

Additions: Underscored
Deletions: [Bracketed]

Rule 116. "Stop" Constitutes Guarantee

• • • *Supplementary Material:* -----

.40 "Stopping" stock on market-at-the-close orders. Notwithstanding any provisions of this Rule or of any other Exchange Rule to the contrary, a member shall execute market-at-the-close and marketable limit-at-the-close orders in a stock as provided below, where the member is holding simultaneously both buy and sell market-at-the-close and/or marketable limit-at-the-close orders.

(C) Where the aggregate size of the buy market-at-the-close orders equals the aggregate size of the sell market-at-the-close orders, the buy orders and sell orders shall be paired-off at the price of the last sale of the Exchange just prior to the close of trading in that stock on that day. The transaction shall be reported to the consolidated last sale reporting system as a single transaction [unless the volume of such transaction exceeds 99,999,999 shares in which case it shall be reported in multiple prints]. See Rule 123C for discussion of procedures applicable to market-at-the-close and limit-at-the close orders.

Rule 123C. Market On The Close Policy And Expiration Procedures

(3) Closing Prints

(A) Order Imbalance.—Where there is an imbalance of shares to buy over shares to sell in MOC and/or marketable LOC orders, or vice versa, the imbalance shall, at the close of trading, be executed against the bid or offer on the Exchange, as appropriate. (An imbalance of buy orders would be executed against the offer. An imbalance of sell orders would be executed against the bid.)

The DMM shall then stop the remaining MOC/LOC buy and MOC/LOC sell orders against each other and pair them off at the price of the immediately preceding sale described above. (Rule 116.40) (Any stop orders that would be elected based on the closing price will be automatically and systemically converted to market orders and included in the total number of market-at-the-close orders to be executed as if the elected stop orders were market-at-the-close orders.)

Example: Assume the market in a stock just prior to the close of trading on the Exchange on any day is quoted 30 to 30.08, 500 by 1,000. There are market at-the-close orders to buy 1,000 shares, and market at-the-close orders to sell 1,500 shares.

The 500 share imbalance of sell orders must be executed against the bid. The remaining market at-the-close orders to buy 1,000 shares and sell 1,000 shares are then stopped against each other and paired off at a price of 30.

The imbalance and the "pair- off" transaction shall be reported to the Consolidated Tape last sale reporting system as a single transaction [unless the volume of such transaction exceeds 99,999,999 shares. Where the number of shares executed in the closing transaction exceeds 99,999,999 shares the transaction shall be reported to the Consolidated Tape last sale reporting system in multiple prints].

(B) No Order Imbalance.—Where the aggregate size of buy MOC and marketable LOC orders in a stock equals the aggregate size of sell MOC orders and marketable orders, they shall be stopped against each other and paired-off at the price of the last sale on the Exchange just prior to the close of trading in that stock on that day. The transaction shall be reported to the Consolidated Tape last sale reporting system as a single transaction [unless the volume of such transaction exceeds 99,999,999 shares. Where the number of shares executed in the closing transaction exceeds 99,999,999 shares the transaction shall be reported to the Consolidated Tape last sale reporting system in multiple prints]. (Rule 116.40)
