

Additions underlined
 Deletions [bracketed]

Rules of New York Stock Exchange LLC

Rule 12. "Business Day"

Except as may be otherwise determined by the Exchange as to particular days, the term "business day" means any day on which the Exchange is open for business: provided, however, on any business day that the banks, transfer agencies and depositories for securities in New York State are closed:

- (1) [Except for orders containing non-regular way settlement instructions pursuant to Rule 14,]deliveries or payments ordinarily due on such a day shall be due on the following business day;
- (2) such a day shall not be considered as a business day in determining the day for settlement of a contract, the day on which stock shall be quoted ex-dividend or ex-rights, or in computing interest on contracts in bonds or premiums on loans of securities; and
- (3) the right to mark to the market, to make reclamation, or to close contracts under Rule 284 [(other than "cash" contracts made on such a day)]shall not be exercised on such a day.

For list of holidays on which the Exchange will not be open for business see Rule 51.

Rule 14. [Non-Regular Way Settlement Instructions for Orders]Bid or Offer Deemed Regular Way

[This version of Rule 14 will remain operative until the Exchange files separate proposed rule changes as necessary to establish the operative date of "Rule 14T. Non-Regular Way Settlement Instructions," to delete this version of Rule 14 and preamble, and to remove the preamble text from the version of Rule 14T. In addition to filing the necessary proposed rule changes, the Exchange will announce via Information Memo the operative date of the deletion of this Rule and implementation of "Rule 14T. Non-Regular Way Settlement Instructions."]

Bids and offers will be considered to be "regular way."

[(a)(i) Bids and offers in securities admitted to dealings on the Exchange may be submitted with instructions that allow for settlement other than regular way (i.e., settlement on the third business day following trade date for securities other than U.S. Government Securities). These may be known as "non-regular way" settlement instructions.

(ii) Bids and offers in securities admitted to dealings on the Exchange submitted with instructions that allow for settlement other than regular way (i.e., non-regular way, as defined below) must be transmitted to a Floor broker for representation in the Exchange's market.

(b) Non-regular way settlement instructions are: (i) cash; (ii) next day; and (iii) seller's option.

(c) An order submitted with a cash settlement instruction requires delivery of the securities the same day as the trade date.

(d) An order submitted with a next day settlement instruction requires delivery of the securities on the first business day following the trade date.

(e) An order submitted with a seller's option settlement instruction require delivery any time period after trade date that is not less than two business days after trade date and not more than sixty days after trade date for securities as specified by the seller at the time of the transaction. In the case of U.S. government securities, delivery shall be any time period after trade date that is not less than two business days after trade date and no more than sixty days after trade date as specified by the seller at the time of the transaction.

(f) Regular way settlement for U.S. Government Securities pursuant to Rule 66 requires delivery on the business day following the day of the trade.

[Rule 14 T. Non-Regular Way Settlement Instructions for Orders

The Exchange will file separate proposed rule changes to establish the operative date of Rule 14T, to delete "Rule 14. Non-Regular Way Settlement Instructions for Orders" and the preamble text from Rule 14, and to remove the preamble text from the version of Rule 14T. Until such time, "Rule 14. Non-Regular Way Settlement Instructions for Orders" will remain operative. In addition to filing the necessary proposed rule changes, the Exchange will announce via Information Memo the implementation of this Rule and the operative date of the deletion of "Rule 14. Non-Regular Way Settlement Instructions for Orders."

(a)(i) Bids and offers in securities admitted to dealings on the Exchange may not be submitted with instructions that allow for settlement other than regular way (i.e., settlement on the second business day following trade date for securities other than U.S. Government Securities). These may be known as "non-regular way" settlement instructions.

(ii) Bids and offers in securities admitted to dealings on the Exchange submitted with instructions that allow for settlement other than regular way (i.e., non-regular way, as defined below) must be transmitted to a Floor broker for representation in the Exchange's market.

(b) Non-regular way settlement instructions are: (i) cash; (ii) next day; and (iii) seller's option.

(c) An order submitted with a cash settlement instruction requires delivery of the securities the same day as the trade date.

(d) An order submitted with a next day settlement instruction requires deliver of the securities on the first business day following the trade date.

(e) An order submitted with a seller's option settlement instruction require delivery any time period after trade date that is not less than two business days after trade date and not more than sixty days after trade date for securities as specified by the seller at the time of the transaction. In the case of U.S. government securities, delivery shall be any time period after trade date that is not less than two business days after trade date and no more than sixty days after trade date as specified by the seller at the time of the transaction.

(f) Regular way settlement for U.S. Government Securities pursuant to Rule 66 requires delivery on the business day following the day of the trade.]

Dealings and Settlements (Rules 45—299C)

This version of "Dealings and Settlements (Rules 45—299C)" will remain operative until the Exchange files separate proposed rule changes as necessary to establish the operative date of "Dealings and SettlementsT (Rules 45—299C)," to delete this version of "Dealings and Settlements (Rules 45—299C)"and preamble, and to remove the preamble text from the version of "Dealings and SettlementsT (Rules 45—299C)." In addition to filing the necessary proposed rule changes, the Exchange will announce via Information Memo the operative date of the deletion of this Rule and implementation of "Dealings and SettlementsT (Rules 45—299C)."

Delivery Dates on Exchange Contracts

Contracts for Sale of Securities (Rules 64, 65)

| <i>Nature of Contract</i> | <i>Delivery Date</i> | <i>Remarks</i> |
|---------------------------|-----------------------|-------------------------|
| [Cash | Due on the day of the | Transactions made at or |

| | | |
|---|---|---|
| | contract. | before 2:00 P.M. are due before 2:30 P.M.; those made after 2:00 P.M. are due within 30 min. after sale (Rule 177.)] |
| Regular Way | Due on the third business day following the day of the contract. | |
| [Seller's Option | Due on the date of expiration of the option, which may not be less than two business days nor more than 60 days. If due date is a day other than a business day, delivery shall be due on the next succeeding business day unless otherwise agreed. (Rule 178.) For trades not submitted to the Exchange or a Qualified Clearing Agency for comparison, written contracts must be exchanged. (Rule 137.) | Seller may deliver earlier by giving written notice, on or after the day when delivery would have been due if the contract had been made "regular way," of intention to make delivery on next business day following such notice. (Rule 179(a).)] |
| When Issued and When Distributed (Rule 63). | Due as determined by Exchange. | Written contracts on transactions not cleared through a Qualified Clearing Agency must be exchanged. (Rule 137.) |

The Exchange will file a separate proposed rule change to establish the operative date of "Dealings and SettlementsT (Rules 45—299C)," to delete "Dealings and Settlements (Rules 45—299C)" and the preamble text from the version of "Dealings and SettlementsT (Rules 45—299C)." Until such time, "Dealings and Settlements (Rules 45—299C)" will remain operative. In addition to filing the necessary proposed rule changes, the Exchange will announce via Information Memo the implementation of this Rule and the operative date of the deletion of "Dealings and Settlements (Rules 45—299C)."

| <i>Nature of Contract</i> | <i>Delivery Date</i> | <i>Remarks</i> |
|---|---|---|
| [Cash | Due on the day of the contract. | Transactions made at or before 2:00 P.M. are due before 2:30 P.M.; those made after 2:00 P.M. are due within 30 min. after sale (Rule 177.)] |
| Regular Way | Due on the second business day following the day of the contract. | |
| [Seller's Option | Due on the date of expiration of the option, which may not be less than two business days nor more than 60 days. If due date is a day other than a business day, delivery shall be due on the next succeeding business day unless otherwise agreed. (Rule 178.) For trades not submitted to the Exchange or a Qualified Clearing Agency for comparison, written contracts must be exchanged. (Rule 137.) | Seller may deliver earlier by giving written notice, on or after the day when delivery would have been due if the contract had been made "regular way," of intention to make delivery on next business day following such notice. (Rule 179(a).)] |
| When Issued and When Distributed (Rule 63). | Due as determined by Exchange. | Written contracts on transactions not cleared through a Qualified Clearing Agency must be exchanged. (Rule 137.) |

Contracts for Sale of U.S. Government Bonds (Rule 66)

(Obligations of any international authorities in which the United States is a participant and securities guaranteed by the United States Government as to principal and interest are classed as United States Government bonds.)

| <i>Nature of Contract</i> | <i>Delivery Date</i> | <i>Remarks</i> |
|---------------------------|----------------------|----------------|
|---------------------------|----------------------|----------------|

| | | |
|-------|---------------------------------|--|
| [Cash | Due on the day of the contract. | Transactions made at or before 2:00 P.M. are due before 2:30 P.M.; those made after 2:00 P.M. are due within 30 min. after sale (Rule 177.)] |
|-------|---------------------------------|--|

| | | |
|-------------|--|--|
| Regular Way | Due on the first business day following the day of the contract. | |
|-------------|--|--|

| | | |
|------------------|--|---|
| [Seller's Option | Due on the date of expiration of the option, which may not be less than two business days nor more than sixty days. If due date is a day other than a business day, delivery shall be due on the next succeeding business day unless otherwise agreed. (Rule 178.) Written contracts must be exchanged. (Rule 137.) | Seller may deliver earlier by giving written notice, on or after the day when delivery would have been due if the contract had been made "regular way," of intention to make delivery on next business day following such notice. (Rule 179(a).)] |
|------------------|--|---|

| | | |
|---|--------------------------------|--|
| When Issued and When Distributed (Rule 63). | Due as determined by Exchange. | Written contracts on transactions not cleared through a Qualified Clearing Agency must be exchanged. (Rule 137.) |
|---|--------------------------------|--|

Rule 64. Bonds, Rights and 100-Share-Unit Stocks

[This version of Rule 64 will remain operative until the Exchange files separate proposed rule changes as necessary to establish the operative date of "Rule 64T. Bonds, Rights and 100-Share-Unit Stocks," to delete this version of Rule 64 and preamble, and to remove the preamble text from the version of Rule 64T. In addition to filing the necessary proposed rule changes, the Exchange will announce via Information Memo the operative date of the deletion of this Rule and implementation of "Rule 64T. Bonds, Rights and 100-Share-Unit Stocks."]

(a) (i) Except as provided in (ii) below, b) Bids and offers in securities admitted to dealings on an "issued" basis, shall be made as "regular way" i.e., for delivery on the third business day following the day of the contract.] In addition, the Exchange may allow for any such additional settlement instructions and periods as the Exchange may from time to time determine. [(See Rule 14 (Non-Regular Way Settlement Instructions for Orders) for additional permissible settlement instructions.)

(ii) On the second and third business days preceding the final day for subscription, bids and offers in rights to subscribe shall be made only "next day," i.e., for delivery on the next business day following the day of the contract; and shall be made only for "cash" on the day preceding the final day for subscription.

(b) All trades effected for other than "regular way" settlement that are more than 0.10 point away from the "regular way" bid or offer must be approved by a Floor Official, except during the last calendar week of the year at which time Floor Official approval is required only for sales more than 0.25 point away from the "regular way" bid or offer. In considering whether or not to grant such approval, the Floor Official should take into consideration whether the price of the transaction is reasonable in relation to the "regular way" market.

(c) All "seller's option" trades, for delivery between two and 60 business days, should be reported to the tape only in calendar days. For example, a trade settling in six business days would print as a "seller's 8" unless there is an intervening holiday (in which case it would print as a "seller's 9"). Weekends and holidays are counted and the trade date is not included when calculating the print for "seller's option" trades. The settlement date of a "seller's option" transaction printed as calendar days cannot coincide with the normal three business day "regular way" settlement.

Rule 64T. Bonds, Rights and 100-Share-Unit Stocks

The Exchange will file separate proposed rule changes to establish the operative date of Rule 64T, to delete "Rule 64. Bonds, Rights and 100-Share-Unit Stocks" and the preamble text from Rule 64, and to remove the preamble text from the version of Rule 64T. Until such time, "Rule 64. Bonds, Rights and 100-Share-Unit Stocks" will remain operative. In addition to filing the necessary proposed rule changes, the Exchange will announce via Information Memo the implementation of this Rule and the operative date of the deletion of "Rule 64. Bonds, Rights and 100-Share-Unit Stocks."

(a) (i) Except as provided in (ii) below, bids and offers in securities admitted to dealings on an "issued" basis, shall be made as "regular way," i.e., for delivery on the second business day following the day of the contract. In addition, the Exchange may allow for any such additional settlement instructions and periods as the Exchange may from time to time determine. (See Rule 14 (Non-Regular Way Settlement Instructions for Orders) for additional permissible settlement instructions.)

(ii) On the second business day preceding the final day for subscription, bids and offers in rights to subscribe shall be made only "next day," i.e., for delivery on the next business day following the day of the contract; and shall be made only for "cash" on the day preceding the final day for subscription.

(b) All trades effected for other than "regular way" settlement that are more than 0.10 point away from the "regular way" bid or offer must be approved by a Floor Official, except during the last calendar week of the year at which time Floor Official approval is required only for sales more than 0.25 point away from the "regular way" bid or offer. In considering whether or not to grant such approval, the Floor Official should take into consideration whether the price of the transaction is reasonable in relation to the "regular way" market.

(c) All "seller's option" trades, for delivery between three and 60 business days, should be reported to the tape only in calendar days. For example, a trade settling in six business days would print as a "seller's 8" unless there is an intervening holiday (in which case it would print as a "seller's 9"). Weekends and holidays are counted and the trade date is not included when calculating the print for "seller's option" trades. The settlement date of a "seller's option" transaction printed as calendar days cannot coincide with the normal two business day "regular way" settlement.]

Rule 66. U.S. Government Securities

Bids and offers in *securities of the United States Government* admitted to dealings on an "issued" basis shall be made only as the "regular way[.]" [for that security i.e., for delivery on the business day following the day of the trade.]

In addition, the Exchange may allow for any such additional settlement periods as the Exchange may from time to time determine. [(See Rule 14 (Non-Regular Way Settlement Instructions for Orders) for additional permissible settlement instructions.)]

Rule 73. Reserved[Seller's Option

On offers to buy "seller's option" at the same price, the longest option shall have precedence; on offers to sell "seller's option" at the same price, the shortest option shall have precedence.]

Rule 123. Record of Orders

(f) Reports of Order Executions

[14. Settlement Instructions (e.g., cash, next day, or seller's option as defined in Rule 14)];

14[5]. Special Trade Indication, if applicable;

15[6]. Online Comparison System (OCS) Control Number;

16[7]. Such other information as the Exchange may from time to time require.

Rule 130. Overnight Comparison of Exchange Transactions

(a) Unless otherwise specified by rule, each transaction effected on the Exchange shall be processed anonymously and compared or otherwise closed out by the close of business on the Exchange on the business day following the day of the contract. All reports associated with such transactions will indicate the details of such transactions and shall not reveal contra-party identities.

(b) The Exchange will reveal the contra-party identities in the following circumstances:

(1) for regulatory purposes or to comply with an order of a court or arbitrator;

(2) when a Qualified Clearing Agency ceases to act for a Member Organization or the Member Organization's clearing firm, and determines not to guarantee the settlement of the Member Organization's trades; or

(3) if both parties to the transaction consent.

(c) The provisions of paragraph (a) above shall apply regardless of whether the transaction has been submitted to a "Qualified Clearing Agency" for comparison or settlement, but such provisions shall apply only to contracts for "regular way"[, "next day" and "seller's option" settlement, as prescribed in Rule 14,] in stocks, rights, warrants, and "when issued" and "when distributed" securities. The provisions of paragraph (a) shall apply to contracts in listed bonds on and after June 1, 1993.

(d) - (e) No Change

Rule 132. Comparison and Settlement of Transactions Through A Fully-Interfaced or Qualified Clearing Agency

••• *Supplementary Material:* -----

Definitions

.30 Regardless of whether or not a Fully-Interfaced or Qualified Clearing Agency is being used for the comparison and/or settlement of a round-lot regular way contract for the purchase or sale of a security entered into on the Exchange, each clearing member organization that is a party to such contract shall submit to a Fully-Interfaced or Qualified Clearing Agency, as defined above, in such form and within such time periods as may be prescribed by the Clearing Agency, or the Exchange, as appropriate, each of the following trade data elements:

- (1) Name or identifying symbol of the security, as may be required by the clearing agency;
- (2) Number of shares or quantity of security;
- (3) Transaction price;
- (4) Time the trade was executed;
- (5) Executing broker badge number, or alpha symbol as may be used from time to time, in regard to its side of the contract;
- (6) Executing broker badge number, or alpha symbol as may be used from time to time, of the contra side to the contract;
- (7) Clearing firm number, or alpha symbol as may be used from time to time, in regard to its side of the contract;
- (8) Clearing firm number, or alpha symbol as may be used from time to time, in regard to the contra side of the contract;
- (9) The capacity in which the member organization executed the transaction (e.g., agency, principal, or riskless principal);
- (10) Such other information as the Exchange may from time to time require.

[Each clearing member organization that is a party to a round lot non-regular way contract for the purchase or sale of a security entered into on the Exchange shall submit each of the trade data elements referred to above to the Exchange, in such form and within such time periods as the Exchange may prescribe.]

Rule 137. Written Contracts

On ["seller's option" transactions in stocks, on "seller's option" transactions in bonds for more than seven days, as prescribed in Rule 14 and on]all transactions made "when issued" or "when distributed," that are not submitted to the Exchange or to a Qualified Clearing Agency for comparison pursuant to the rules of such Exchange or Qualified Clearing Agency, written contracts shall be exchanged not later than one hour after the close of business on the same business day of the transaction.

Rule 137A Samples of Written Contracts

••• *Supplementary Material:* -----

.20 ["Seller's option" contract for stock.—

Shares. New York 20..

have { {SOLD to/PURCHASED of}

shares of the Stock of the at .per share payable and deliverable , either party having the right to call for deposits, according to the requirements of the Constitution and Rules of the New York Stock Exchange; and on the failure of the party called upon to comply therewith, this contract shall mature, with the right and authority to the party not in default to close the contract in accordance with the Rules of the New York Stock Exchange.

.30]"When Issued" or "When Distributed" contract.—

Rule 177. Reserved[Delivery Time— "Cash" Contracts

Deliveries against transactions made for "cash", as prescribed in Rule 14 at or before 2:00 p.m. shall be due before 2:30 p.m. Deliveries against transactions made for "cash" after 2:00 p.m. shall be due within thirty minutes after the time of the transaction.]

Rule 179. Reserved["Seller's Option"

When securities have been sold "seller's option," as prescribed in Rule 14, delivery shall be due on the day of the expiration of the option (unless such day is other than a business

day, when Rule 178 shall apply) but may be made at the option of the seller on any business day prior thereto upon one day's written notice. Such notice must be given by the seller before 4:00 p.m. and may not be given until the day when delivery would have been due if the contract had been made "regular way"

Effect of notice

A notice given pursuant to the provisions of this Rule shall be considered as in full force until delivery is made.]

Rule 189. Unit of Delivery

Except for contracts to be settled pursuant to the rules of a Qualified Clearing Agency, the buyer shall accept any portion of a lot of securities contracted for if tendered in lots of one trading unit or multiples thereof, and may buy in the undelivered portion as provided in Rule 284[, but on sales made "seller's option," as prescribed in Rule 14 the buyer shall not be required to accept, before the date of the expiration of the option, a portion of a lot of securities contracted for].

Rule 235. Ex-Dividend, Ex-Rights

This version of Rule 235 will remain operative until the Exchange files separate proposed rule changes as necessary to establish the operative date of "Rule 235T. Ex-Dividend, Ex-Rights," to delete this version of Rule 235 and preamble, and to remove the preamble text from the version of Rule 235T. In addition to filing the necessary proposed rule changes, the Exchange will announce via Information Memo the operative date of the deletion of this Rule and implementation of "Rule 235T. Ex-Dividend, Ex-Rights."

Transactions in stocks[, except those made for "cash" as prescribed in Rule 14,] shall be ex-dividend or ex-rights on the second business day preceding the record date fixed by the corporation or the date of the closing of transfer books. Should such record date or such closing of transfer books occur upon a day other than a business day, this Rule shall apply for the third preceding business day.

[Transactions in stocks made for "cash" shall be ex-dividend or ex-rights on the business day following said record date or date of closing of transfer books.]

The Exchange may, however, in any specific case, direct otherwise.

(See Rule 118 [¶2118] as to types of orders which shall or shall not be reduced and Rule 118.10- .30 [¶2118.10- .30] regarding reduction of orders, odd amounts, optional amounts and responsibility.)

Rule 235T. Ex-Dividend, Ex-Rights

The Exchange will file separate proposed rule changes to establish the operative date of Rule 235T, to delete "Rule 235. Ex-Dividend, Ex-Rights" and the preamble text from Rule 235, and to remove the preamble text from the version of Rule 235T. Until such time, "Rule 235. Ex-Dividend, Ex-Rights" will remain operative. In addition to filing the necessary proposed rule changes, the Exchange will announce via Information Memo the implementation of this Rule and the operative date of the deletion of "Rule 235. Ex-Dividend, Ex-Rights."

Transactions in stocks[, except those made for "cash" as prescribed in Rule 14,] shall be ex-dividend or ex-rights on the business day preceding the record date fixed by the corporation or the date of the closing of transfer books. Should such record date or such closing of transfer books occur upon a day other than a business day, this Rule shall apply for the second preceding business day.

[Transactions in stocks made for "cash" shall be ex-dividend or ex-rights on the business day following said record date or date of closing of transfer books.]

The Exchange may, however, in any specific case, direct otherwise.

(See Rule 118 as to types of orders which shall or shall not be reduced and Rule 118.10-.30 regarding reduction of orders, odd amounts, optional amounts and responsibility.)

Rule 236. Ex-Warrants

This version of Rule 236 will remain operative until the Exchange files separate proposed rule changes as necessary to establish the operative date of "Rule 236T. Ex-Warrants," to delete this version of Rule 236 and preamble, and to remove the preamble text from the version of Rule 236T. In addition to filing the necessary proposed rule changes, the Exchange will announce via Information Memo the operative date of the deletion of this Rule and implementation of "Rule 236T. Ex-Warrants."

Transactions in securities which have subscription warrants attached [(except those made for "cash"), as prescribed in Rule 14,]shall be ex-warrants on the second business day preceding the date of expiration of the warrants, except that when the date of expiration occurs on a day other than a business day, said transactions shall be ex-warrants on the third business day preceding said date of expiration.

[Transactions in securities made for "cash" shall be ex-warrants on the business day following the date of expiration of the warrants.]

The Exchange may, however, in any specific case, direct otherwise.

Rule 236T. Ex-Warrants

The Exchange will file separate proposed rule changes to establish the operative date of Rule 236T, to delete "Rule 236. Ex-Warrants" and the preamble text from Rule 236, and to remove the preamble text from the version of Rule 236T. Until such time, "Rule 236. Ex-Warrants" will remain operative. In addition to filing the necessary proposed rule changes, the Exchange will announce via Information Memo the implementation of this Rule and the operative date of the deletion of "Rule 236. Ex-Warrants."

Transactions in securities which have subscription warrants attached [(except those made for "cash"), as prescribed in Rule 14,]shall be ex-warrants on the business day preceding the date of expiration of the warrants, except that when the date of expiration occurs on a day other than a business day, said transactions shall be ex-warrants on the second business day preceding said date of expiration.

[Transactions in securities made for "cash" shall be ex-warrants on the business day following the date of expiration of the warrants.]

The Exchange may, however, in any specific case, direct otherwise.

Rule 241. Interest—Added to Contract Price

Unless otherwise directed by the Exchange, in settlement of contracts in bonds dealt in "and interest" there shall be added to the contract price interest on the principal amount at the rate specified in the bond, which shall be computed up to but not including the day on which delivery is due[, except that in the case of contracts made "seller's option," as prescribed in Rule 14 such interest shall be computed only up to but not including the day when delivery would have been due if the contract had been made "regular way."].

Rule 257. Deliveries After "Ex" Date

This version of Rule 257 will remain operative until the Exchange files separate proposed rule changes as necessary to establish the operative date of "Rule 257T. Deliveries After 'Ex' Date," to delete this version of Rule 257 and preamble, and to remove the preamble text from the version of Rule 257T. In addition to filing the necessary proposed rule changes, the Exchange will announce via Information Memo the operative date of the deletion of this Rule and implementation of "Rule 257T. Deliveries After 'Ex' Date."

When a security is sold before it is ex-dividend or ex-rights, [or is sold thereafter to and including the record date for "cash," as prescribed in Rule 14,]and delivery is made too late to enable the buyer to obtain transfer in time to become a holder of record to receive the distribution to be made with respect to such security, the seller shall pay or deliver the distribution to the buyer in the following manner, unless otherwise directed by the Exchange:

- (1) In the case of stock dividends or rights to subscribe, the seller shall deliver to the buyer, within three days after the record date, either the dividend or rights, or a due-bill for such dividend or rights.
- (2) In the case of cash dividends, the seller shall deliver to the buyer, within three days after the record date, a due-bill-check for the amount of the dividend.

The same principle shall apply to the return of loans of securities after the record date.

Rule 257T. Deliveries After "Ex" Date

The Exchange will file separate proposed rule changes to establish the operative date of Rule 257T, to delete "Rule 257. Deliveries After `Ex' Date" and the preamble text from Rule 257, and to remove the preamble text from the version of Rule 257T. Until such time, "Rule 257. Deliveries After `Ex' Date" will remain operative. In addition to filing the necessary proposed rule changes, the Exchange will announce via Information Memo the implementation of this Rule and the operative date of the deletion of "Rule 257. Deliveries After `Ex' Date."

When a security is sold before it is ex-dividend or ex-rights, [or is sold thereafter to and including the record date for "cash," as prescribed in Rule 14,]and delivery is made too late to enable the buyer to obtain transfer in time to become a holder of record to receive the distribution to be made with respect to such security, the seller shall pay or deliver the distribution to the buyer in the following manner, unless otherwise directed by the Exchange:

- (1) In the case of stock dividends or rights to subscribe, the seller shall deliver to the buyer, within two days after the record date, either the dividend or rights, or a duebill for such dividend or rights.[.]
- (2) In the case of cash dividends, the seller shall deliver to the buyer, within two days after the record date, a due-bill-check for the amount of the dividend.

The same principle shall apply to the return of loans of securities after the record date.

Rule 282. Buy-in Procedures

A contract in securities, except a contract where its close-out is governed by the rules of a Qualified Clearing Agency, which has not been completed by the seller in accordance with its terms, may be closed-out by the buyer (i.e., the initiating member organization) no sooner than three business days after the due date for delivery, pursuant to the following procedures:

(d) Where the buyer is a customer (i.e., other than another member organization), upon failure of a defaulting member organization to effect delivery in accordance with a "buy-in" notice, the contract may be closed-out[by purchasing for "cash", as prescribed in Rule 14, in the best available market, or] at the option of the initiating member organization, for guaranteed delivery for all or any part of the securities necessary to complete the contract. "Buy-ins" executed in accordance with this paragraph shall be for the account and risk of the defaulting member organization.

.70 Contracts Made for [Cash]Delivery on a Specified Date

Contracts made for ["cash," or made for]or amended to include guaranteed delivery on a specified date may be "bought-in" without notice during the normal trading hours on the day following the date delivery is due on the contract; otherwise, the procedures set forth in this Rule shall apply. In all cases, notification of executed "buy-in" must be provided pursuant to this Rule. "Buy-ins" executed in accordance with this paragraph shall be for the account and risk of the defaulting broker/dealer.
