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NYSE American Rules

Trading of Option Contracts

Section 1. General Rules Relating to Options

Rule 903. Series of Options Open for Trading

(a) After a particular class of options (call option contracts or put option contracts relating to a specific underlying security or calculated index) has been approved for listing and trading on the Exchange, the Exchange shall from time to time open for trading series of options therein. Prior to the opening of trading in any series of options, the Exchange shall fix the expiration month, expiration year (if the option series has more than one year remaining to expiration), and exercise price of option contracts included in each such series. For Short Term Option Series, the Exchange will fix a specific expiration date and exercise price, as provided in paragraph (h). For Quarterly Options Series, the Exchange will fix a specific expiration date and exercise price, as provided in Commentary .09. For Monthly Options Series, the Exchange will fix a specific expiration date and exercise price, as provided in Commentary .11.

(b) Except for Short Term Option Series, Monthly Options Series, and Quarterly Options Series, at the commencement of trading on the Exchange of a particular class of options, the Exchange shall open a minimum of one expiration month for each class of options open for trading on the Exchange.

(c) Except for Short Term Options Series, Monthly Options Series, and Quarterly Options Series, at the commencement of trading on the Exchange of a particular class of options, the Exchange shall open a minimum of one series for each class of options open for trading on the Exchange. The exercise price of each series will be fixed at a price per share which is reasonably close to the price per share at which the underlying stock or Exchange-Traded Fund Share is traded in the primary market at about the time that class of options is first opened for trading on the Exchange. Paragraph (h) will govern the procedures for opening Short Term Options Series. Commentary .09 to this Rule will govern the procedures for opening Quarterly Options Series. Commentary .11 will govern the procedures for opening Monthly Options Series.

(h) Short Term Option Series Program.

After an option class has been approved for listing and trading on the Exchange, the Exchange may open for trading on any Thursday or Friday that is a business day ("Short Term Option Opening Date") series of options on that class that expire at the close of business on each of the next five Fridays that are business days and are not Fridays in which standard expiration options series, [m]Monthly [o]Options [s]Series, or Quarterly Options Series expire ("Friday Short Term Option Expiration Dates"). The Exchange may have no more than a total of five Friday Short Term Option Expiration Dates ("Short Term Option Weekly Expirations"). If the Exchange is not open for business on a Thursday or Friday, the Short Term Option Opening Date for Short Term Option Weekly Expirations will be the first business day immediately prior to that Thursday or Friday. Similarly, if the Exchange is not open for business on a Friday, the Short Term Option Expiration Date for Short Term Weekly Expirations will be the first business day immediately prior to that Friday. Short Term Option Series shall be P.M.-settled, except for Short Term Option Series on indexes. Short Term Option Series on indexes shall be A.M.-settled.

No Short Term Option Series (with the exception of Short Term Option Daily Expirations) may expire in the same week in which [monthly option series]standard expiration options series on the same class expire or, in the case of Monthly Options Series or Quarterly option series, on an expiration that coincides with an expiration of Monthly or Quarterly option series on the same class.

Commentary:

.08 [Reserved.] *\$0.50 and \$1 Strike Price Intervals for Options Used to Calculate Volatility Indexes.* Notwithstanding Commentary .05, .06, and .07 above, the Exchange may open for trading series at \$0.50 or greater strike price intervals where the strike price is less than \$75 and \$1.00 or greater strike price intervals where the strike price is between \$75 and \$150 for options that are used to calculate a volatility index.

.09 Quarterly Options Series Program: The Exchange may list and trade options series that expire at the close of business on the last business day of a calendar quarter ("Quarterly Options Series"). The Exchange may list Quarterly Options Series for up to five (5) currently listed options classes that are either Stock Index Options or options on Exchange-Traded Fund Shares. In addition, the Exchange may also list Quarterly Options Series on any options classes that are selected by other securities exchanges that employ a similar program under their respective rules.

(a) The Exchange will list series that expire at the end of the next consecutive four (4) calendar quarters, as well as the fourth quarter of the next calendar year. For example, if the Exchange is trading Quarterly Options Series in the month of May 2007, it will list series that expire at the end of the second, third and fourth quarters of 2007, as well as the first and fourth quarters of

2008. Following the second quarter 2007 expiration, the Exchange will add series that expire at the end of the second quarter of 2008.

(b) The Exchange will not list a Short Term Options Series on an options class whose expiration coincides with that of a Quarterly Options Series on that same options class.

(c) Initial Series. The strike price of each Quarterly Options Series will be fixed at a price per share, with at least two, but no more than five, strike prices above and at least two, but no more than five, strike prices below the value of the underlying index or price of the underlying at about the time that a Quarterly Options Series is opened for trading on the Exchange. The Exchange will list strike prices for Quarterly Options Series that are reasonably related to the current price of the underlying security or current index value of the underlying index to which such series relates at about the time such series of options is first opened for trading on the Exchange. The term “reasonably related to the current price of the underlying security or index value of the underlying index” means that the exercise price is within 30% of the current underlying security price or index value.[The strike price of each Quarterly Options Series will be fixed at a price per share, with at least two strike prices above and two strike prices below the value of the underlying security at about the time that a Quarterly Options Series is opened for trading on the Exchange. The Exchange shall list strike prices for a Quarterly Options Series that are within \$5 from the closing price of the underlying on the preceding day. Additional Quarterly Options Series of the same class may be opened for trading on the Exchange when the Exchange deems it necessary to maintain an orderly market, to meet customer demand or when the market price of the underlying security moves substantially from the initial exercise price or prices. To the extent that any additional strike prices are listed by the Exchange, such additional strike prices shall be within \$5 from the closing price of the underlying on the preceding day. The opening of new Quarterly Options Series shall not affect the series of options of the same class previously opened.]

(d) Additional Series. Additional Quarterly Options Series of the same class may be opened for trading on the Exchange when the Exchange deems it necessary to maintain an orderly market, to meet customer demand or when the market price of the underlying security moves substantially from the initial exercise price or prices. To the extent that any additional strike prices are listed by the Exchange, such additional strike prices shall be within thirty percent (30%) above or below the closing price of the underlying Exchange-Traded Fund Share as defined in Rule 900.2NY(24) on the preceding day. The Exchange may also open additional strike prices of Quarterly Options Series in Exchange-Traded Fund Share options that are more than 30% above or below the current price of the underlying Exchange-Traded Fund Share provided that demonstrated customer interest exists for such series, as expressed by institutional, corporate or individual customers or their brokers. Specialists and registered options traders trading for their own account shall not be considered when determining customer interest under this provision. The opening of new Quarterly Options Series shall not affect the series of options of the same class previously opened.

(e) The interval between strike prices on Quarterly Options Series shall be the same as the interval for strike prices for series in that same options class that expire in accordance with the normal monthly expiration cycle.

(f) Delisting Policy. [(i)] With respect to Quarterly Options series in Exchange-Traded Fund Shares added pursuant to the above paragraphs, the Exchange will, on a monthly basis, review series that are outside a range of five (5) strikes above and five (5) strikes below the current price of the underlying Exchange-Traded Fund Share, and delist series with no open interest in both the put and the call series having a: (1) strike higher than the highest strike price with open interest in the put and/or call series for a given expiration month; or (2) strike lower than the lowest strike price with open interest in the put and/or call series for a given expiration month.

(g)[(ii)] Notwithstanding the above referenced delisting policy, customer requests to add strikes and/or maintain strikes in Quarterly Option Series in Exchange-Traded Fund Shares in series eligible for delisting shall be granted.

(h)[(iii)] In connection with the above referenced delisting policy, if the Exchange identifies series for delisting, the Exchange shall notify other options exchanges with similar delisting policies regarding eligible series for delisting, and shall work with such other exchanges to develop a uniform list of series to be delisted, so as to ensure uniform series delisting of multiply-listed Quarterly Options Series in Exchange-Traded Fund Shares.

.10 Short Term Option Series.

(e) Strike Interval Limitations. When Short Term Option Series in equity options (excluding options on Exchange-Traded Fund Shares and Section 107 Securities) have an expiration more than 21 days from the listing date, the table below, which specifies the applicable interval for listing, will apply. To the extent there is a conflict between applying Commentary .10(d) and the below table, the greater interval would apply.

Tier	Average Daily Volume	Share Price					
		<u>Less than \$2.50</u>	<u>\$2.50 to Less than \$25</u>	\$25 to less than \$75	\$75 to less than \$150	\$150 to less than \$500	\$500 or greater
1	Greater than 5,000	<u>\$0.50</u>	\$0.50	\$1.00	\$1.00	\$5.00	\$5.00
2	Greater than 1,000 to 5,000	<u>\$0.50</u>	\$1.00	\$1.00	\$1.00	\$5.00	\$10.00

3	0 to 1,000	<u>\$0.50</u>	\$2.50	\$5.00	\$5.00	\$5.00	\$10.00
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(1) The Share Price is the closing price on the primary market on the last day of the calendar quarter. In the event of a corporate action, the Share Price of the surviving company is utilized.

(2) The Average Daily Volume is the total number of option contracts traded in a given security for the applicable calendar quarter divided by the number of trading days in the applicable calendar quarter. Beginning on the second trading day in the first month of each calendar quarter, the Average Daily Volume is calculated by utilizing data from the prior calendar quarter based on Customer cleared volume at OCC. For options listed on the first trading day of a given calendar quarter, the Average Daily Volume is calculated using the quarter prior to the last trading calendar quarter.

(3) Options that are newly eligible for listing pursuant to Rule 915 and designated to participate in the Short Term Option Program will not be subject to this subparagraph (f) until after the end of the first full calendar quarter following the date the option class was first listed for trading on any options market.

(f) Short Term Option Daily Expirations. In addition to the above, the Exchange may open for trading series of options on the symbols provided in Table 1 below that expire at the close of business on each of the next two Mondays, Tuesdays, Wednesdays, and Thursdays, respectively, that are business days beyond the current week and are not business days on which standard expiration options series, [m]Monthly [o]Options [s]Series, or Quarterly Options Series expire (“Short Term Option Daily Expirations”). The Exchange may have no more than a total of two Short Term Option Daily Expirations beyond the current week for each of Monday, Tuesday, Wednesday, and Thursday expirations at one time. Short Term Option Daily Expirations would be subject to this paragraph (g).

Table 1

Symbol	Number of Expirations			
	Monday	Tuesday	Wednesday	Thursday
SPY	2	2	2	2
IWM	2	[0]2	2	[0]2
QQQ	2	2	2	2
USO	0	0	2	0
UNG	0	0	2	0
GLD	0	0	2	0
SLV	0	0	2	0

<u>TLT</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>0</u>
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With respect to Monday expirations for symbols defined in Table 1 above (“Monday Expirations”), the Exchange may open for trading on any Friday or Monday that is a business day series of options on the symbols provided in Table 1 above that expire at the close of business on each of the next two Mondays that are business days and are not business days on which standard expiration options series, [m]Monthly [o]Options [s]Series, or Quarterly Options Series expire (“Monday Short Term Option Expiration Date”), provided that Monday Expirations that are listed on a Friday must be listed at least one business week and one business day prior to the expiration.

With respect to Tuesday expirations for symbols defined in Table 1 above (“Tuesday Expirations”), the Exchange may open for trading on any Monday or Tuesday that is a business day series of options on the symbols provided in Table 1 above that expire at the close of business on each of the next two Tuesdays that are business days and are not business days on which standard expiration options series, [m]Monthly [o]Options [s]Series, or Quarterly Options Series expire (“Tuesday Short Term Option Expiration Date”).

With respect to Wednesday expirations for symbols defined in Table 1 above (“Wednesday Expirations”), the Exchange may open for trading on any Tuesday or Wednesday that is a business day series of options on the symbols provided in Table 1 above that expire at the close of business on each of the next two Wednesdays that are business days and are not business days on which standard expiration options series, [m]Monthly [o]Options [s]Series, or Quarterly Options Series expire (“Wednesday Short Term Option Expiration Date”).

With respect to Thursday expirations for symbols defined in Table 1 above (“Thursday Expirations”), the Exchange may open for trading on any Wednesday or Thursday that is a business day series of options on the symbols provided in Table 1 above that expire at the close of business on each of the next two Thursdays that are business days and are not business days on which standard expiration options series, [m]Monthly [o]Options [s]Series, or Quarterly Options Series expire (“Thursday Short Term Option Expiration Date”).

Monday Short Term Option Expiration Dates, Tuesday Short Term Option Expiration Dates, Wednesday Short Term Option Expiration Dates, and Thursday Short Term Option Expiration Dates, together with Friday Short Term Option Expiration Dates, are collectively “Short Term Option Expiration Dates.”

If the Exchange is not open for business on a Monday, the Monday Short Term Option Expiration Date will be the business day immediately following that Monday. If the Exchange is not open for business on a Tuesday, Wednesday, or Thursday, the Tuesday Short Term Option Expiration Date, Wednesday Short Term Option Expiration Date, and Thursday Short Term Option Expiration Date, respectively, will be the first business day immediately prior to that Tuesday, Wednesday, or Thursday, respectively.

.11 [Reserved.] Monthly Options Series Program. The Exchange may list and trade options series that expire at the close of business on the last business day of a calendar month (“Monthly Options Series”).

(a) Classes. The Exchange may list Monthly Options Series for up to five currently listed options classes that are either index options or options on ETFs. In addition, the Exchange may also list Monthly Options Series on any options classes that are selected by other securities exchanges that employ a similar program under their respective rules.

(b) Expiration. The Exchange may list 12 expirations for Monthly Options Series. Monthly Options Series expirations need not be for consecutive months; however, the expiration date of a nonconsecutive expiration may not be beyond what would be considered the last expiration date if the maximum number of expirations were listed consecutively. No Monthly Options Series may expire on a date that coincides with an expiration date of a Quarterly Options Series in the same index or ETF class. Other expirations in the same class are not counted as part of the maximum numbers of a Monthly Options Series expirations for a class.

(c) Settlement. Monthly Options Series will be P.M.-settled.

(d) Initial Series. The strike price of each Monthly Options Series will be fixed at a price per share, with at least two, but no more than five, strike prices above and at least two, but no more than five, strike prices below the value of the underlying index or price of the underlying security at about the time that a Monthly Options Series is opened for trading on the Exchange. The Exchange will list strike prices for Monthly Options Series that are reasonably related to the current price of the underlying security or current index value of the underlying index to which such series relates at about the time such series of options is first opened for trading on the Exchange. The term “reasonably related to the current price of the underlying security or index value of the underlying index” means that the exercise price is within 30% of the current underlying security price or index value.

(e) Additional Series. Additional Monthly Options Series of the same class may be open for trading on the Exchange when the Exchange deems it necessary to maintain an orderly market, to meet customer demand, or when the market price of the underlying security moves substantially from the initial exercise price or prices. To the extent that any additional strike prices are listed by the Exchange, such additional strike prices will be within 30% above or below the closing price of the underlying index or security on the preceding day. The Exchange may also open additional strike prices of Monthly Options Series that are more than 30% above or below the current price of the underlying index or security, provided that demonstrated customer interest exists for such series, as expressed by institutional, corporate, or individual customers or their brokers. Market-Makers trading for their own account will not be considered when determining customer interest under this provision. The opening of the new Monthly Options Series will not affect the series of options in the same class previously opened.

(f) Strike Interval. The interval between strike prices on Monthly Options Series will be the same as the interval for strike prices for series in that same options class that expire in accordance with the normal monthly expiration cycle.

(g) Delisting Policy.

(1) With respect to Monthly Options Series added pursuant to subparagraphs (a) through (f) above, the Exchange will, on a monthly basis, review series that are outside a range of five strikes above and five strikes below the current price of the underlying index or security, and delist series with no open interest in both the put and the call series having a: strike higher than the highest strike price with open interest in the put and/or call series for a given expiration month; and strike lower than the lowest strike price with open interest in the put and/or call series for a given expiration month.

(A) Notwithstanding the above referenced delisting policy, customer requests to add strikes and/or maintain strikes in Monthly Options Series in series eligible for delisting shall be granted.

(B) In connection with the above referenced delisting policy, if the Exchange identifies series for delisting, the Exchange will notify other options exchanges with similar delisting policies regarding eligible series for delisting and will work with such other exchanges to develop a uniform list of series to be delisted, so as to ensure uniform series delisting of multiply listed Monthly Options Series.

.13 The Exchange may select a limited number of its listed options on individual stocks for which the interval of strike prices will be \$0.50 or greater beginning at \$.50 where the strike price is \$5.50 or less, but only for options classes whose underlying securities closed at or below \$5.00 in its primary market on the previous trading day and which have national average daily volume that equals or exceeds 1,000 contracts per day as determined by the Options Clearing Corporation during the preceding three calendar months. The listing of \$0.50 strike prices shall be limited to options classes overlying no more than 20 individual stocks (the "\$0.50 Strike Program") as specifically designated by the Exchange. The Exchange may list \$0.50 strike prices in any other option classes if those classes are specifically designated by other securities exchanges that employ a similar \$0.50 Strike Program under their respective rules. A stock shall remain in the \$0.50 Strike Program until otherwise designated by the Exchange.

[.13 \$0.50 and \$1 Strike Price Intervals for Options Used to Calculate Volatility Indexes.

Notwithstanding Commentary .05, .06, and .07 above, the Exchange may open for trading series at \$0.50 or greater strike price intervals where the strike price is less than \$75 and \$1.00 or greater strike price intervals where the strike price is between \$75 and \$150 for options that are used to calculate a volatility index.]

.16 Low-Priced Stock Strike Price Interval Program.

(a) Eligibility for the Low-Priced Stock Strike Price Interval Program. To be eligible for inclusion in the Low-Priced Stock Strike Price Interval Program, an underlying stock must (i) close below \$2.50 in its primary market on the previous trading day; and (ii) have an average daily trading volume of at least 1,000,000 shares per day for the three (3) preceding calendar months.

(b) Strike Prices to be Added. After a stock is added to the Low-Priced Stock Strike Price Interval Program, the Exchange may list \$0.50 strike price intervals from \$0.50 up to \$2.00.

(1) For the purpose of adding strikes under the Low-Priced-Stock Strike Price Interval Program, the “price of the underlying stock” shall be measured in the same way as “the price of the underlying security” is as set forth in Rule 903A.

Section 11. Stock Index Options

Rule 900C. Applicability and Definitions

(b) **Definitions**—The following terms as used in the Rules in this Section shall, unless the context otherwise indicates, have the meanings herein specified:

(28) Monthly Options Series —The term “Monthly Options Series” means, for the purposes of Section 11, a series in an index options class that is approved for listing and trading on the Exchange in which the series is opened for trading on any business day and that expires at the close of business on the last business day of a calendar month.

Rule 903C. Series of Stock Index Options

(a) After a particular class of stock index options has been approved for listing and trading on the Exchange, the Exchange shall from time to time open for trading series of options therein. Within each approved class of stock index options, the Exchange may open for trading series of options expiring in consecutive calendar months ("consecutive month series"), as provided in subparagraph (i) of this paragraph (a), series of options expiring at three-month intervals ("cycle month series"), as provided in subparagraph (ii) of this paragraph (a), series of options having up to sixty months to expiration ("long-term options series") as provided in subparagraph (iii) of this paragraph (a) and/or series of options having one week to expiration ("short term option series") as provided in Commentary .10 to Rule 903. Prior to the opening of trading in any series of stock index options, the Exchange shall fix the expiration month, expiration date and exercise price of option contracts included in each such series.

(v) Monthly Options Series Program. The Exchange may list and trade options series that expire at the close of business on the last business day of a calendar month (“Monthly Option Series”).

(1) Classes. The Exchange may list Monthly Options Series for up to five currently listed option classes that are either index options or options on ETFs. In addition, the Exchange may also list Monthly Options Series on any options classes that are selected by other securities exchanges that employ a similar program under their respective rules.

(2) Expiration. The Exchange may list 12 expirations for Monthly Options Series. Monthly Options Series expirations need not be for consecutive months; however, the expiration date of a nonconsecutive expiration may not be beyond what would be considered the last expiration date if the maximum number of expirations were listed consecutively. No Monthly Options Series may expire on a date that coincides with an expiration date of a Quarterly Options Series in the same index or ETF class. Other expirations in the same class are not counted as part of the maximum numbers of Monthly Option Series expirations for a class.

(3) Settlement. Monthly Options Series will be P.M.-settled.

(4) Initial Series. The strike price of each Monthly Options Series will be fixed at a price per share, with at least two, but no more than five, strike prices above and at least two, but no more than five, strike prices below the value of the underlying index or price of the underlying security at about the time that a Monthly Options Series is opened for trading on the Exchange. The Exchange will list strike prices for Monthly Options Series that are reasonably related to the current price of the underlying security or current index value of the underlying index to which such series relates at about the time such series of options is first opened for trading on the Exchange. The term “reasonably related to the current price of the underlying security or index value of the underlying index” means that the exercise price is within 30% of the current underlying security price or index value.

(5) Additional Series. Additional Monthly Options Series of the same class may be open for trading on the Exchange when the Exchange deems it necessary to maintain an orderly market, to meet customer demand, or when the market price of the underlying security moves substantially from the initial exercise price or prices. To the extent that any additional strike prices are listed by the Exchange, such additional strike prices will be within 30% above or below the closing price of the underlying index or security on the preceding day. The Exchange may also open additional strike prices of Monthly Option Series that are more than 30% above or below the current price of the underlying index or security, provided that demonstrated customer interest exists for such series, as expressed by institutional, corporate, or individual customers or their brokers. Market-Makers trading for their own account will not be considered when determining customer interest under this provision. The opening of the new Monthly Options Series will not affect the series of options in the same class previously opened.

(6) Strike Interval. The interval between strike prices on Monthly Options Series will be the same as the interval for strike prices for series in that same options class that expire in accordance with the normal monthly expiration cycle.

(7) Delisting Policy.

(A) With respect to Monthly Options Series added pursuant to subparagraphs (i) through (vi) above, the Exchange will, on a monthly basis, review series that are outside a range of five strikes above and five strikes below the current price of the underlying index or security, and delist series with no open interest in both the put and the call series having a: (1) strike higher than the highest strike price with open interest in the put and/or call series for a given expiration month; and (2) strike lower than the lowest strike price with open interest in the put and/or call series for a given expiration month.

(B) Notwithstanding the above referenced delisting policy, customer requests to add strikes and/or maintain strikes in Monthly Options Series in series eligible for delisting will be granted.

(C) In connection with the above referenced delisting policy, if the Exchange identifies series for delisting, the Exchange will notify other options exchanges with similar delisting policies regarding eligible series for delisting and will work with such other exchanges to develop a uniform list of series to be delisted, so as to ensure uniform series delisting of multiply listed Monthly Options Series.

Rule 904C. Position Limits

(b) **Broad Stock Index Groups.** Except as otherwise indicated below, the position limit for a broad stock index group option contract shall be 25,000 contracts on the same side of the market. Reduced-value options on broad-based security indexes for which full-value options have no position and exercise limits will similarly have no position and exercise limits. All other broad stock index group option contracts shall be subject to a contract limitation fixed by the Exchange, which shall not be larger than the limits provided below.

- Positions in Short Term Option Series, Monthly Options Series, and Quarterly Options Series shall be aggregated with positions in options contracts on the same index.

(c) **Stock Index Industry Groups.** (i) Subject to the procedures specified in sub-paragraph (iii) of this paragraph (c), the Exchange shall establish a position limit for each underlying stock index industry group at a level no greater than:

- Positions in Short Term Option Series, Monthly Options Series, and Quarterly Options Series shall be aggregated with positions in options contracts on the same index.

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

Rule 900.2NY. Definitions

Minimum Price Variation or MPV.

Monthly Options Series

The term “Monthly Options Series” means a series in an options class that is approved for listing and trading on the Exchange in which the series is opened for trading on any business day and that expires at the close of business on the last business day of a calendar month.
