule 9559(o)(4)(A) (whichever period is less), unless the Exchange's CRO (or such other senior officer as the CRO may designate) determines that such a stay cannot be permitted with safety to investors, creditors or other members or member organizations. Such a determination by the Exchange's CRO (or such other senior officer as the CRO may designate) cannot be appealed. An extension of the stay period is not permitted. Where a timely request for a hearing stays the action for ten business days after service of the notice or until the Office of Hearing Officers issues a written order under Rule 9559(o)(4)(A) (whichever period is less), the notice shall not be deemed to have taken effect during that entire period.

Any requirements and/or restrictions imposed by an effective notice shall remain in effect unless Exchange staff shall remove or reduce the requirements and/or restrictions pursuant to a letter of withdrawal of the notice issued as set forth in paragraph (g)(2) of this Rule.

(e) Request for a Letter of Withdrawal of the Notice; Request for a Hearing

A member or member organization served with a notice under this Rule may request from Exchange staff a letter of withdrawal of the notice pursuant to paragraph (g)(2) of this Rule and/or file with the Office of Hearing Officers a written request for a hearing pursuant to Rule 9559.

(1) A request for a letter of withdrawal of the notice may be made at any time after service of a notice under this Rule. The member or member organization making the request must demonstrate to the satisfaction of Exchange staff that the requirements and/or restrictions imposed by the notice should be removed or reduced. If such a request is denied by Exchange staff, the member or member organization shall not be precluded from making a subsequent request or requests.

(2) A request for a hearing shall be made within two business days after service of a notice under this Rule. A request for a hearing must set forth with specificity any and all defenses to the Exchange action. A request for a hearing may seek to contest:

(A) the validity of the requirements and/or restrictions imposed by the notice (as the same may have been reduced by a letter of withdrawal pursuant to paragraph (g)(2) of this Rule, where applicable); and/or

(B) Exchange staff's determination not to issue a letter of withdrawal of all requirements and/or restrictions imposed by the notice, if such was requested by the member or member organization.

(f) Enforcement of Notice

A member or member organization that has failed to comply with the requirements and/or restrictions imposed by an effective notice under this Rule shall be deemed, without further notice from Exchange staff, automatically and immediately suspended. Such suspension shall remain in effect unless Exchange staff shall issue a letter, pursuant to paragraph (g)(2) of this Rule, stating that the suspension is lifted.

(g) Additional Requirements and/or Restrictions or the Removal or Reduction of Requirements and/or Restrictions; Letter of Withdrawal of the Notice

(1) Additional Requirements and/or Restrictions

If a member or member organization continues to experience financial or operational difficulty specified in Rule 470, 471, 4110 - Equities, 4120 - Equities or 4130 - Equities, notwithstanding an effective notice, Exchange staff may impose additional requirements and/or restrictions by serving an additional notice under paragraph (b) of this Rule. The additional notice shall inform the member or member organization that it may apply for relief from the additional requirements and/or restrictions by filing a written request for a letter of withdrawal of the notice and/or a written request for a hearing before the Office of Hearing Officers under Rule 9559. The procedures delineated in this Rule shall be applicable to such additional notice.

(2) Removal or Reduction of Requirements and/or Restrictions and/or Lifting of Suspension; Letter of Withdrawal

(A) Removal or Reduction of Requirements and/or Restrictions

If, upon the member or member organization's demonstration to the satisfaction of Exchange staff, Exchange staff determines that any requirements and/or restrictions imposed by a notice under this Rule should be removed or reduced, Exchange staff shall serve the member or member organization, pursuant to paragraph (b) of this Rule, a written letter of withdrawal that shall, in the sole discretion of Exchange staff, withdraw the notice in whole or in part. A notice that is withdrawn in part shall remain in force, unless Exchange staff shall remove the remaining requirements and/or restrictions.

(B) Lifting of Suspension

If, upon the member's or member organization's demonstration to the satisfaction of Exchange staff, Exchange staff determines that a suspension imposed by a notice under this Rule should be lifted, Exchange

staff shall serve the member or member organization, pursuant to paragraph (b) of this Rule, a letter that shall, in the sole discretion of Exchange staff, lift the suspension. Where all or some of the requirements and/or restrictions imposed by a notice issued under this Rule remain in force, the letter shall state that the member or member organization's failure to continue to comply with those requirements and/or restrictions that remain effective shall result in the member or member organization being immediately suspended.

(h) Exchange Staff

For purposes of this Rule, "Exchange staff" shall mean:

- (1) the head of the Exchange department or office that issued the notice, or his or her written officer delegate; or
- (2) if another department or office is named as the party handling the matter on behalf of the issuing department or office, the head of the department or office that is so designated, or his or her written officer delegate.

Rule 9558. Summary Proceedings for Actions Authorized by Section 6(d)(3) of the Exchange Act

(a) Notice of Initiation of Summary Proceedings

The Exchange's CRO or such other senior officer as the CRO may designate may provide written authorization to Exchange staff to issue on a case-by-case basis a written notice that summarily:

- (1) suspends a member organization or covered person who has been and is expelled or suspended from any self-regulatory organization or barred or suspended from being associated with a member organization of any self-regulatory organization;
- (2) suspends a member or member organization that is in such financial or operating difficulty that Exchange staff determines and so notifies the SEC that the member or member organization cannot be permitted to continue to do business as a member or member organization with safety to investors, creditors, other member or member organizations, or the Exchange; or
- (3) limits or prohibits any person with respect to access to services offered by the Exchange if paragraphs (a)(1) or (2) of this Rule or the provisions of Section 6(d)(3) of the Exchange Act applies to such person or, in the case of a person who is not a member organization or covered person, if the Exchange's CRO or such other senior officer as the CRO may designate determines that such person does not meet the qualification requirements or other prerequisites for such access and such person cannot be permitted to continue to have such access with safety to

investors, creditors, member or member organizations, or the Exchange, and so notifies the SEC.

(b) Service of Notice

Exchange staff shall serve the member organization or covered person or other person subject to a notice issued under this Rule by overnight courier or personal delivery. Papers served by overnight courier or personal delivery shall conform to paragraphs (a)(1) and (3) and (b)(1) and (2) of Rule 9134. A copy of a notice under this Rule that is served on a covered person associated with a member organization or ATP Holder also shall be served on such member organization or ATP Holder. Service is complete upon mailing the notice by overnight courier or delivering it in person.

(c) Contents of Notice

A notice issued under this Rule shall state the specific grounds and include the factual basis for the Exchange action. The notice shall state when the Exchange action will take effect and explain what the respondent must do to avoid such action. The notice shall state that the respondent may file a written request for a hearing with the Office of Hearing Officers pursuant to Rule 9559. The notice also shall inform the respondent of the applicable deadline for filing a request for a hearing and shall state that a request for a hearing must set forth with specificity any and all defenses to the Exchange action. In addition, the notice shall explain that, pursuant to Rules 8310(a) and 9559(n), a Hearing Officer or, if applicable, Hearing Panel, may approve, modify or withdraw any and all sanctions or limitations imposed by the notice, and may impose any other fitting sanction.

(d) Effective Date of Limitation, Prohibition or Suspension

The limitation, prohibition or suspension referenced in a notice issued and served under this Rule is immediately effective. The limitation, prohibition or suspension specified in the notice shall remain in effect unless, after a timely written request for a hearing and written request for a stay, the Chief Hearing Officer or Hearing Officer assigned to the matter finds good cause exists to stay the limitation, prohibition or suspension.

(e) Request for a Hearing and Stay

A member organization or covered person or other person subject to a notice issued under this Rule may file with the Office of Hearing Officers a written request for a hearing pursuant to Rule 9559. A request for a hearing shall be made within seven days after service of the notice issued under this Rule. A request for a hearing must set forth with specificity any and all defenses to the Exchange action.

A member organization or covered person or other person subject to a notice issued under this Rule may, concurrent with or after filing a request for a hearing, file with the Office of Hearing Officers a written request for a stay of the limitation, prohibition or suspension specified in the notice. A request for a stay must set forth with specificity any and all relevant facts and arguments supporting the request for a stay.

(f) Failure to Request Hearing

If a member organization or covered person or other person subject to a notice issued under this Rule does not timely request a hearing within the time period specified in paragraph (e) of this Rule, the notice shall constitute final Exchange action.

(g) Request for Termination of the Limitation, Prohibition or Suspension

A member organization or covered person or other person subject to a limitation, prohibition or suspension under this Rule may file a written request for termination of the limitation, prohibition or suspension on the ground of full compliance with the notice or decision. Such request shall be filed with the head of the Exchange department or office that issued the notice or, if another department or office is named as the party handling the matter on behalf of the issuing department or office, with the head of the department or office that is so designated. The appropriate head of the department or office may grant relief for good cause shown.

Rule 9559. Hearing Procedures for Expedited Proceedings Under the Rule 9550 Series

(a) Applicability

The hearing procedures under this Rule shall apply to a member organization, covered person or other person who is served with a notice issued under the Rule 9550 Series and who timely requests a hearing. For purposes of this Rule, such member organizations, covered persons or other persons shall be referred to as respondents.

(b) Computation of Time

Rule 9138 shall govern the computation of time in proceedings brought under the Rule 9550 Series, except that intermediate Saturdays, Sundays and Federal holidays shall be included in the computation in proceedings brought under Rules 9556 through 9558, unless otherwise specified.

(c) Stays

(1) Unless the Chief Hearing Officer or the Hearing Officer assigned to the matter orders otherwise for good cause shown, a timely request for a hearing shall stay the effectiveness of a notice issued under Rules 9551 through 9556, except that the effectiveness of a notice of a limitation or prohibition on access to services offered by the Exchange or a member or member organization thereof under Rule 9555 with respect to services to which the member organization, covered person or other person does not have access shall not be stayed by a request for a hearing.

(2) A timely request for a hearing shall stay the effectiveness of a notice issued under Rule 9557 for ten business days after service of the notice or until the Office of Hearing Officers issues a written order under Rule 9559(o)(4)(A) (whichever period is less), unless the Exchange's CRO (or such other senior

officer as the CRO may designate) determines that a notice under Rule 9557 shall not be stayed. Where a notice under Rule 9557 is stayed by a request for a hearing, such stay shall remain in effect only for ten business days after service of the notice or until the Office of Hearing Officers issues a written order under Rule 9559(o)(4)(A) (whichever period is less) and shall not be extended.

(3) A timely request for a hearing shall not stay the effectiveness of a notice issued under Rule 9558, unless the Chief Hearing Officer or the Hearing Officer assigned to the matter orders otherwise for good cause shown.

(d) Appointment and Authority of Hearing Officer and/or Hearing Panel

(1) For proceedings initiated under Rule 9554, the Chief Hearing Officer shall appoint a Hearing Officer to preside over and act as the sole adjudicator for the matter.

(2) For proceedings initiated under Rules 9551, 9552, 9555, 9556, 9557 and 9558, the Chief Hearing Officer shall appoint a Hearing Panel composed of a Hearing Officer and two Panelists. The Hearing Officer shall serve as the chair of the Hearing Panel. For proceedings initiated under Rules 9551, 9552, 9555, 9556, 9557 and 9558, the Chief Hearing Officer shall select as Panelists persons who meet the qualifications delineated in Rules 9231 and 9232.

(3) Rules 9231(e), 9233 and 9234 shall govern disqualification, recusal or withdrawal of a Hearing Officer or, if applicable, Hearing Panelist.

(4) A Hearing Officer appointed pursuant to this provision shall have authority to do all things necessary and appropriate to discharge his or her duties as set forth under Rules 9235 and 9280.

(5) Hearings under the Rule 9550 Series shall be held by telephone conference, unless the Hearing Officer orders otherwise for good cause shown.

(6) For good cause shown, or with the consent of all of the parties to a proceeding, the Hearing Officer or, if applicable, the Hearing Panel may extend or shorten any time limits prescribed by this Rule other than those relating to Rule 9557.

(e) Consolidation or Severance of Proceedings

Rule 9214 shall govern the consolidation or severance of proceedings, except that, where one of the notices that are the subject of consolidation under this Rule requires that a hearing be held before a Hearing Panel, the hearing of the consolidated matters shall be held before a Hearing Panel. Where two consolidated matters contain different timelines under this Rule, the Chief Hearing Officer or Hearing Officer assigned to the matter has discretion to determine which timeline is appropriate under the facts and circumstances of the case. Where one of the consolidated matters includes an action brought under a Rule that does not permit a stay of the effectiveness of the notice or where Exchange's CRO (or such other senior officer as the CRO may designate), in the case of Rule 9557, or

Hearing Officer, in the case of Rule 9558(d), determines that a request for a hearing shall not stay the effectiveness of the notice, the limitation, prohibition, condition, requirement, restriction, or suspension specified in the notice shall not be stayed pending resolution of the case. Where one of the consolidated matters includes an action brought under Rule 9557 that is stayed for up to ten business days, the requirement and/or restriction specified in the notice shall not be further stayed.

(f) Time of Hearing

(1) A hearing shall be held within five business days after a respondent subject to a notice issued under Rule 9557 files a written request for a hearing with the Office of Hearing Officers.

(2) A hearing shall be held within 14 days after a respondent subject to a notice issued under Rules 9556 and 9558 files a written request for a hearing with the Office of Hearing Officers.

(3) A hearing shall be held within 30 days after a respondent subject to a notice issued under Rules 9551 through 9555 files a written request for a hearing with the Office of Hearing Officers.

(4) The timelines established by paragraphs (f)(1) through (f)(3) confer no substantive rights on the parties.

(g) Notice of Hearing

The Hearing Officer shall issue a notice stating the date, time, and place of the hearing as follows:

(1) At least two business days prior to the hearing in the case of an action brought pursuant to Rule 9557;

(2) At least seven days prior to the hearing in the case of an action brought pursuant to Rules 9556 and 9558; and

(3) At least 21 days prior to the hearing in the case of an action brought pursuant to Rules 9551 through 9555.

(h) Transmission of Documents

(1) Not less than two business days before the hearing in an action brought under Rule 9557, not less than seven days before the hearing in an action brought under Rules 9556 and 9558, and not less than 14 days before the hearing in an action brought under Rules 9551 through 9555, Exchange staff shall provide to the respondent who requested the hearing, by overnight courier, all documents that were considered in issuing the notice unless a document meets the criteria of Rule 9251(b)(1)(A), (B), (C) or (b)(2). A document that meets such criteria shall not constitute part of the record, but shall be retained until the date upon which the

Exchange's final decision is served or, if applicable, upon the conclusion of any review by the SEC or the federal courts.

(2) Not less than two business days before the hearing in an action brought under Rule 9557, not less than three days before the hearing in an action brought under Rules 9556 and 9558, and not less than seven days before the hearing in an action brought under Rules 9551 through 9555, the parties shall exchange proposed exhibit and witness lists. The exhibit and witness lists shall be served by overnight courier.

(i) Evidence

Formal rules of evidence shall not apply to a hearing under this Rule Series. Rules 9262 and 9263 shall govern testimony and the admissibility of evidence.

(j) Additional Information

The Hearing Officer or, if applicable, the Hearing Panel may direct the Parties to submit additional information.

(k) Record of Hearing

Rule 9265 shall govern the requirements for the record of the hearing.

(l) Record of Proceeding

Rule 9267 shall govern the record of the proceeding.

(m) Failure to Appear at a Pre-Hearing Conference or Hearing or to Comply with a Hearing Officer Order Requiring the Production of Information

Failure of any respondent to appear before the Hearing Officer or, if applicable, the Hearing Panel at any status conference, pre-hearing conference or hearing, or to comply with any order of the Hearing Officer or, if applicable, Hearing Panel requiring production of information to support any defense to the notice that respondent has raised, shall be considered an abandonment of the respondent's defense and waiver of any opportunity for a hearing provided by the Rule 9550 Series. In such cases, the notice issued under the Rule 9550 Series shall be deemed to be final Exchange action. The Hearing Officer or, if applicable, the Hearing Panel may permit the hearing to go forward as to those parties who appear and otherwise comply with this Rule.

(n) Sanctions, Costs and Remands

(1) In any action brought under the Rule 9550 Series, other than an action brought under Rule 9557, the Hearing Officer or, if applicable, the Hearing Panel may approve, modify or withdraw any and all sanctions, requirements, restrictions or limitations imposed by the notice and, pursuant to Rule 8310(a), may also impose any other fitting sanction.

(2) In an action brought under Rule 9557, the Hearing Panel shall approve or withdraw the requirements and/or restrictions imposed by the notice. If the Hearing Panel approves the requirements and/or restrictions and finds that the respondent has not complied with all of them, the Hearing Panel shall impose an immediate suspension on the respondent that shall remain in effect unless Exchange staff issues a letter of withdrawal of all requirements and/or restrictions pursuant to Rule 9557(g)(2).

(3) The Hearing Officer or, if applicable, the Hearing Panel may impose costs pursuant to Rule 8330 regarding all actions brought under the Rule 9550 Series.

(4) In any action brought under the Rule 9550 Series, other than an action brought under Rule 9557, the Hearing Officer or, if applicable, the Hearing Panel may remand the matter to the department or office that issued the notice for further consideration of specified matters.

(o) Timing of Decision

(1) Proceedings initiated under Rule 9554

Within 60 days of the date of the close of the hearing, the Hearing Officer shall prepare a proposed written decision and provide it to the Exchange Board of Directors.

(2) Proceedings initiated under Rules 9556 and 9558

Within 21 days of the date of the close of the hearing, the Hearing Officer shall prepare a proposed written decision that reflects the views of the Hearing Panel, as determined by majority vote, and provide it to the Exchange Board of Directors.

(3) Proceedings initiated under Rules 9551, 9552 and 9555

Within 60 days of the date of the close of the hearing, the Hearing Officer shall prepare a proposed written decision that reflects the views of the Hearing Panel, as determined by majority vote, and provide it to the Exchange Board of Directors.

(4) Proceedings initiated under Rule 9557

(A) Written Order

Within two business days of the date of the close of the hearing, the Office of Hearing Officers shall issue a written order that reflects the Hearing Panel's summary determinations, as decided by majority vote, and shall serve the Hearing Panel's written order on the Parties. The Hearing Panel's written order under Rule 9557 is effective when issued. The Hearing Panel's written order will be followed by a written decision

explaining the reasons for the Hearing Panel's summary determinations, as required by paragraphs (o)(4)(B) and (p) of this Rule.

(B) Written Decision

Within seven days of the issuance of the Hearing Panel's written order, the Office of Hearing Officers shall issue a written decision that complies with the requirements of paragraph (p) of this Rule and shall serve the Hearing Panel's written decision on the Parties.

(5) If not timely called for review by the Exchange Board of Directors pursuant to paragraph (q) of this Rule, the Hearing Officer's or, if applicable, the Hearing Panel's written decision shall constitute final Exchange action. For decisions issued under Rules 9551 through 9556 and 9558, the Office of Hearing Officers shall promptly serve the decision of the Hearing Officer or, if applicable, the Hearing Panel on the Parties and provide a copy to each Exchange member organization or ATP Holder with which the respondent is associated.

(6) The timelines established by paragraphs (o)(1) through (5) confer no substantive rights on the parties.

(p) Contents of Decision

The decision, which for purposes of Rule 9557 means the written decision issued under paragraph (o)(4)(B) of this Rule, shall include:

(1) a statement describing the investigative or other origin of the notice issued under the Rule 9550 Series;

(2) the specific statutory or rule provision alleged to have been violated or providing the authority for the Exchange action;

(3) a statement setting forth the findings of fact with respect to any act or practice the respondent was alleged to have committed or omitted or any condition specified in the notice;

(4) the conclusions of the Hearing Officer or, if applicable, Hearing Panel regarding the alleged violation or condition specified in the notice;

(5) a statement of the Hearing Officer or, if applicable, Hearing Panel in support of the disposition of the principal issues raised in the proceeding; and

(6) a statement describing any sanction, requirement, restriction or limitation imposed, the reasons therefore, and the date upon which such sanction, requirement, restriction or limitation shall become effective.

(q) Call for Review by the Exchange Board of Directors

(1) For proceedings initiated under the Rule 9550 Series (other than Rule 9557), the Exchange Board of Directors may call for review a proposed decision prepared by a Hearing Officer or, if applicable, Hearing Panel in accordance with Rule 9310. For proceedings initiated under Rule 9557, the Exchange Board of Directors may call for review a written decision issued under paragraph (o)(4)(B) of this Rule by a Hearing Panel in accordance with Rule 9310.

(r) Application to SEC for Review

The right to have any action pursuant to this Rule reviewed by the SEC is governed by Section 19 of the Exchange Act. The filing of an application for review by the SEC shall not stay the effectiveness of final Exchange action, unless the SEC otherwise orders.

Rule 9600. PROCEDURES FOR EXEMPTIONS

Rule 9610. Application

(a) Where to File

A member or member organization seeking exemptive relief as permitted under Rule 341.05 of Section 4 of the Office Rules, Rule 8211 of Section 9B of the Office Rules, Rule 345.15 – Equities, Rule 2210 - Equities, Rule 3170 – Equities, Rule 4311 - Equities, or Rule 4360 - Equities shall file a written application with the appropriate department or staff of the Exchange and provide a copy of the application to the CRO.

(b) Content

An application filed pursuant to this Rule shall contain the member or member organization's name and address, the name of a person associated with the member organization or ATP Holder who will serve as the primary contact for the application, the Rule from which the member or member organization is seeking an exemption, and a detailed statement of the grounds for granting the exemption. If the member or member organization does not want the application or the decision on the application to be publicly available in whole or in part, the member or member organization also shall include in its application a detailed statement, including supporting facts, showing good cause for treating the application or decision as confidential in whole or in part.

(c) Applicant

A member or member organization that files an application under this Rule is referred to as "Applicant" hereinafter in the Rule 9600 Series.

Rule 9620. Decision

After considering an application, Exchange staff shall issue a written decision setting forth its findings and conclusions. The decision shall be served on the Applicant pursuant to Rules 9132 and 9134. After the decision is served on the Applicant, the application and decision may be publicly available.

Rule 9630. Appeal

(a) Notice

An Applicant may file a written notice of appeal within 15 calendar days after service of a decision issued under Rule 9620. The notice of appeal shall be filed with the CRO, with a copy of the notice also provided to the appropriate department or staff of the Exchange. The notice of appeal shall contain a brief statement of the findings and conclusions as to which exception is taken. Appeals of decisions issued by Exchange staff pursuant to Rule 9620 shall be decided by the CRO. If the Applicant does not want the decision on the appeal to be publicly available in whole or in part, the Applicant also shall include in its notice of appeal a detailed statement, including supporting facts, showing good cause for treating the decision as confidential in whole or in part. The notice of appeal shall be signed by the Applicant.

(b) Expedited Review

Where the failure to promptly review a decision to deny a request for exemption would unduly or unfairly harm the applicant, the CRO shall provide expedited review.

(c) Withdrawal of Appeal

An Applicant may withdraw its notice of appeal at any time by filing a written notice of withdrawal of appeal with the CRO.

(d) Oral Argument

Following the filing of a notice of appeal, the CRO may order oral argument . The CRO may consider any new evidence if the Applicant can show good cause for not including it in its application .

(e) Decision

After considering all matters on appeal, the CRO shall affirm, modify, or reverse the decision issued under Rule 9620. The CRO shall issue a written decision setting forth its findings and conclusions and serve the decision on the Applicant. The decision shall be served pursuant to Rules 9132 and 9134. The decision shall be effective upon service and shall constitute final action of the Exchange.

Rule 9700. Reserved.

Rule 9800. TEMPORARY CEASE AND DESIST ORDERS

Rule 9810. Initiation of Proceeding

(a) Enforcement; Service and Filing of Notice

With the prior written authorization of the Exchange's CRO or such other senior officers as the CRO may designate, Enforcement may initiate a temporary cease and desist proceeding with respect to alleged violations of Section 10(b) of the Exchange Act and SEA Rule 10b-5 thereunder; SEA Rules 15g-1 through 15g-9; Rule 476(a)(6) or Rule 2010 - Equities (if the alleged violation is unauthorized trading, or misuse or conversion of customer assets, or based on violations of Section 17(a) of the Securities Act); or Rule 476(a)(5) or Rule 2020 - Equities. Enforcement shall initiate the proceeding by serving a notice on a member organization or covered person (hereinafter "Respondent") and filing a copy thereof with the Office of Hearing Officers. Enforcement shall serve the notice by personal service or overnight commercial courier. The notice shall be effective upon service.

(b) Contents of Notice

The notice shall set forth the rule or statutory provision that the Respondent is alleged to have violated and that Enforcement is seeking to have the Respondent ordered to cease violating. The notice also shall state whether Enforcement is requesting the Respondent to be required to take action or to refrain from taking action. The notice shall be accompanied by:

(1) a declaration of facts, signed by a person with knowledge of the facts contained therein, that specifies the acts or omissions that constitute the alleged violation; and

(2) a proposed order that contains the required elements of a temporary cease and desist order (except the date and hour of the order's issuance), which are set forth in Rule 9840(b).

(c) Filing of Underlying Complaint

If Enforcement has not issued a complaint under Rule 9211 against the Respondent relating to the subject matter of the temporary cease and desist proceeding and alleging violations of the rule or statutory provision specified in the notice described in paragraph (b), Enforcement shall serve and file such a complaint with the notice initiating the temporary cease and desist proceeding.

Rule 9820. Appointment of Hearing Officer and Hearing Panel

(a) As soon as practicable after Enforcement files a copy of the notice initiating a temporary cease and desist proceeding with the Office of Hearing Officers, the Chief Hearing Officer shall assign a Hearing Officer to preside over the temporary cease and desist proceeding. The Chief Hearing Officer shall appoint two Panelists to serve on a Hearing Panel with the Hearing Officer. The Panelists shall be appointed pursuant to Rule 9231.

(b) If at any time a Hearing Officer or Hearing Panelist determines that he or she has a conflict of interest or bias or circumstances otherwise exist where his or her fairness might reasonably be questioned, or if a Party files a motion to disqualify a Hearing

Officer or Hearing Panelist, the recusal and disqualification proceeding shall be conducted in accordance with Rules 9233 and 9234, except that:

(1) a motion seeking disqualification of a Hearing Officer or Hearing Panelist must be filed no later than 5 days after the later of the events described in paragraph (b) of Rules 9233 and 9234; and

(2) the Chief Hearing Officer shall appoint a replacement Panelist using the criteria set forth in paragraph (a) of this Rule.

Rule 9830. Hearing

(a) When Held

The hearing shall be held not later than 15 days after service of the notice and filing initiating the temporary cease and desist proceeding, unless otherwise extended by the Hearing Officer with the consent of the Parties for good cause shown. If a Hearing Officer or Hearing Panelist is recused or disqualified, the hearing shall be held not later than five days after a replacement Hearing Officer or Hearing Panelist is appointed.

(b) Service of Notice of Hearing

The Office of Hearing Officers shall serve a notice of date, time, and place of the hearing on Enforcement and the Respondent not later than seven days before the hearing, unless otherwise ordered by the Hearing Officer. Service shall be made by personal service or overnight commercial courier. The notice shall be effective upon service.

(c) Authority of Hearing Officer

The Hearing Officer shall have authority to do all things necessary and appropriate to discharge his or her duties as set forth under Rule 9235.

(d) Witnesses

A person who is subject to the jurisdiction of the Exchange shall testify under oath or affirmation. The oath or affirmation shall be administered by a court reporter or a notary public.

(e) Additional Information

At any time during its consideration, the Hearing Panel may direct a Party to submit additional information. Any additional information submitted shall be provided to all Parties at least one day before the Hearing Panel renders its decision.

(f) Transcript

The hearing shall be recorded by a court reporter and a written transcript thereof shall be prepared. A transcript of the hearing shall be available to the Parties for purchase from

the court reporter at prescribed rates. A witness may purchase a copy of the transcript of his or her own testimony from the court reporter at prescribed rates. Proposed corrections to the transcript may be submitted by affidavit to the Hearing Panel within a reasonable time determined by the Hearing Panel. Upon notice to all the Parties to the proceeding, the Hearing Panel may order corrections to the transcript as requested or sua sponte.

(g) Record and Evidence Not Admitted

The record shall consist of the notice initiating the proceeding, the declaration, and the proposed order described in Rule 9810(b); the transcript of the hearing; all evidence considered by the Hearing Panel; and any other document or item accepted into the record by the Hearing Officer or the Hearing Panel. The Office of Hearing Officers shall be the custodian of the record. Proffered evidence that is not accepted into the record by the Hearing Panel shall be retained by the custodian of the record until the date when the Exchange's decision becomes final or, if applicable, upon the conclusion of any review by the SEC or the federal courts.

(h) Failure to Appear at Hearing

If a Respondent fails to appear at a hearing for which it has notice, the allegations in the notice and accompanying declaration may be deemed admitted, and the Hearing Panel may issue a temporary cease and desist order without further proceedings. If Enforcement fails to appear at a hearing for which it has notice, the Hearing Panel may order that the temporary cease and desist proceeding be dismissed.

Rule 9840. Issuance of Temporary Cease and Desist Order by Hearing Panel

(a) Basis for Issuance

The Hearing Panel shall issue a written decision stating whether a temporary cease and desist order shall be imposed. The Hearing Panel shall issue the decision not later than ten days after receipt of the hearing transcript, unless otherwise extended by the Hearing Officer with the consent of the Parties for good cause shown. A temporary cease and desist order shall be imposed if the Hearing Panel finds:

(1) by a preponderance of the evidence that the alleged violation specified in the notice has occurred; and

(2) that the violative conduct or continuation thereof is likely to result in significant dissipation or conversion of assets or other significant harm to investors prior to the completion of the underlying disciplinary proceeding under the Rule 9200 and 9300 Series.

(b) Content, Scope, and Form of Order

A temporary cease and desist order shall:

(1) be limited to ordering a Respondent to cease and desist from violating a specific rule or statutory provision, and, where applicable, to ordering a Respondent to cease and desist from dissipating or converting assets or causing other harm to investors;

(2) set forth the alleged violation and the significant dissipation or conversion of assets or other significant harm to investors that is likely to result without the issuance of an order;

(3) describe in reasonable detail the act or acts the Respondent is to take or refrain from taking; and

(4) include the date and hour of its issuance.

(c) Duration of Order

A temporary cease and desist order shall remain effective and enforceable until the issuance of a decision under Rule 9268 or Rule 9269.

(d) Service

The Office of Hearing Officers shall serve the Hearing Panel's decision and any temporary cease and desist order by personal service or overnight commercial courier. The temporary cease and desist order shall be effective upon service.

Rule 9850. Review by Hearing Panel

At any time after the Office of Hearing Officers serves the Respondent with a temporary cease and desist order, a Party may apply to the Hearing Panel to have the order modified, set aside, limited, or suspended. The application shall set forth with specificity the facts that support the request. The Hearing Panel shall respond to the request in writing within ten days after receipt of the request, unless otherwise extended by the Hearing Officer with the consent of the Parties for good cause shown. The Hearing Panel's response shall be served on the Respondent via personal service or overnight commercial courier. The filing of an application under this Rule shall not stay the effectiveness of the temporary cease and desist order.

Rule 9860. Violation of Temporary Cease and Desist Orders

A Respondent who violates a temporary cease and desist order imposed under this Rule Series may have its association or membership suspended or canceled under Rule 9556. The Exchange's CRO or such other senior officer as the CRO may designate must authorize the initiation of any such proceeding in writing.

Rule 9870. Application to SEC for Review

Temporary cease and desist orders issued pursuant to this Rule Series constitute final and immediately effective disciplinary sanctions imposed by the Exchange. The right to have

any action under this Rule Series reviewed by the SEC is governed by Section 19 of the Exchange Act. The filing of an application for review shall not stay the effectiveness of the temporary cease and desist order, unless the SEC otherwise orders.

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Contracts in Securities

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Section 4. Closing Contracts

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Rule 781. Insolvency

When announcement is made of the suspension of a member or member organization pursuant to Rule 475 or 9558, as applicable, members and member organizations having Exchange contracts with the suspended member or member organization for the purchase, sale or loan of securities shall, without unnecessary delay, proceed to close the same on the Exchange or in the best available market, except insofar as the By-Laws and Rules of a registered clearing agency are applicable and provide the method of closing; provided, however, that upon any such suspension the Board may, in its discretion, suspend the mandatory close-out provisions of this rule and may, in its discretion, reinstate such provisions at such time as it may determine. Should a contract not be closed when required to be closed by this rule, the price of settlement shall be fixed by the fair market value at the time when such a contract should have been closed under this Rule.

* * * * *

Equities Rules

Rule 0 - Equities. Applicability and Phase-In

Except to the extent particular Non-Equities Rules are expressly designated herein as applicable, the Equities Rules (as such rules may be amended from time to time) shall govern all transactions conducted on the Equities Trading Systems. For the avoidance of doubt, [T]the following Non-Equities Rules shall be applicable to transactions conducted on the Equities Trading Systems: Rules 41 and [475, 476, 476A, 477]Section 9A or 9B of the Office Rules, as applicable. Rules 46 - Equities to 294 - Equities, inclusive, shall apply to all Exchange Contracts made on the Equities Trading Systems, and to the extent determined to be applicable, to Exchange Contracts not made on the Exchange.

* * * * *

Rule 2A - Equities. Jurisdiction

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(e) The Exchange shall have jurisdiction after notice and a hearing to discipline members, member organizations, principal executives, approved persons in connection with their conduct of the business of a member organization, and registered or non-registered employees of member organizations and other broker-dealers that choose to be regulated by the Exchange. The Exchange may impose one or more of the following disciplinary sanctions following a proceeding under Rule 475 or 476: expulsion, suspension; limitation as to activities, functions, and operations, including the suspension or cancellation of a registration in, or assignment of, one or more stocks, fine, censure, suspension or bar from being associated with any member or member organization, or any other fitting sanction. The Exchange may impose one or more of the disciplinary sanctions set forth in Rule 8310(a) following a proceeding under the Rule 9000 Series.

* * * * *

Rule 36 - Equities. Communications Between Exchange and Members' Offices

No member or member organization shall establish or maintain any telephonic or electronic communication between the Floor and any other location without the approval of the Exchange. The Exchange may to the extent not inconsistent with the Securities Exchange Act of 1934, as amended, deny, limit or revoke such approval whenever it determines, in accordance with the procedures set forth in Rule 475 or 9558, as applicable, that such communication is inconsistent with the public interest, the protection of investors or just and equitable principles of trade.

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Rule 103B - Equities. Security Allocation and Reallocation

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VI. POLICY NOTES

(A) – (F) No Change

(G) Allocation Freeze Policy

In the event that a DMM unit: (i) loses its registration in a specialty stock as a result of proceedings under Rules 475 or 476 or the Rule 8000 or 9000 Series, as applicable; or (ii) voluntarily withdraws its registration in a specialty stock as a result of possible proceedings under those rules, the unit will be ineligible to apply for future allocations for the six month period immediately following the reassignment of the security (“Allocation Prohibition”).

Following the Allocation Prohibition, a second six month period will begin during which a DMM unit may apply for new listings, provided that the unit demonstrates to the Exchange relevant efforts taken to resolve the circumstances that triggered the Allocation

Prohibition. The determination as to whether a unit may apply for new listings will be made by Exchange regulatory staff, in consultation with the Executive Floor Governors. The factors the staff will consider will vary depending on the unit's particular situation, but may include one or more steps such as:

- supplying additional manpower/experience;
- changes in professional staff;
- attaining appropriate dealer participation;
- enhancing back-office staff; and
- implementing more stringent supervision/new procedures.

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Rule 308 - Equities. Acceptability Proceedings

(a) – (b) No Change

(c) All proceedings under this rule shall be conducted in accordance with the provisions of this rule and shall be held before an Acceptability Committee consisting of at least three persons being members of the Acceptability Board to be selected by the Chief Hearing Officer (as defined in Rule 9120[designated under Rule 476(b)]) in accordance with paragraph (d) of this rule.

* * * * *

Rule 309 - Equities. Reserved. [Failure to Pay Exchange Fees

Any member, member organization or principal executive who shall not pay a fee or any other sums due to the Exchange, within forty-five days after the same shall become payable, shall be reported to the Chief Financial Officer of the Exchange or designee who, after notice has been given to such member, member organization or principal executive of such arrearages, may suspend access to some or all of the facilities of the Exchange until payment is made. Except that failure to pay any fine levied in connection with a disciplinary action shall be governed by Exchange Rule 476(k) (Disciplinary Proceedings Involving Charges Against Members, Member Organizations, Principal Executives, Approved Persons, Employees, or Others).

Denial of access to some or all of the facilities of the Exchange through suspension under the provisions of this Rule shall not prevent the member, member organization or principal executive from being proceeded against for any offense other than that for which such member, member organization, or principal executive was suspended.]

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Rule 345 - Equities. Employees - Registration, Approval, Records

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.15 Qualifications

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(b) Examination waivers.—Where good cause is shown, the examination requirement for a candidate for registration may be waived at the discretion of the Exchange pursuant to the Rule 9600 Series. Consideration may be given to previous related employment and to training and/or examination requirements of other self-regulatory organizations. In such cases, the Exchange must be satisfied that the candidate is qualified for registration.

* * * * *

Rule 345A - Equities. Continuing Education For Registered Persons

(a) Regulatory Element.—No member or member organization shall permit any registered person to continue to, and no registered person shall continue to, perform duties as a registered person, unless such person has complied with the continuing education requirements of Section (a) of this Rule.

* * * * *

(3) Disciplinary Actions.—Unless otherwise determined by the Exchange, a registered person will be required to re-take the Regulatory Element of the program and satisfy the program’s requirements in their entirety in the event such person:

(i) becomes subject to any statutory disqualification as defined in Section 3(a)(39) of the Securities Exchange Act of 1934 (see also Rule 34[6]2([f)e] of the Office Rules[- Equities]);

* * * * *

[Rule 410A - Equities. Automated Submission of Trading Data

A member or member organization shall submit such of the following trade data elements specified below in such automated format as may be prescribed by the Exchange from time to time, in regard to such transaction or transactions as may be subject of a particular request for information made by the Exchange:

(a) If the transaction was a proprietary transaction effected or caused to be effected by the member or member organization for any account in which such member or member organization, or any member, principal executive, approved person, partner, officer, director, or employee of such member organization, is directly or indirectly interested,

such member or member organization shall submit or cause to be submitted the following information:

- (1) Clearing house number, or alpha symbol as used by the member or the member organization submitting the data;
- (2) Clearing house number(s), or alpha symbol(s) as may be used from time to time, of the member(s) or member organization(s) on the opposite side of the transaction;
- (3) Identifying symbol assigned to the security;
- (4) Date transaction was executed;
- (5) Number of shares, or quantity of bonds or options contracts for each specific transaction and whether each transaction was a purchase, sale, short sale and if an options contract whether open long or short or close long or short;
- (6) Transaction price;
- (7) Account number; and
- (8) Market center where transaction was executed.

(b) If the transaction was effected or caused to be effected by the member or member organization for any customer account, such member organization shall submit or cause to be submitted the following information:

- (1) Data elements (1) through (8) as contained in paragraph (a) above; and
- (2) Customer name, address(es), branch office number, registered representative number, whether order was solicited or unsolicited, date account opened and employer name and the tax identification number(s).
- (3) If transaction was effected for a member broker-dealer customer, whether the broker-dealer was acting as principal or agent on the transaction or transactions that are the subject of the Exchange's request.

(c) In addition to the above trade data elements, a member or member organization shall submit such other information in such automated format as may be prescribed by the Exchange, as may from time to time be required.

(d) The Exchange may grant exceptions, in such cases and for such time periods as it deems appropriate, from the requirement that the data elements prescribed in paragraphs (a) and (b) above be submitted to the Exchange in an automated format.]

* * * * *

Rule 500 - Equities. Applicability

(a) The Rules of this series (Rules 500 through 525 - Equities) shall apply to all transactions involving a UTP Security, as that term is defined in Rule 501(d) - Equities, that is granted unlisted trading privileges on the Exchange including the handling of orders, the conduct of accounts, and other matters relating to the trading of UTP Securities on the Exchange. Except to the extent that the provisions of Rules 500-525 - Equities specifically conflict, all other Equities rules shall apply to transactions involving UTP Securities conducted on the Exchange. If any provisions of Rules 500-525 - Equities conflict with any other Equities rule, the Rule 500 series shall govern. Section 9A or 9B, as applicable, of the Office Rules[Rule 475, 476, 476A, and 477] shall also apply to all transactions involving UTP Securities conducted on the Exchange.

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Rule 600 - Equities. Arbitration

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(c) Failure to Arbitrate or to Pay an Arbitration Award. Any member organization 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 FINRA Codes of Arbitration Procedure, or made under the auspices of any other self-regulatory organization, shall be subject to disciplinary proceedings in accordance with Rule 476, or the Rule 8000 and 9000 Series, as applicable.

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Rule 2210 - Equities. Communications with the Public

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(b) Approval, Review and Recordkeeping

(1) Retail Communications

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(E) Pursuant to the [FINRA]Rule 9600 Series, [FINRA]the Exchange may conditionally or unconditionally grant an exemption from paragraph (b)(1)(A) for good cause shown after taking into consideration all relevant factors, to the extent such exemption is consistent with the purposes of the Rule, the protection of investors, and the public interest.

* * * * *

(c) Filing Requirements and Review Procedures

(1) Requirement for Certain Member Organizations to File Retail Communications Prior to First Use

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(B) Notwithstanding the foregoing provisions, if the Department determines that a member organization has departed from the standards of this Rule, it may require that such member organization file all communications, or the portion of such member organization's communications that is related to any specific types or classes of securities or services, with the Department at least 10 business days prior to first use. The Department will notify the member organization in writing of the types of communications to be filed and the length of time such requirement is to be in effect. Any filing requirement imposed under this subparagraph will take effect 21 calendar days after service of the written notice, during which time the member organization may request a hearing under [FINRA]Rules 9551 and 9559.

* * * * *

(9) Filing Exemptions

(A) Pursuant to the [FINRA]Rule 9600 Series, [FINRA]the Exchange may exempt a member organization from the pre-use filing requirements of paragraph (c)(1)(A) for good cause shown.

(B) Pursuant to the [FINRA]Rule 9600 Series, [FINRA]the Exchange may conditionally or unconditionally grant an exemption from paragraph (c)(3) for good cause shown after taking into consideration all relevant factors, to the extent such exemption is consistent with the purposes of the Rule, the protection of investors, and the public interest.

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Rule 3170 - Equities. Tape Recording of Registered Persons by Certain Firms

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(d) Pursuant to the Rule 9600 Series, [T]the Exchange may, in exceptional circumstances, taking into consideration all relevant factors, exempt any taping firm unconditionally or on specified terms and conditions from the requirements of this Rule. A taping firm seeking an exemption must file a written application pursuant to the Rule 9600 Series[to the Exchange]within 30 days after receiving notice from the Exchange or obtaining actual knowledge that it is a taping firm. A member organization that becomes a taping firm for the first time may elect to reduce its staffing levels pursuant to the provisions of paragraph (c) or, alternatively, to seek an exemption pursuant to paragraph (d), as

appropriate. A taping firm may not seek relief from the Rule by both reducing its staffing levels pursuant to paragraph (c) and requesting an exemption.

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Rule 4110 - Equities. Capital Compliance

(a) When necessary for the protection of investors or in the public interest, the Exchange may, at any time or from time to time with respect to a particular carrying or clearing member organization, or all carrying or clearing member organizations, prescribe greater net capital or net worth requirements than those otherwise applicable, including more stringent treatment of items in computing net capital or net worth, or require such member organization to restore or increase its net capital or net worth. In any such instance, the Exchange shall issue a notice[, for FINRA members,] pursuant to [FINRA]Rule 9557[, and for member organizations that are not FINRA members, pursuant to Rule 475].

(b)(1) Unless otherwise permitted by the Exchange, a member organization shall suspend all business operations during any period in which it is not in compliance with applicable net capital requirements set forth in SEA Rule 15c3-1.

(2) The Exchange may issue a notice[, for FINRA members,] pursuant to [FINRA]Rule 9557[, and for member organizations that are not FINRA members, pursuant to Rule 475,] directing a member organization that is not in compliance with applicable net capital requirements set forth in SEA Rule 15c3-1 to suspend all or a portion of its business.

* * * * *

(e) Subordinated Loans, Notes Collateralized by Securities and Capital Borrowings

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Rule 4120 - Equities. Regulatory Notification and Business Curtailment

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(b) Restrictions on Business Expansion

(1) Except as otherwise permitted by the Exchange in writing, a member organization that carries customer accounts or clears transactions shall not expand its business during any period in which any of the conditions described in paragraph (a)(1) continue to exist for more than 15 consecutive business days, provided that such condition(s) has been known to the Exchange or the member organization for at least five consecutive business days. The Exchange may issue a notice[, for FINRA members,] pursuant to [FINRA]Rule 9557[, and for member organizations that are not FINRA members, pursuant to Rule 475,] directing any such member organization not to expand its business; however, the Exchange's authority to issue

such notice does not negate the member organization's obligation not to expand its business in accordance with this paragraph (b)(1).

(2) No member organization may expand its business during any period in which the Exchange restricts the member organization from expanding its business for any financial or operational reason. In any such instance, the Exchange shall issue a notice[, for FINRA members,] pursuant to [FINRA]Rule 9557[, and for member organizations that are not FINRA members, pursuant to Rule 475].

* * * * *

(c) Reduction of Business

(1) Except as otherwise permitted by the Exchange in writing, a member organization that carries customer accounts or clears transactions is obligated to reduce its business to a point enabling its available capital to exceed the standards set forth in paragraph (a)(1)(A) through (F) of this Rule, when any of the following conditions continue to exist for more than 15 consecutive business days, provided that such condition(s) has been known to the Exchange or the member organization for at least five consecutive business days:

* * * * *

(F) the member organization's deduction of capital withdrawals, including maturities of subordinated liabilities entered into pursuant to Appendix D of SEA Rule 15c3-1, scheduled during the next six months, would result in any one of the conditions described in paragraph (c)(1)(A) through (E) of this Rule.

The Exchange may issue a notice[, for FINRA members,] pursuant to [FINRA]Rule 9557[, and for member organizations that are not FINRA members, pursuant to Rule 475,] directing any such member organization to reduce its business to a point enabling its available capital to exceed the standards set forth in paragraph (a)(1)(A) through (F) of this Rule; however, the Exchange's authority to issue such notice does not negate the member organization's obligation to reduce its business in accordance with this paragraph (c)(1).

(2) A member organization must reduce its business as directed by the Exchange for any financial or operational reason. In any such instance, the Exchange shall issue a notice[, for FINRA members,] pursuant to [FINRA] Rule 9557[, and for member organizations that are not FINRA members, pursuant to Rule 475].

* * * * *

Rule 4130 - Equities. Regulation of Activities of Section 15C Member Organizations Experiencing Financial and/or Operational Difficulties

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(f) Any notice directing a member organization to limit or suspend its business operations shall be issued by the Exchange[, for FINRA members,] pursuant to [FINRA] Rule 9557[, and for member organizations that are not FINRA members, pursuant to Rule 475].

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Rule 4360 - Equities. Fidelity Bonds

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(f) Exemptions

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(2) Any member organization may apply for an exemption, pursuant to the [FINRA]Rule 9600 Series, from the requirements of paragraphs (d)(2) and (d)(3) of this Rule. An exemption may be granted, at the discretion of the Exchange, upon a showing of good cause, including a substantial change in the circumstances or nature of the member organization’s business that would result in a lower net capital requirement.

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Trading of Option Contracts

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Section 7. Closing Transactions

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Rule 972. Option Contracts of Suspended Members

When announcement is made of the suspension of a member or member organization, other than a clearing member of the Options Clearing Corporation, pursuant to Section 9A or 9B of the Office Rules[475 through 477], as applicable, all open short positions of the suspended member or member organization in option contracts and all open positions resulting from exercise of option contracts, other than positions that are secured in full by a specific deposit or escrow deposit in accordance with the rules of the Options Clearing Corporation, shall be closed without unnecessary delay by all member organizations carrying such positions for the account of the suspended member or member organization; provided, however, that upon any such suspension the Board may, in its discretion, suspend the mandatory close-out provisions of this Rule and may, in its discretion, reinstate such provisions at such time as it may determine. No temporary suspension of the mandatory close-out provisions of this Rule shall relieve the suspended member or member organization of his or its obligations or for any damages incurred by

member organizations carrying positions for the account of such suspended member or member organization. When a clearing member of the Options Clearing Corporation is suspended pursuant to Section 9A or 9B of the Office Rules, as applicable, [475 through 477]the positions of such clearing member shall be closed out in accordance with the rules of the Options Clearing Corporation.

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Rule 991. Options Communications

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(c) Exchange Approval Requirements and Review Procedures

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(2)(A) Notwithstanding the foregoing provision, the Department, upon review of a member's options communications, and after determining that the member has departed from the standards of this Rule, may require that such member file some or all options communications or the portions of such member's communications that are related to options with the Department, at least ten calendar days prior to use.

(B) The Department shall notify the member in writing of the types of options communications to be filed and the length of time such requirement is to be in effect. The requirement shall not exceed one year and shall not take effect until 21 calendar days after service of the written notice, during which time the member may request a hearing pursuant to [Section 9A]Rules 9551 and 9559.

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

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Rule 902NY. Admission and Conduct on the Options Trading Floor

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(b) Conduct on the Floor. Upon the determination of a Trading Official that an ATP Holder's conduct on the Options Trading Floor of the Exchange is such as to impair the maintenance of a fair and orderly market, or to impair public confidence in the operations of the Exchange, an ATP Holder of the Exchange may be fined pursuant to the Operating Agreement and Rules of the Exchange. This shall also apply to an ATP Holder's failure to adequately supervise an employee to ensure his or her compliance with this rule. An ATP Holder adversely affected by a determination made under this Section may obtain review thereof in accordance with the provisions of Section 9A or 9B of the Office Rules, as applicable. Fines imposed by a Trading Official hereunder shall not preclude further disciplinary action by the Exchange pursuant to the Operating Agreement and Rules of the Exchange.

* * * * *

(g) Hand Held Wireless Trading Devices: No ATP Holder or employee of an ATP Holder may remove from the Options Trading Floor a wireless device that may be used to enter orders into the NYSE Amex Options automated trading system. An ATP Holder who is authorized by the Exchange to use a particular wireless device is also liable under this rule if the device is removed from the Options Trading Floor by any person, including but not limited to, employees of such ATP Holder. This prohibition will apply to any Exchange issued, or ATP proprietary, order routing and/or execution device. Failure to comply will result in disciplinary action, including action pursuant to Rule 476 or 476A or the Rule 9000 Series, as applicable.

(h) Equity Floor Broker Hand Held Terminal: It will be a violation for anyone to be in possession of an NYSE Floor Broker Hand Held Terminal while on the Options Trading Floor. Failure to comply will result in disciplinary action pursuant to Rule 476A or Rule 9216(b), as applicable.

(i) Telephones on the Trading Floor.

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(6) Revocation of Registration. The Exchange may deny, limit or revoke registration of any telephone used on the Trading Floor whenever it determines, in accordance with the procedures set forth in Rule 475 or 9558, as applicable, that use of such device is inconsistent with the public interest, the protection of investors, or just and equitable principles of trade, or such device has been or is being used to facilitate any violation of the Securities Exchange Act of 1934, as amended, or rules thereunder, or the Exchange rules.

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Rule 921NY. Registration of Market Makers

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(c) An ATP Holder or prospective ATP Holder adversely affected by a determination of the Exchange under Rule 921NY may obtain a review thereof in accordance with the provisions of Section 9A or 9B of the Office Rules, as applicable.

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Rule 923NY. Appointment of Market Makers

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(h) A Market Maker may seek review of any action taken by the Exchange pursuant to this Rule, in accordance with Section 9A or 9B of the Office Rules, as applicable.

(i) Appointment Trading Requirement. At least 75% of the trading activity of a Market Maker (measured in terms of contract volume per quarter) must be in classes within the Market Maker's appointment and, in the case of Floor Market Makers, within their designated Trading Zone. A failure to comply with the 75% contract volume requirement may result in a fine pursuant to Rule 476A or Rule 9216(b), as applicable, however, if aggravating circumstances are present, formal disciplinary action may be taken pursuant to Section 9A or 9B of the Office Rules, as applicable.

* * * * *

Rule 927.1NY. Evaluation of Specialist Performance

(1) The Exchange shall periodically evaluate Specialists to determine whether each has fulfilled performance standards relating to, among other things: 1) quality of markets, 2) the Exchange's market share, 3) observance of ethical standards, 4) administrative factors, 5) regulatory matters, and such other data as may be pertinent.

* * * * *

(C) A failure to meet minimum performance standards by a Specialist may form the basis for Exchange action against the Specialist pursuant to this rule. Any ATP Holder affected by a decision of the Exchange shall be informed in writing of the decision, which decision shall include the findings, conclusions, any remedial action to be taken under this rule and the basis for such actions. Specialists have the right to appeal the Exchange's decision to the Board of Directors of the Exchange pursuant to Section 9A or 9B of the Office Rules, as applicable.

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Rule 927.2NY. Allocation of Option Issues

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(c) Review of Exchange Decisions:

(1) Any decision of the Exchange with respect to the qualification or disqualification of a Specialist pursuant to Subsection (b) or with respect to the allocation or reallocation of an issue may be appealed pursuant to Section 9A or 9B of the Office Rules, as applicable. If a decision has been appealed, then an interim Specialist may be appointed until such appeal has been resolved.

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Rule 931NY. Registration of Floor Brokers

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(c) The registration of any person as a Floor Broker may be suspended or terminated by the Exchange upon a determination that such person has failed to perform properly as a Floor Broker. Any ATP Holder or prospective ATP Holder adversely affected by a determination of the Exchange under this Rule may obtain a review thereof in accordance with the provisions of Section 9A or 9B of the Office Rules, as applicable.

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Rule 955NY. Order Format and System Entry Requirements

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(d)(1) Exceptions to EOC. The EOC entry requirement provision of subsection (c) will not apply to any EOC system disruption or malfunction as confirmed by a Trading Official.

(2) EOC Contingency Reporting Procedures. If the exception set forth in subsection (d)(1) applies, then the following procedures must be followed:

* * * * *

(C) If there is an EOC system disruption/malfunction as set forth in subsection (1), the EOC order entry requirements in Rule 955NY will be reinstated once the disruption/malfunction to the EOC system has been corrected as determined by a Trading Official. Once the disruption/malfunction to the EOC system has been corrected, all ATP Holders affected by the system disruption/malfunction must input all relevant orders into an EOC device via the "as-of" field, noting the times of events of the orders. The required information must be entered into EOC by such prescribed period of time, as determined by the Exchange, following the trade, but no later than the end of the trading day that such trade occurred (or on the day the order was received if no trade was executed). Any ATP Holder who fails to follow such procedures will be subject to disciplinary action pursuant to Section 9A or 9B of the Office Rules, as applicable.

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Rule 956.1NY. Reserved[Automated Submission of Trading Data

An ATP Holder or associated person of an ATP Holder must submit such trade data elements specified in Commentary .01 below in such automated format as may be prescribed by the Exchange from time to time, in regard to such transaction or transactions as may be the subject of a particular request for information made by the Exchange. Failure to submit such data in the required format will be considered obstructive of an Exchange inquiry or investigation and subject to formal disciplinary action.

Commentary .01:

A. If the transaction was a proprietary transaction effected or caused to be effected by the ATP Holder or for any account in which such ATP Holder or associated person of an ATP Holder is directly or indirectly interested, such ATP Holder shall submit or cause to be submitted the following information:

- (i) Clearing house number, or alpha symbol, as used by the ATP Holder submitting the data;
- (ii) Clearing house number(s), or alpha symbol(s) as may be used from time to time, of the ATP Holder(s) on the opposite side of the transaction;
- (iii) Identifying symbol assigned to the security;
- (iv) Date transaction was executed;
- (v) Number of shares, or quantity of bonds or option contracts for each specific transaction and whether each transaction was a purchase, sale, short sale and, if an option contract, whether open long or short or close long or short;
- (vi) Transaction price;
- (vii) Account number; and
- (viii) Market center where transaction was executed.

(B) If the transaction was effected or caused to be effected by the ATP Holder for any customer account, such ATP Holder shall submit or cause to be submitted the following information:

- (i) Data elements (i) through (viii) as contained in paragraph (A) above; and
- (ii) Customer name, address(es), branch office number, registered representative number, whether order was solicited or unsolicited, date account opened and employer name and the tax identification number(s).
- (iii) If transaction was effected for a customer of a broker-dealer, whether the broker-dealer was acting as principal or agent on the transaction that is the subject of the Exchange's request.

(C) In addition to the above trade data elements, an ATP Holder shall submit such other information in such automated format as may be prescribed by the Exchange, as may from time to time be required

(D) The Exchange may grant exceptions, in such cases and for such time periods as it deems appropriate, from the requirement that the data elements prescribed in paragraphs (A) and (B) above be submitted to the Exchange in an automated format.]

Rule 957NY. Reporting Duties

(a) All option transactions must be immediately reported to the Exchange, in a form and manner prescribed by the Exchange, for dissemination to the Options Price Reporting Authority ("OPRA"). This requirement applies to all ATP Holders who are required to report trades either directly to OPRA or to another party who is responsible for reporting trades to OPRA. Transactions not reported to OPRA within 90 seconds after the execution will be designated as "late." An ATP Holder who is responsible for a pattern or practice of late reporting of option transactions, without reasonable justification or excuse, will be subject to a fine pursuant to Section 9A or 9B of the Office Rules, as applicable. Repeated or aggravated violations of this rule may result in formal disciplinary action.

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Commentary:

.01 EOC Reporting Procedure. The Exchange has established the following procedure for reporting of transactions pursuant to Rule 957NY. For each transaction on the Exchange, the responsible ATP Holder (pursuant to subsection (b) above), will immediately record into EOC, its assigned broker initial code, the symbol of the underlying security, the type, expiration month and exercise price of the option contract sold, the transaction price, the number of contract units comprising the transaction, the name of the contra clearing member, and the assigned broker initial code of the contra ATP Holder. ATP Holders must report any partial execution of a larger order into EOC. Any agency order must also include the account origin code. Any ATP Holder failing to immediately report a transaction in accordance with Rule 957NY will be subject to disciplinary action pursuant to Section 9A or 9B of the Office Rules, as applicable.

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