

Additions underscored  
Deletions [bracketed]

**Rule 70 – NYSE Amex Equities. Execution of Floor Broker Interest**

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*Supplementary Material*

**.25 Discretionary Instructions for Bids and Offers Represented via Floor Broker Agency Interest Files (e-Quotes SM)**

(a)

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(ii) Discretionary instructions are active at all times during the trading day [when the e-Quote is at or joins the existing Exchange best bid or best offer, would establish a new Exchange BBO,] and at the opening and closing transactions. Executions of d-Quotes within the discretionary pricing instruction range are considered non-displayable interest for purposes of Rule 72.

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(vi) A Floor broker may have multiple d-Quotes, with different discretionary price and size limitations, on the same side of the market. Except as provided for in Rule 70.25(d)(ii), [S]such multiple d-Quotes do not compete with each other for executions. Trading volume is allocated by Floor broker, not number of d-Quotes participating in an execution.

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(b) Price Discretion

(i) A Floor broker may set a discretionary price range [within the Exchange best bid and offer] that specifies the prices at which [they are] the Floor broker is willing to trade. This discretion will be used, as necessary, to initiate or participate in a trade with [an incoming order] interest capable of trading at a price within the discretionary price range.

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(d) Minimum Trade Size

(i) A Floor broker may designate a minimum trade size (“MTS”) that must be met before the d-Quote is executed. If the MTS cannot be met by contra-side interest in

Exchange systems, the d-Quote will not participate in an execution. MTS instructions are not active at the open and close.

(ii) A d-Quote with an MTS instruction may compete with other d-Quotes on the same side of the market from the same Floor broker. If the d-Quote with the MTS instruction has a more aggressive range of price discretion than the competing d-Quotes, the d-Quote with the MTS designation will be executed to meet the MTS. If the price will not be improved by the d-Quote with the MTS instruction and the MTS cannot be met, the d-Quote with the MTS instruction will not participate.

[(d)] (e) Executions of Discretionary e-Quotes

(i) The goal of discretionary e-Quoting is to secure the largest execution for the d-Quote, using the least amount of price discretion when the execution occurs between the Exchange best bid or offer. For executions that occur outside the Exchange best bid or offer, d-Quotes will exercise their maximum discretion. In so doing, d-Quotes may often improve the execution price of incoming orders. [Conversely, if no discretion is necessary to accomplish a trade, none will be used.]

(ii) Discretionary e-Quotes will automatically execute against [a] contra-side [order] interest in [that enters the Display Book® system] Exchange systems if the [order's] contra-side interest's price is within the discretionary price range and the [order's] interest's size meets any minimum or maximum size requirements or MTS that have been set for the d-Quote.

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**.26 Pegging for d-Quotes and e-Quotes.**

(i) An e-Quote, other than a tick-sensitive e-Quote, may be set to provide that it will be available for execution at the [Exchange] National best bid ("NBB") (for an e-Quote that represents a buy order) or at the [Exchange] National best offer ("NBO") (for an e-Quote that represents a sell order) as the [Exchange] National best bid or offer ("NBBO") changes, so long as the [Exchange best bid or offer] NBBO is at or within the e-Quote's limit price.

(ii) A d-Quote may also employ pegging.

(iii) Pegging is only active when auto-quoting is active.

(iv) Pegging e-Quotes and d-Quotes trade on parity with other interest at the [Exchange best bid or offer] NBBO after interest entitled to priority is executed.

(v) Pegging is reactive. An e-Quote or d-Quote will not establish the [Exchange best bid or best offer] NBBO as a result of pegging.

(vi) [Price priority cannot be established by pegging, although existence of pegging instructions does not preclude an e-Quote or d-Quote from having priority] A pegging e-Quote or d-Quote that sets the Exchange best bid or offer is entitled to priority.

(vii) Pegging e-Quotes and d-Quotes peg only to other non-pegging interest within the pegging range selected by the Floor broker.

(viii) An e-Quote or d-Quote will not sustain the [Exchange best bid or best offer] NBBO as a result of pegging if there is no other non-pegged interest at that price and such price is not the e-Quote's or d-Quote's limit price.

(A) If the lowest quotable price established by the Floor broker for a pegging e-Quote or d-Quote to buy is the [Exchange best bid] NBB and all other interest at that price cancels or is executed, the pegging e-Quote or d-Quote will remain displayed at that [best bid] NBB price.

(B) If the highest quotable price established by the Floor broker for a pegging e-Quote or d-Quote to sell is the [Exchange best offer] NBO and all other interest at that price cancels or is executed, the pegging e-Quote or d-Quote will remain displayed at that [best offer] NBO price.

(ix) A Floor broker may establish a price range for an e-Quote or d-Quote, beyond which the pegging function will not be available ( "quote," "ceiling" and "floor" prices).

(A) The "quote price" is the lowest price to which a buy e-Quote or d-Quote may peg or the highest price to which a sell e-Quote or d-Quote may peg.

(B) The "ceiling price" is the highest price to which a buy-side e-Quote or d-Quote may peg.

(C) The "floor price" is the lowest price to which a sell-side e-Quote or d-Quote may peg.

(D) A quote, ceiling and floor price may be at a price other than the limit price of the order that is being e-Quoted or d-Quoted, but may not be inconsistent with the order's limit.

(x) As long as the [Exchange best bid] NBB is at or within the pegging price range selected by the Floor broker with respect to a buy-side e-Quote or d-Quote, or the [Exchange best offer] NBO is within the price range selected by the Floor broker with respect to a sell-side e-Quote or d-Quote, the pegging e-Quote or d-Quote will join such [best bid] NBB or [best offer] NBO as it is auto quoted.

(xi) If the Floor broker does not designate a pegging range, but has instructed that his or her e-Quote or d-Quote shall peg, the e-Quote or d-Quote will peg to the [Exchange best bid (offer)] NBBO as long as such bid (offer) is within the limit of the order that is being e-Quoted or d-Quoted.

(xii) As an e-Quote or d-Quote pegs, its discretionary price range, if any, moves along with it, subject to any floor or ceiling price set by the Floor broker.

(A) If the [Exchange best bid] NBB is higher than the ceiling price of a pegging buy-side e-Quote or d-Quote, the e-Quote or d-Quote will remain at its quote price or the highest price at which there is other interest within its pegging price range, whichever is higher (consistent with the limit price of the order underlying the e-Quote or d-Quote).

(B) If the [Exchange best offer] NBO is lower than the floor price of a pegging sell-side e-Quote or d-Quote, the e-Quote or d-Quote will remain at its quote price or the lowest price at which there is other interest within its pegging price range, whichever is lower (consistent with the limit price of the order underlying the e-Quote or d-Quote).

(C) If the [Exchange best bid or best offer] NBBO returns to a price within the pegging price range selected by the Floor broker, the e-Quote or d-Quote will once again peg to the [Exchange best bid or best offer] NBBO.

(xiii) A Floor broker may establish a minimum and or maximum size of same-side volume to which his or her e-Quote or d-Quote will peg. Other pegging e-Quote or d-Quote volume will not be considered in determining whether the volume parameters set by the Floor broker have been met.