

Text of the Proposed Rule Change:¹

Rules of NYSE Amex, LLC.

Rule 904. Position Limits

(a) through (b) - No Change

Commentary .01 through .11 – No Change

.12 Exemptions Granted by Another Options Exchange. An ATP Holder may rely upon any valid exemption from applicable position limits granted from time to time by another options exchange for any options contract traded on the Exchange provided that such ATP Holder:

- i. provides the Exchange with a copy of any written exemption issued by another options exchange or a written description of any exemption issued by another options exchange other than in writing containing sufficient detail for NYSE Amex regulatory staff to verify the validity of that exemption with the issuing exchange, and
- ii. fulfills all conditions precedent for such exemption and complies at all times with the requirements of such exemption with respect to trading on the NYSE Amex.

[.12] .13 Margin and Clearing Firm Requirements—Whenever the Exchange determines that additional margin is warranted in light of the risks associated with an under-hedged options position, the Exchange may impose additional margin upon the account maintaining such under-hedged position, pursuant to its authority under Exchange Rule 462. Additionally, it should be noted that the clearing firm carrying the account will be subject to capital charges under SEC Rule 15c3-1 to the extent of any margin deficiency resulting from the higher margin requirements.

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Rule 904C. Position Limits

(a) through (c) – No Change

Commentary .01 through .02 - No Change

.03 Exemptions Granted by Another Options Exchange. An ATP Holder may rely upon any valid exemption from applicable position limits granted from time to time by another options exchange for any options contract traded on the Exchange provided that such ATP Holder:

¹ New text is underscored; deleted text is in brackets.

- (i.) provides the Exchange with a copy of any written exemption issued by another options exchange or a written description of any exemption issued by another options exchange other than in writing containing sufficient detail for NYSE Amex regulatory staff to verify the validity of that exemption with the issuing exchange, and
- (ii.) fulfills all conditions precedent for such exemption and complies at all times with the requirements of such exemption with respect to trading on the NYSE Amex.

[.03] .04 Margin and Clearing Firm Requirements—Whenever the Exchange determines that additional margin is warranted in light of the risks associated with an under-hedged options position, the Exchange may impose additional margin upon the account maintaining such under-hedged position, pursuant to its authority under Exchange Rule 462. Additionally, it should be noted that the clearing firm carrying the account will be subject to capital charges under SEC Rule 15c3-1 to the extent of any margin deficiency resulting from the higher margin requirements.

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