

Additions underscored
Deletions [bracketed]

Rules of the NYSE Arca, Inc.

RULE 1 DEFINITIONS

Definitions

Rule 1.1. Definitions

[Allied Person]

(b) Reserved. [The term "Allied Person" shall refer to an individual, who is:

- (1) an employee of an OTP Firm or ETP Holder who controls such firm, or
- (2) an employee of an OTP Firm or ETP Holder corporation who is a director or a principal executive officer of such corporation, or
- (3) an employee of an OTP Firm or ETP Holder limited liability company who is a manager or a principal executive officer of such limited liability company, or
- (4) a general partner in an OTP Firm or ETP Holder partnership;

and who has been approved by the Exchange as an Allied Person.]

Approved Person

(c) The term "Approved Person" shall refer to a person who is not an OTP Holder or ETP Holder, nor an employee [or an Allied Person] of a OTP Firm, and who:

- (1) is a director of an OTP Firm or ETP Holder, or
- (2) controls an OTP Firm or ETP Holder, or
- (3) beneficially owns, directly or indirectly, 5% or more of the outstanding equity securities of an OTP Firm or ETP Holder, or
- (4) has contributed 5% or more of the partnership capital;

and who has been approved by the Exchange as an Approved Person.

Participant

(qq) The term "Participant" shall mean any ETP Holder or OTP Holder, [Allied Person,] partner, approved person, stockholder associate, registered employee or other full-time employee of an ETP Holder or OTP Firm.

Stockholder Associate

(aaa) With respect to equities traded on the Exchange, the term "Stockholder Associate" means a person who is the employee of an ETP Holder, who is actively engaged in its business and devotes the major portion of his or her time thereto, who is not an ETP Holder [or Allied Person], and who, as a holder of equity securities, has been approved by the Exchange as a stockholder associate.

Rule 2.14. [Allied Persons and] Approved Persons

(a) [Allied and] Approved Persons, as defined in Rule 1.1, shall be subject to Exchange approval. Any ETP Holder or OTP Firm which proposes to admit any [Allied or] Approved Person shall notify the Exchange in writing before any such admission, shall pay any applicable fees and shall submit such information as may be reasonably required by the Exchange.

(b) In order to maintain its trading privileges, each ETP Holder and OTP Firm shall obtain approval from the Exchange for all persons required to be approved, and each such ETP Holder or OTP Firm shall maintain continuous compliance with all standards prescribed by the Bylaws and Rules of the Exchange.

(c) Each OTP Firm shall promptly give to the Exchange written notice on such form as may be required by the Exchange of the death, retirement, or other termination of any OTP Holder[, Allied Person,] or Approved Person, and of the dissolution of the OTP Firm. Each ETP Holder shall promptly give to the Exchange written notice on such form as may be required by the Exchange of the death, retirement, or other termination of any ETP Holder[, Allied Person,] or Approved Person, and of the dissolution of the ETP Holder.

(d) Each OTP Firm shall designate "principal executive officers" of such OTP Firm who must be OTP Holders [or Allied Persons], and who must exercise supervision and control over the various areas of the business of such OTP Firm or

OTP Holder in such areas as the Rules of the Exchange may prescribe. Each ETP Holder shall designate "principal executive officers" of such corporation [who must be Allied Persons, and] who must exercise supervision and control over the various areas of the business of such ETP Holder in such areas as the Rules of the Exchange may prescribe.

(e) Each ETP Holder or OTP Firm shall include in its name an appropriate identifier of its corporate or business association status, in English (e.g. Incorporated, Corporation, Limited Liability Company, Limited Liability Partnership, or an appropriate abbreviation thereof).

(f) The Exchange may require each applicant becoming a general partner, officer, voting stockholder, limited liability company, or director of any ETP Holder or OTP Firm, or a limited liability company member of any ETP Holder, to pass an examination to demonstrate that they have adequate experience and knowledge of the securities business before undertaking any active duties with the firm. Compliance with this requirement may be waived if the principal is a member of an ETP Holder or OTP Firm, as applicable, belonging to another national securities exchange having comparable requirements.

(g) Each OTP Firm shall be liable for all of the liabilities to the Exchange of the OTP Holder's, as the case may be, which shall include, without limitation, the payment of all Exchange fees and charges as well as meeting all obligations accruing in the course of the OTP Firm's or its respective OTP Holders' Exchange business. Each ETP Holder shall be liable for all liabilities to the Exchange of authorized traders, which shall include, without limitation, the payment of all fees and charges as well as meeting all obligations accruing in the course of an ETP Holder's or AT's business with the Exchange.

(h) Each OTP Holder and OTP Firm, Approved Person, [Allied Person,] Affiliate, and Associated Person shall be liable to the same discipline and penalties for the acts and omissions of his or her ETP Holder or OTP Firm, as the case may be, as for their own acts.

(i) Claims of OTP Firms, OTP Holders, Affiliates, [Allied Persons,] directors, officers, and Associated Persons, of OTP Firms or OTP Holders shall be subordinate in right of payment to payment or provision for payment of all claims of customers of such OTP Firm or OTP Holder. Claims of Affiliates, [Allied Persons,] directors, officers, and Associated Persons of an ETP Holder shall be subordinate in right of payment or provision for payment of all claims of customers of such ETP Holder.

(j) Each ETP Holder and OTP Firm shall submit to the Exchange, at such times as the Exchange may require, an affidavit listing, to the best of its knowledge and belief, the name of each party directly or indirectly beneficially owning 1% or

more of its outstanding voting stock and showing the percentage of such ownership.

(k) No parent or person controlling any parent of an ETP Holder or OTP Firm may engage in any transaction or action for the purpose of circumventing Exchange Rules governing the activities of an ETP Holder or OTP Firm.

(l) ETP Holders and OTP Firms must comply with such additional requirements as the Board of Directors may from time to time prescribe.

Rule 2.21. Limited Transferability of an ETP or OTP

(a) Transfer by Purchase, Sale or Lease Prohibited. OTP's may not be purchased, sold or leased, and ETPs may not be purchased (other than from the Exchange), sold or leased. Any purported purchase (other than from the Exchange), sale or lease of an ETP or OTP shall be void ab initio without further action by the Exchange.

(b) Private Transfer Void: An ETP Holder, OTP Holder or OTP Firm which attempts to transfer an ETP or OTP by private sale or lease, or otherwise, may be adjudged guilty of conduct detrimental to the interest and welfare of the Exchange, and any purported transfer shall be void ab initio without further action by the Exchange and will confer no rights upon the purported transferee.

(c) Intra-Firm Transfer. An OTP Firm may transfer its OTP from the name of one Nominee employee to that of another Nominee employed by the Firm. The name of the proposed transferee Nominee shall be submitted to the Exchange and approved by the Exchange prior to exercising trading privileges on the Exchange's Trading Facilities. Unless the proposed Nominee is a previously Approved Person [or approved Allied Person] of the OTP Firm, the Firm shall provide all information required for the Exchange to conduct an investigation of the proposed Nominee prior to his or her approval as a Nominee.

Rule 2.23. Registration—OTPs

Commentary:

.01 For purposes of paragraph (d) of this Rule, the term "registered person" means any OTP Firm or OTP Holder, [Allied Person

thereof,] registered representative or other person registered or required to be registered under the Rules of the Exchange, but excludes Market Makers, Market Maker Authorized Traders, Floor Brokers, and Floor Clerks.

.02 - .06 No Change

Rule 2.24. Registration—Employees of ETP Holders

Commentary:

.01 For purposes of this Rule, the term "registered person" means any ETP Holder, [Allied Person thereof,] registered representative or other person registered or required to be registered under the Rules of the Exchange.

.02 - .06 No Change

Rule 3.2. Exchange Committees

(a) *General Provisions:*

(1) - (7) No Change

(8) *Eligibility for and Appointment to Exchange Committees.* Any OTP Holder or ETP Holder of the Exchange in good standing, any [Allied Person or] Associated Person of an OTP Firm or of an ETP Holder, or any person from the public is eligible for appointment or election to Exchange Committees. Only one person affiliated with the same OTP Firm shall be eligible for service on the same Exchange Committee. Except as otherwise set forth in these Rules, the Chief Executive Officer of the Exchange shall appoint eligible OTP Holders, ETP Holders, [Allied Persons or] Associated Persons of an OTP Firm or of an ETP Holder and persons from the public to the positions so allocated on Exchange Committees for a term of one (1) year.

(9) *Alternate Members.* The Chief Executive Officer of the Exchange may designate one or more OTP Holders, ETP Holders, an [Allied Person or] Associated Person of an OTP Firm, and persons from the public as alternate members of any Exchange Committee, who may replace any absent or disqualified member at any meeting of such committee.

(10) - (11) No Change

(b) *Exchange Committees.* As set forth below, the Board of Directors has delegated certain authority and functions to its committees. Action taken pursuant to delegated authority, however, is subject to review, ratification or rejection by the Board of Directors.

(1) *Ethics and Business Conduct Committee.*

(A) *Composition.* The Ethics and Business Conduct Committee ("EBCC") shall be made up primarily of OTP Holders and [Allied Persons or] Associated Persons of an OTP Firm. At least one member of the public shall serve on the EBCC.

(B) - (D) No Change

(2) *Business Conduct Committee.*

(A) *Composition.* In addition to any members of the public on the Business Conduct Committee, the Business Conduct Committee shall have a minimum of one ETP Holder [or Allied Person] or Associated Person of an ETP Holder.

(B) - (D) No Change

(3) *Nominating Committee.*

(A) *Composition.* The Nominating Committee shall have six members consisting of three OTP Holders [or Allied Persons] or Associated Persons of an OTP Firm and three ETP Holders [or Allied Persons] or Associated Persons of an ETP Holder.

(B) *Appointment.* The Board of Directors of NYSE Arca, Inc. shall appoint members of the Nominating Committee.

(C) *Representatives to the Board of Directors of the NYSE Arca, Inc.*

(i) Reserved

(ii) *Nomination.* The Nominating Committee shall publish the name of one (1) or more OTP Holders [or Allied Persons] or Associated Persons of an OTP Firm or ETP Holder [or Allied Person] or Associated Persons of an ETP Holder as its nominee(s) for Non-Affiliated Directors of the Board of Directors of the NYSE Arca, Inc. The Nominating Committee shall name sufficient nominees so that at least twenty percent (20%) of the Directors consist of Non-Affiliated Directors. The names of the nominees shall be published on a date in each year (the "Announcement Date") sufficient to accommodate the process described in this Rule 3.2(b)(2)(C). After the name of proposed nominee(s) is published, OTP Holders and ETP Holders (together, "Permit Holders") in good standing

may submit a petition to the Exchange in writing to nominate additional eligible candidate(s) to fill the Non-Affiliated Director position(s) during the next term. If a written petition of at least 10 percent of Permit Holders in good standing is submitted to the Nominating Committee within two weeks after the Announcement Date, such person(s) shall also be nominated by the Nominating Committee; provided, however, that no Permit Holder, either alone or together with (x) other OTP Holders associated with the same OTP Firm that such Permit Holder is associated with, (y) OTP Holders associated with OTP Firms that are affiliated with the OTP Firm that such Permit Holder is associated with, and (z) other ETP Holders who are deemed its affiliates, may account for more than 50% of the signatories to the petition endorsing a particular petition nominee for the Non-Affiliated Director position(s) on the Board of Directors of the NYSE Arca, Inc. Each petition for a petition candidate must include a completed questionnaire used to gather information concerning director candidates (the Exchange shall provide the form of questionnaire upon the request of any Permit Holder). Notwithstanding anything to the contrary, the Nominating Committee shall determine whether any petition candidate is eligible to serve on the Board of Directors (including whether such person is free of any statutory disqualification (as defined in section 3(a)(39) of the Exchange Act)), and such determination shall be final and conclusive.

(iii) No Change

(c) No Change

Rule 4.2-O(a). Corporate Affiliates and Subsidiaries

An OTP Holder or OTP Firm shall not form a corporate affiliate or subsidiary without the prior written approval of the Exchange. All affiliates or subsidiaries of an OTP Holder or OTP Firm shall be subject to compliance with the Bylaws, Rules and procedures of the Exchange, or other conditions as may be established by the Exchange. OTP Holders or [and Allied Persons of] OTP Firms shall be responsible for any fraud committed by a corporate affiliate or subsidiary organization or for any act or proceeding thereof contrary to just and equitable principles of trade or detrimental to the interest or welfare of the Exchange.

An OTP Holder or OTP Firm proposing to organize an affiliate or subsidiary corporation shall submit full details to the Exchange.

The above Rule shall apply to all OTP Holders and OTP Firms of the Exchange unless the OTP Holder or OTP Firm is subject to the jurisdiction of another national securities exchange or association designated by the Board of Directors as having comparable standards, or it is subject to the jurisdiction of another national securities exchange or association designated by the Securities and Exchange Commission as the primary regulatory body.

Rule 4.2-O(b). Changes in Stockholder Status

Whenever a person owning 5% or more of any class of equity securities, directly or indirectly, of an OTP Firm ceases to be an OTP Holder, [Allied Person] or Approved Person, the firm shall redeem or convert such securities to fixed income securities so that such security interest is less than 5%. Provided, however, that if such redemption or conversion would cause such OTP Firm not to comply with the capital requirement of Rule 4-O, the OTP Firm will so notify the Exchange and the assets which the person receives upon redemption of such securities, will be loaned by the person to the OTP Firm as a loan subordinated to the claims of all customers and general creditors of the OTP Firm, or the fixed income securities which the person receives upon conversion of such securities will be subordinated to the claims of all customers and general creditors of the OTP Firm. Any such subordination shall be pursuant to an agreement approved by the Exchange.

Rule 4.2-O(e). Owners of 5% or More Equity Securities

Every party who owns beneficially 5% or more of any class of equity security, either directly or indirectly, of the firm shall be an OTP Holder[, Allied Person] or Approved Person.

Rule 4.2-O(g). Voting Agreement

None of the stock of a corporate OTP Firm shall at any time be held under or subject to any voting agreement whereby the voting of such stock is pooled or joined with the stock of any then OTP Holder, OTP Firm, [Allied Person,] or Approved Person unless approved by the Board of Directors.

Rule 4.2-O(h). Participation in OTP Firms

The Exchange hereby specifically approves the beneficial ownership of an interest in any other OTP Firm by an OTP Holder[, Allied Person,] or Approved Person of any OTP Firm:

- (1) If the interest owned is stock and such stock is freely transferable and is publicly held, provided that less than 5% of such stock is owned. Under appropriate circumstances, the Exchange may treat as a single holding stock, which is nominally held by different persons or firms;
- (2) In connection with an underwriting of such stock; or

- (3) In connection with his, her or its activity as a market maker in such stock, in which event the OTP Holder[, Allied Person,] or Approved Person of any OTP Firm shall be required to be registered with the Exchange as a Market Maker in such stock.

Rule 4.16-O(b). Maintenance Margin Rule

The margin which must be maintained in margin accounts of customers, whether OTP Holders, OTP Firms, [Allied Persons,] or non-OTP Firms, shall be as follows:

- (1) 25% of the market value of all securities "long" in the account; plus
- (2) \$2.50 per share or 100% of the market value, in cash, whichever amount is greater, of each stock "short" in the account selling at less than \$5.00 per share; plus
- (3) \$5.00 per share or 30% of the market value, in cash, whichever amount is greater, of each stock "short" in the account selling at \$5.00 per share or above; plus
- (4) 5% of the principal amount or 30% of the market value, in cash, whichever amount is greater, of each bond "short" in the account.
- (5) In the case of securities listed pursuant to NYSE Arca Rule 5.2-E, 100% of the market value, in cash, of each security held "long" in the account.

Rule 4.16-O(c). Exceptions to Rule

The foregoing requirements of this Rule are subject to the following exceptions:

(1) - (2) No Change

(3) Joint Accounts in Which the Carrying Firm or a Partner or Stockholder Therein Has an Interest.—In the case of a joint account carried by an OTP Firm, in which such firm, or any partner, OTP Holder, [Allied Person] or any stockholder (other than a holder of freely transferable stock only) of such OTP Firm participate with others, the interest of each participant other than the carrying OTP Firm shall be margined by each such participant pursuant to the provisions of this rule as if such interest were in a separate account.

(4) - (6) No Change

Rule 4.16-O(d). Other Provisions

Determination of Value for Margin Purposes.

(1) - (3) No Change

(4) **Guaranteed Accounts.**—Any account guaranteed by another account may be consolidated with such other account and the required margin may be determined on the net position of both accounts, provided the guarantee is in writing and permits the OTP Holder or OTP Firm carrying the account, without restriction, to use the money and securities in the guaranteeing account to carry the guaranteed account or to pay any deficit therein; and provided further that such guaranteeing account is not owned directly or indirectly by (a) a partner, OTP Holder, [Allied Person] or any stockholder (other than a holder of freely transferable stock only) in the firm carrying such account or (b) an OTP Holder, OTP Firm, partner, [Allied Person,] or any stockholder (other than a holder of freely transferable stock only) therein having a definite arrangement for participating in the commissions earned on the guaranteed account. However, the guarantee of a limited partner or of a holder of non-voting stock, if based upon his resources other than his capital contribution to or other than his interest in an OTP Holder or OTP Firm, is not affected by the foregoing prohibition, and such a guarantee may be taken into consideration in computing margin in the guaranteed account.

(5) - (10) No Change

Rule 6.2-O. Admission to and Conduct on the Options Trading Floor

(a) - (d) No Change

(e) *Visitors on the Options Floor.* The following provisions on Visitors to the Options Floor will apply at all times:

(1) - (4) No Change

(5) [Allied Persons,] Floor Representatives[,], or other persons associated with OTP Firms may visit the Floor only upon an invitation under the terms of subsection (1), above.

(6) - (7) No Change

(f) - (i) No Change

Rule 9.1-O(c). Office Supervision

(1) Each office of an OTP Firm shall be under the supervision and control of such OTP Firm or OTP Holder to assure compliance with applicable securities laws and regulations and rules of the Exchange.

(2) The OTP Firms and OTP Holders [and allied persons] shall designate from among their group a person or persons to assume authority and responsibility for supervision of the firm's activities and establishment and maintenance of appropriate procedures and follow-up and review to determine that such control and supervision is maintained.

Rule 9.2-O(c). Customer Records

Commentary:

.01 In the case of a margin account carried by an OTP Firm or OTP Holder for a non-OTP Holder corporation, definite knowledge should be had to the effect that the non-OTP Holder corporation has the right under its charter and by-laws to engage in margin transactions for its own account and that the persons from whom orders and instructions are accepted have been duly authorized by the corporation to act on its behalf. It is advisable in each such case for the carrying firm to have in its possession a copy of the corporate Charter, By-laws and authorizations. Where it is not possible to obtain such documents, [an allied person of] the OTP Firm or OTP Holder carrying the account should prepare and sign a memorandum for its files indicating the basis upon which he believes that the corporation may properly engage in margin transactions and that the persons acting for the corporation have been duly authorized to do so.

In the case of a cash account carried for a non-OTP corporation, the carrying OTP Firm or an OTP Holder should assure itself through a general partner or an officer who is a holder of voting stock that persons entering orders and issuing instructions with respect to the account do so upon the proper authority.

.02 - .03 No Change

Rule 9.3-O(b). OTP Firm[, and OTP Holder [and Allied Person] Accounts

No OTP Firm or OTP Holder shall carry an account for an OTP Holder or [allied person of] another OTP Firm without the prior written consent of another person who is an OTP Firm or OTP Holder [or allied person] of such other firm.

Duplicate reports and statements shall be sent to such general partner or an officer who is a holder of voting stock designated in such consent unless their submission is waived in writing and a permanent record of such waiver is retained by both the carrying firm and the consenting firm.

Rule 9.6-O(a). Discretion as to Customers' Accounts

No OTP Holder or OTP Firm shall permit any person employed by such OTP Holder or OTP Firm or by any other OTP Holder or OTP Firm to exercise discretion in the handling of a transaction for a customer of such OTP Holder or OTP Firm, and no OTP Holder or OTP Firm or any participant therein shall delegate to any such employee any discretionary power vested by a customer in such OTP Holder or OTP Firm unless in either case the prior written authorization of the customer has been received; and if such discretionary authority runs, directly or by redelegation, to an employee of another OTP Holder or OTP Firm, the carrying OTP Firm must obtain the prior written consent of the employer of the individual authorized to exercise discretion. An OTP Holder [or allied person] of the carrying OTP Firm shall approve and initial each discretionary order entered by an employee of such OTP Firm or of another OTP Firm on the day the order is entered. The provisions of this Rule shall not apply to discretion as to the price at which or the time when an order given by a customer for the purchase or sale of a definite amount of a specified security shall be executed.

Rule 4.3-E(a). Corporate Affiliates and Subsidiaries

An ETP Holder shall not form a corporate affiliate or subsidiary without the prior written approval of the Exchange. All affiliates or subsidiaries of an ETP Holder shall be subject to compliance with the Bylaws, Rules and procedures of the Exchange, or other conditions as may be established by the Exchange. ETP Holders [and Allied Persons of ETP Holders] shall be responsible for any fraud committed by a corporate affiliate or subsidiary organization or for any act or proceeding thereof contrary to just and equitable principles of trade or detrimental to the interest or welfare of the Exchange.

An ETP Holder proposing to organize an affiliate or subsidiary corporation shall submit full details to the Exchange.

Rule 4.3-E shall apply to all ETP Holders of the Exchange unless the ETP Holder is subject to the jurisdiction of another national securities exchange or association designated by the Board of Directors as having comparable standards, or it is subject to the jurisdiction of another national securities exchange or association designated by the Securities and Exchange Commission as the primary regulatory body.

Rule 4.3-E(b). Changes in Stockholder Status

Whenever a person owning 5% or more of any class of equity securities, directly or indirectly, of an ETP Holder ceases to be an ETP Holder[, Allied Person] or Approved Person, the firm shall redeem or convert such securities to fixed income securities so that such security interest is less than 5%. Provided, however, that if such redemption or conversion would cause such ETP Holder not to comply with the capital requirement of Rule 4-E, the ETP Holder will so notify the Exchange and the assets which the person receives upon redemption of such securities, will be loaned by the person to the ETP Holder as a loan subordinated to the claims of all customers and general creditors of the ETP Holder, or the fixed income securities which the person receives upon conversion of such securities will be subordinated to the claims of all customers and general creditors of the ETP Holder. Any such subordination shall be pursuant to an agreement approved by the Exchange.

Rule 4.3-E(e). Owners of 5% or More Equity Securities

Every party who owns beneficially 5% or more of any class of equity security, either directly or indirectly, of the firm shall be an ETP Holder[, Allied Person] or Approved Person.

Rule 4.3-E(h). Voting Agreement

None of the stock of a corporate ETP Holder shall at any time be held under or subject to any voting agreement whereby the voting of such stock is pooled or joined with the stock of any then ETP Holder, [Allied Person,] stockholder associate or Approved Person unless approved by the Board of Directors.

Rule 4.3-E(i). Participation in ETP Holders

The Exchange hereby specifically approves the beneficial ownership of an interest in any other ETP Holder by an ETP Holder[, Allied Person,] or Approved Person of any ETP Holder:

- (1) If the interest owned is stock and such stock is freely transferable and is publicly held, provided that less than 5% of such stock is owned. Under appropriate circumstances the Exchange may treat as a single holding stock which is nominally held by different persons or firms;
- (2) In connection with an underwriting of such stock; or
- (3) In connection with his, her or its activity as a Market Maker in such stock, in which event the ETP Holder [or Allied Person,] or Approved Person thereof shall be required to be registered with the Exchange as a Market Maker in such stock.

Rule 4.15-E(b). Maintenance Margin Rule

The margin which must be maintained in margin accounts of customers, whether ETP Holders[, Allied Persons thereof] or non-ETP Holders, shall be as follows:

- (1) 25% of the market value of all securities "long" in the account; plus
- (2) \$2.50 per share or 100% of the market value, in cash, whichever amount is greater, of each stock "short" in the account selling at less than \$5.00 per share; plus
- (3) \$5.00 per share or 30% of the market value, in cash, whichever amount is greater, of each stock "short" in the account selling at \$5.00 per share or above; plus
- (4) 5% of the principal amount or 30% of the market value, in cash, whichever amount is greater, of each bond "short" in the account.
- (5) In the case of securities listed pursuant to Rule 5.2-E, 100% of the market value, in cash, of each security held "long" in the account.

Rule 4.15-E(c). Exceptions to Rule

The foregoing requirements of this Rule are subject to the following exceptions:

- (1) - (2) No Change
- (3) Joint Accounts in Which the Carrying Firm or a Partner or Stockholder Therein Has an Interest—In the case of a joint account carried by a firm, in which such firm, or any partner, ETP Holder[, Allied Person] or any stockholder (other than a holder of freely transferable stock only) of such ETP Holder participate with others, the interest of each participant other than the carrying ETP Holder shall be margined by each such participant pursuant to the provisions of this Rule as if such interest were in a separate account.

(4) - (6) No Change

Rule 4.15-E(d). Other Provisions

Determination of Value for Margin Purposes.

(1) - (4) No

(4) **Guaranteed Accounts**—Any account guaranteed by another account may be consolidated with such other account and the required margin may be determined on the net position of both accounts, provided the guarantee is in writing and permits the ETP Holder carrying the account, without restriction, to use the money and securities in the guaranteeing account to carry the guaranteed account or to pay any deficit therein; and provided further that such guaranteeing account is not owned directly or indirectly by (a) a partner, ETP Holder[, Allied Person thereof] or any stockholder (other than a holder of freely transferable stock only) in the firm carrying such account or (b) an ETP Holder, a partner[, Allied Person,] or any stockholder (other than a holder of freely transferable stock only) therein having a definite arrangement for participating in the commissions earned on the guaranteed account. However, the guarantee of a limited partner or of a holder of non-voting stock, if based upon his resources other than his capital contribution to or other than his interest in an ETP Holder is not affected by the foregoing prohibition, and such a guarantee may be taken into consideration in computing margin in the guaranteed account.

(5) - (9) No Change

Rule 7.3-E. Commissions

(a) *Fixed Rates*. Nothing contained in the Rules of the Exchange or its practices shall be construed to require or authorize its ETP Holders or any associated person, to agree or arrange, directly or indirectly, for the charging of fixed rates of commission for transactions effected on, or effected by the use of, the facilities of the Exchange.

(b) *Acting as Broker*. In all transactions in which an ETP Holder acts solely as a broker, the bills and confirmations rendered must so indicate, and all commissions charged, if any, shall be appropriately identified.

(c) *Acting as Principal*. In all transactions in which an ETP Holder acts as principal or in which the ETP Holder or any of its [Allied Persons,] partners,

approved persons or stockholder associates have an interest as principal in any manner, the bills and confirmations rendered must so indicate.

Rule 9.1-E(c). Office Supervision

- (1) Each office of an ETP Holder shall be under the supervision and control of such ETP Holder to assure compliance with applicable securities laws and regulations and Rules of the Exchange.
- (2) [The] ETP Holders [and Allied Persons thereof] shall designate from among their group a person or persons to assume authority and responsibility for supervision of the firm's activities and establishment and maintenance of appropriate procedures and follow-up and review to determine that such control and supervision is maintained.

Rule 9.2-E(c). Customer Records

Commentary:

.01 In the case of a margin account carried by an ETP Holder for a non-ETP corporation, definite knowledge should be had to the effect that the non-ETP corporation has the right under its charter and by-laws to engage in margin transactions for its own account and that the persons from whom orders and instructions are accepted have been duly authorized by the corporation to act on its behalf. It is advisable in each such case for the carrying firm to have in its possession a copy of the corporate charter, by-laws and authorizations. Where it is not possible to obtain such documents, an [Allied Person in the] ETP Holder carrying the account should prepare and sign a memorandum for its files indicating the basis upon which he or she believes that the corporation may properly engage in margin transactions and that the persons acting for the corporation have been duly authorized to do so.

In the case of a cash account carried for a non-ETP corporation, the carrying ETP Holder should assure itself through a general partner or an officer who is a holder of voting stock that persons entering orders and issuing instructions with respect to the account do so upon the proper authority.

.02 When an agency account is carried by an ETP Holder its files should contain the name of the principal for whom the agent is acting and written evidence of the agent's authority.

.03 When Estate and Trustee accounts are involved an ETP Holder should obtain counsel's advice as to the documents which should be obtained.

Rule 9.3-E(b). ETP Holder [and Allied Person] Accounts

No ETP Holder shall carry an account for another ETP Holder [or Allied Person of another ETP Holder] without the prior written consent of another person who is an ETP Holder [or Allied Person of such other firm].

Duplicate reports and statements shall be sent to such general partner or an officer who is a holder of voting stock designated in such consent unless their submission is waived in writing and a permanent record of such waiver is retained by both the carrying firm and the consenting firm.

Rule 9.6-E(a). Discretion as to Customers' Accounts

No ETP Holder shall permit any person employed by such ETP Holder or by any other ETP Holder to exercise discretion in the handling of a transaction for a customer of such ETP Holder, and no ETP Holder or any participant therein shall delegate to any such employee any discretionary power vested by a customer in such ETP Holder unless in either case the prior written authorization of the customer has been received; and if such discretionary authority runs, directly or by re-delegation, to an employee of another ETP Holder, the carrying ETP Holder must obtain the prior written consent of the employer of the individual authorized to exercise discretion. An ETP Holder [or Allied Person of the carrying ETP Holder] shall approve and initial each discretionary order entered by an employee of such ETP Holder of another ETP Holder on the day the order is entered. The provisions of this Rule shall not apply to discretion as to the price at which or the time when an order given by a customer for the purchase or sale of a definite amount of a specified security shall be executed.
