

Additions underscored

Deletions [bracketed]

Rules of NYSE Arca Equities, Inc.

Rule 1.1 Definitions

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[Odd Lot Dealer]

(gg) Reserved [The term “Odd Lot Dealer” shall refer to a Market Maker that is registered as an Odd Lot Dealer as described in Rule 7.25.]

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Rule 7.25. Reserved [Registration of Odd Lot Dealers

(a) *Eligibility.* Any Market Maker may become registered as an Odd Lot Dealer in any security by filing an odd lot registration form with the Corporation. Registration as an Odd Lot Dealer shall become effective on the first business day following the Corporation's approval of the registration. In considering the approval of the registration of the Market Maker as an Odd Lot Dealer in a security, the Corporation shall consider such factors including, but not limited to, financial resources, capital operations, personnel, technical resources and disciplinary history. If the Corporation denies an application to become an Odd Lot Dealer in a security or securities, the applicant may seek review of the decision in accordance with Rule 10.13.

(b) *Market Makers Registered in a Security.* For each security in which a Market Maker is registered, the Market Maker may become an Odd Lot Dealer in that security.

(c) *Obligations of Odd Lot Dealers.* An Odd Lot Dealer must:

- (1) Maintain an OLTO, as described in Rule 7.31(g), during each day in which the Corporation is open for business for each security in which the Odd Lot Dealer is registered as such; and
- (2) Register and maintain registration as an Odd Lot Dealer in a minimum of 100 securities if the Odd Lot Dealer registers as such in any security for which it is not registered as a Market Maker.

(d) *Termination of Odd Lot Dealer Registration.* The Corporation may suspend or terminate an Odd Lot Dealer's registration in a security or securities:

- (1) If the Corporation determines that the Odd Lot Dealer has substantially or continually failed to engage in dealings in accordance with paragraph (c); or

- (2) If, in the Corporation's judgment, the interests of a fair and orderly market are best served by such action.

An ETP Holder may seek review of any such termination or suspension in accordance with Rule 10.

(e) *Voluntary Termination of Registration.* An Odd Lot Dealer may voluntarily terminate its registration as such in a security or securities by providing the Corporation with a one-day written notice of such termination. An Odd Lot Dealer that fails to give advance notice of termination to the Corporation may be subject to formal disciplinary action pursuant to Rule 10.]

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Rule 7.31. Orders and Modifiers

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(g) Reserved [Odd Lot Tracking Order.

- (1) Only Odd Lot Dealers may submit an Odd Lot Tracking Order or "OLTO" to the NYSE Arca Marketplace.
- (2) An Odd Lot Dealer may submit an instruction to the NYSE Arca Marketplace for the parameters of an OLTO at any time during the day. The parameters shall include:
- (A) the maximum aggregate size, which is the unlimited aggregate size of all orders generated in the Odd Lot Tracking Order Process for a particular security that the Odd Lot Dealer is willing to trade on that day;
 - (B) the maximum tradeable size up to 99 shares, which is the maximum size of any order generated in response to an order entering the Odd Lot Tracking Order Process that the Odd Lot Dealer is willing to trade on that day;
 - (C) the price is set at the PBBO; and
 - (D) the relevant security in which the Odd Lot Dealer is registered as such; and
 - (E) the instruction must be in effect for the duration of Core Trading Hours;
- provided, however, the order described in the OLTO instruction will only be generated if
- (1) an unfilled odd lot market order enters the Odd Lot Tracking Order Process pursuant to Rule 7.37(c); or
 - (2) an odd lot limit order causes a locked market as described in Rule 7.37(e).

- (3) Each order generated in a rotation is a limit order in which:
- (A) the price is set at the PBBO at the time the unfilled order enters the Odd Lot Tracking Order Process, based on the Odd Lot Dealer's parameters; and
 - (B) the size is (i) equal to the Odd Lot Dealer's maximum tradeable size; or (ii) equal to the size of the unfilled order if the unfilled order is smaller than the maximum tradeable size.
- (4) An Odd Lot Dealer may modify the parameters of the instruction for the Odd Lot Tracking Order from time to time, as the Corporation permits.
- (5) The Corporation shall suspend the Odd Lot Tracking Order Process for a security when a locked or crossed market exists in that security. The Odd Lot Tracking Order Process for that security shall resume when the locked or crossed market in that security no longer exists.
- (6) Whenever in the judgment of the Corporation, because of an influx of orders, a system malfunction or other unusual conditions or circumstances, the interests of a fair and orderly market so require, the Corporation may suspend the Odd Lot Tracking Order Process. The Odd Lot Tracking Order Process shall resume when the Corporation determines that the conditions supporting the suspension no longer exist.]

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Rule 7.37. Order Execution

Order Execution

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[Odd Lot Tracking Order Process.

- (1) If the unfilled order is an odd lot, and there is an Odd Lot Dealer registered in that security, the order shall be matched in the Odd Lot Tracking Order Process against any OLTOs pursuant to the following rotation pattern.

Odd Lot Dealers who have submitted an instruction for the parameters of an Odd Lot Tracking Order will be assigned trades on a price/time rotating basis, such that within each price level, trades shall be assigned by the time the Odd Lot Dealers' instructions are received by the NYSE Arca Marketplace. Within each price level, the first Odd Lot Dealer to send an instruction for an Odd Lot Tracking Order will be the first Odd Lot Dealer to be assigned a trade in the rotation process. For each order that enters the Odd Lot Tracking Order Process, the Odd Lot Tracking Order Process will rotate once through the Odd Lot Dealers in the rotation pattern. In each rotation, the Odd Lot Dealer will be responsible for one trade up to the Odd Lot Dealer's maximum tradeable size.

(2) If there is no Odd Lot Dealer registered in that security, the odd lot will be routed away pursuant to NYSE Arca Equities Rule 7.37(d).]

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Rule 7.38. Odd and Mixed Lots

(a) *Order Types.*

(1) *Odd Lots.* All odd lot orders submitted by Users to the NYSE Arca Marketplace must be market orders or limit orders, where such orders are subject to no additional conditions (e.g., odd lot orders may not be Working Orders, Directed Orders, Directed Fills, Tracking Orders, etc.).[, provided, however, Odd Lot Dealers may submit OLTOs.]

(2) *Mixed Lots.* Mixed lot orders submitted by Users to the NYSE Arca Marketplace may be any order type supported by the NYSE Arca Marketplace.

(b) *Ranking and Execution.* Round lot, mixed lot and odd lot orders are treated in the same manner in the NYSE Arca Marketplace[; provided, however, the Tracking Order Process treats odd lot orders in a different manner from mixed lot and round lot orders].

[(c) *Prohibitions.* It shall be prohibited for ETP Holders, any associated persons thereof, or any other participants therein, to engage in the following actions:

(1) Combining odd lot orders given by different customers into a round lot order or orders unless specifically requested to do so by the customers giving the orders;

(2) Unbundling round lots for the purpose of entering odd lot limit orders in comparable amounts;

(3) Failing to aggregate odd lot orders into round lots when such orders are for the same account or for various accounts in which there is a common monetary interest; and

(4) Entering both buy and sell odd lot limit orders in the same stock before one of the orders is executed for the purpose of capturing the spread in the stock.]

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Rule 10.12. Minor Rule Plan

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(g) *Minor Rule Plan: Minor Trading Rule Violations.*

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[(5) Violation of odd lot order prohibitions. (Rule 7.38(c))]

~~[(6)]~~(5) Acting as a Market Maker in a security without being registered as such as required by Rule 7.20(a).

~~[(7)]~~(6) Committing any act prohibited by Rules 6.1(b), 6.2(g) or 6.15(b).

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(i) Minor Rule Plan: Recommended Fine Schedule.

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These fines are intended to apply to minor violations. For more serious violations, other disciplinary action may be sought.

	Fine Levels		
	<i>1st Level</i>	<i>2nd Level</i>	<i>3rd Level</i>
(1) Minor Trading Rule Violations			
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[6. Violation of odd lot order prohibitions. (Rule 7.38(c))	\$1,000.00	\$2,500.00	\$3,500.00]
[(7)] <u>6.</u> Acting as a Market Maker in a security without being registered as such as required by Rule 7.20(a).	\$250.00	\$500.00	\$1,000.00
[(8)] <u>7.</u> Prohibited Acts and Bad Business Practice. (Rules 6.1(b), 6.2(g)_or 6.15(b).	\$1,000.00	\$2,500.00	\$3,500.00

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Rule 10.13. Hearings and Review of Decisions by the Corporation

(a) General Provisions. This Rule provides the procedure for persons aggrieved by any of the following actions taken by the Corporation to apply for an opportunity to be heard and to have the action reviewed. These actions are:

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(5) actions taken by the Corporation pursuant to Rule 7.22, including the denial of the application for, or the termination or suspension of, a Market Maker's registration in a security or securities; and

(6) actions taken by the Corporation pursuant to Rule 7.23[;];

[(7) actions taken by the Corporation pursuant to Rule 7.25, including the denial of the application for, or the termination or suspension of, an Odd Lot Dealer's registration in a security or securities.]

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