



Martha Redding
Chief Counsel

New York Stock Exchange
11 Wall Street
New York, NY 10005
T + 1 212 656 2938
F + 1 212 656 8101
Martha.redding@theice.com

July 30, 2014

VIA FEDERAL EXPRESS

Kevin M. O'Neill
Deputy Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-1090

Re: Request for Extension of Exemptive Order Pursuant to Rule 612(c) of Regulation NMS – NYSE and NYSE MKT Retail Liquidity Program

Dear Mr. O'Neill:

NYSE LLC ("NYSE") and NYSE MKT LLC ("NYSE MKT," collectively with NYSE, the "Exchanges") respectfully request that the Securities and Exchange Commission ("Commission") approve an eight-month extension of the exemption from Rule 612 of Regulation NMS ("Sub-Penny Exemption") previously granted by the Commission on July 3, 2012, for the Exchanges' Retail Liquidity Program (the "Program").¹ The exemption operates coterminous with the pilot period of the Program. The pilot period is set to expire on July 31, 2014, and the exemption would expire on the same date.²

The Program was established on a pilot basis to attract retail order flow to the NYSE for NYSE-listed securities, and to NYSE MKT for NYSE MKT-listed securities as well as securities listed on The NASDAQ Stock Market LLC and traded pursuant to unlisted trading privileges. The Program allows such order flow to receive potential price improvement. The Program is currently limited to trades occurring at prices equal to or greater than \$1.00 per share. Under the Program, Retail Liquidity Providers ("RLPs") are able to provide potential price improvement in the form of a non-displayed order that is priced better than the Exchange's best protected bid or offer ("PBBO"), called a Retail Price Improvement Order ("RPI"). When there is an RPI in a particular security, the

¹ The Sub-Penny Exemption was originally granted by the Commission concurrently with the approval of the Program. See Securities Exchange Act Release No. 67347 (July 3, 2012), 77 FR 40673 (July 10, 2012) (SR-NYSE-2011-55; SR-NYSEAmex-2011-84) ("RLP Approval Order"). On July 30, 2013, the Exchanges requested an extension of the exemption for the Program. See Letter from Janet McGinness, SVP and Corporate Secretary, NYSE Euronext, to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, dated July 30, 2013. On August 2, 2013, the Sub-Penny Exemption was extended until July 31, 2014. See Securities Exchange Act Release Nos. 70096 (August 2, 2013), 78 FR 48520 (August 8, 2013) (NYSE-2013-48); 70100 (August 2, 2013), 78 FR 48536 (August 8, 2013) (SR-NYSEMKT-2013-60).

² Along with this exemption request, the Exchanges are proposing to extend the pilot period for the Program. See Securities Exchange Act Release Nos. 72629 (July 16, 2014), 79 FR 42564 (July 22, 2014) (SR-NYSE-2014-35); 72625 (July 22, 2014), 79 FR 42566 (July 22, 2014) (SR-NYSEMKT-2014-60).

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Exchange disseminates an indicator, known as the Retail Liquidity Identifier, indicating such interest exists. Retail Member Organizations ("RMOs") can submit a Retail Order to the Exchange, which would interact, to the extent possible, with available contra-side RPIs.

As stated in the Exchanges' previous letters requesting relief,³ the Exchanges believe that the quality of our markets and accuracy of price discovery depend on the interaction among a diverse set of market participants, including short-term, long-term, retail, and institutional investors. As was the case when the Commission granted the Sub-Penny Exemption, the vast majority of marketable retail order flow today is executed pursuant to bilateral agreements that are not exposed to the enhanced price competition and transparency occurring on exchanges. The Program continues to offer the potential to enhance the level of order interaction and price competition experienced by retail orders through market center competition. By extending the Sub-Penny Exemption, the Commission would allow exchanges to compete for retail orders in the same manner that OTC market makers have long done--by offering sub-penny prices. At the same time, the reasonable design and limited nature of the Program avoid any risk of quote flickering because sub-penny prices are not disseminated. In addition, the Program does not undermine the incentive of market participants to display orders because the marketable retail orders that are routed to the Program would not otherwise be exposed to price competition, but, rather, executed pursuant to bilateral internalization arrangements.

As participation has been increasing more recently with additional RLPs, extending the exemptions for the Program would provide additional opportunities for greater participation in the Program and assessment of the results of such participation. Accordingly, the Exchanges request that the previously provided exemptions be extended to March 31, 2015, because the Program serves the public interest and otherwise protects investors.

Thank you in advance for your consideration of this request.

Sincerely,



³ See Letter from Janet McGinness, SVP and Corporate Secretary, NYSE Euronext, to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, dated October 19, 2011. The Exchanges amended the exemptive request on January 13, 2012. See Letter from Janet McGinness, SVP and Corporate Secretary, NYSE Euronext, to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, dated January 13, 2012. On July 30, 2013, the Exchanges requested an extension of the exemption for the Program.