(7) (a) BBO. The term “BBO” shall refer to the best bid or offer on the System.

(b) Complex BBO. The “Complex BBO” [shall refer to the BBO for a given complex order strategy as derived from the best bid on OX and best offer on OX for each individual component series of a Complex Order] means the complex orders with the lowest-priced net debit/credit price on each side of the Consolidated Book for the same complex order strategy.

(c) Derived BBO. The “Derived BBO” is calculated using the BBO from the Consolidated Book for each of the options series comprising a given complex order strategy.

(18A) Professional Customer. The term “Professional Customer” means individual or organization that (i) is not a Broker/Dealer in securities, and (ii) places more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). A Professional Customer will be treated in the same manner as a Broker/Dealer (or non-Customer) in securities for the purposes of Rules 900.3NY(j)(Facilitation Order), 904G(f) (FLEX Trading Procedures and Principles - Crossing Limitations), 934NY(Crossing), 934.1NY (Facilitation Cross Transactions), 934.2NY(At-Risk Cross Transactions), 934.3NY(Solicitation), 963NY(Priority and Order Allocation Procedures - Open Outcry), 964NY (Display, Priority and Order Allocation - Trading Systems), 964.2NY(b)(1)(iii)(Participation Entitlement of Specialists and e-Specialists), 964.2NY(b)(3)(B)(Allocation Of Participation Entitlement Amongst Specialist Pool), 971.1NY (Single-Leg Electronic Cross Transactions),
971.2NY (Complex Electronic Cross Transactions), 975NY(b)(1) (Obvious Errors and Catastrophic Errors), and 980NY(b) (Electronic Complex Order Trading).

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**Rule 935NY. Order Exposure Requirements**

With respect to orders routed to the System, Users may not execute as principal orders they represent as agent unless (i) agency orders are first exposed on the Exchange for at least one (1) second; (ii) the User has been bidding or offering on the Exchange for at least one (1) second prior to receiving an agency order that is executable against such bid or offer; (iii) the User utilizes the Customer Best Execution Auction (“CUBE Auction”) pursuant to Rules 971.1NY or 971.2NY; or (iv) the User utilizes the Complex Order Auction Process (“COA”) pursuant to Rule 980NY(e).

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**Rule 971.1NY. Single-Leg Electronic Cross Transactions**

(a) An ATP Holder (“Initiating Participant”) may electronically submit for execution into the Customer Best Execution Auction (“CUBE Auction” or “Auction”) a limit order it represents as agent on behalf of a public customer, broker dealer, or any other entity (“CUBE Order”) provided that the Initiating Participant guarantees the execution of the CUBE Order by submitting a contra-side order (“Contra Order”) representing principal interest or non-Customer interest it has solicited to trade with the CUBE Order at a specified price (“stop price“) or by utilizing auto-match or auto-match limit features as described in paragraphs (c)(1)(B) and (c)(1)(C) of this Rule. The stop price and any use of auto-match or auto-match limit are not displayed. An Auction begins with an “initiating price,” which for a CUBE Order to buy (sell) shall be the lower (higher) of the CUBE Order’s limit price or the National Best Offer (“NBO”) (National Best Bid (“NBB“)), except as provided for in paragraph (b)(1)(B) of this Rule. At the conclusion of the Auction, the CUBE Order may execute at multiple prices within a permissible range, as specified in paragraph (b)(1) of this Rule.

(b) CUBE Auction Eligibility Requirements. All options traded on the Exchange are eligible for the CUBE Auction. For purposes of determining whether a CUBE Order is eligible to initiate an Auction, references to the National Best Bid or Offer (“NBBO”) or Exchange Best Bid or Offer (“BBO”) refer to the quoted market at the time the Auction is initiated. The time at which the Auction is initiated shall also be considered the time of execution for the CUBE Order and the execution of orders in the Auction shall qualify as exceptions to Trade-Through Liability, pursuant to Rule 991NY(b)(5) and (9). An Initiating Participant may initiate a CUBE Auction provided all of the following are met:

1. Range of Permissible Executions. A CUBE Order to buy (sell) may execute at prices equal to or between the initiating price as the upper (lower) bound and the NBB (NBO) as the lower (upper) bound, provided that:
(10) CUBE Orders submitted during a trading halt are not eligible to initiate an Auction and will be rejected, along with the Contra Order.

(c) Auction Process. Only one Auction may be conducted at a time in any given series. Once commenced, the CUBE Order (as well as the Contra Order) may not be cancelled or modified, and shall proceed as follows:

(1) *Initiation of Auction.* To initiate the CUBE Auction, the Initiating Participant must mark the CUBE Order for Auction processing, and specify one of the following means of guaranteeing the execution of the CUBE Order:

(A) A single stop price. For a CUBE Order to buy (sell), an Initiating Participant may specify a single stop price that is equal to or below (above) the initiating price of the Auction. A stop price specified for a CUBE Order to buy (sell) that is below (above) the lower (upper) bound of the range of permissible executions will be repriced to the lower (upper) bound. A stop price specified for a CUBE Order to buy (sell) that is above (below) the initiating price is not eligible to initiate an Auction and both the CUBE Order and the Contra Order shall be rejected; or

(B) Auto-match. For a CUBE Order to buy (sell), the Initiating Participant will automatically match [as principal or as agent on behalf of a Contra Order] the price and size of all RFR Responses that are lower (higher) than the initiating price and within the range of permissible executions; or

(C) Auto-match limit. For a CUBE Order to buy (sell), the Initiating Participant may specify an “auto match limit price” that is equal to or below (above) the initiating price of the Auction, and the Contra Order may trade with the CUBE Order at prices which are lower (higher) than the initiating price down (up) to a specified limit price (the “auto-match limit price”). An auto-match limit price specified for a CUBE Order to buy (sell) that is below (above) the lower (upper) bound of the range of permissible executions will be repriced to the lower (upper) bound.

(2) *CUBE Auction Request for Responses (“RFR”) and Response Time Interval*

(i) GTX Order - A GTX Order is a non-routable order with a time-in-force contingency for the Response Time Interval and must specify price, size and side of the market.
(d) GTX Orders may be cancelled or modified.

Commentary:

.01 Reserved.

.02 The following conduct shall be considered conduct inconsistent with just and equitable principles of trade:

(b) Engaging in a pattern and practice of trading or quoting activity for the purpose of causing a CUBE Auction to conclude before the end of the Response Interval Time.

Rule 971.2NY. Complex Electronic Cross Transactions

(a) Complex CUBE Order. A Complex CUBE Order is a Complex Order, as defined in Rule 900.3NY(e), submitted electronically by an ATP Holder (“Initiating Participant”) into the Complex Customer Best Execution Auction (“Complex CUBE Auction” or “Auction”) that the Initiating Participant represents as agent on behalf of a public customer, broker dealer, or any other entity.

(1) The Initiating Participant guarantees the execution of such Complex CUBE Order by submitting a contra-side order (“Complex Contra Order”) representing principal interest or non-Customer interest it has solicited to trade with the Complex CUBE Order at either:

(A) a specified price (“stop price”) as described in paragraph (b)(1)(A) of this Rule; or

(B) an auto-match limit price as described in paragraph (b)(1)(B) of this Rule.

(2) The “CUBE BBO” is determined upon entry of a CUBE Order into the System and is the more aggressive of (i) the Complex BBO improved by $0.01, or (ii) the Derived BBO improved by: $0.01 multiplied by the smallest leg of the complex order strategy. The “same-side CUBE BBO” and “contra-side CUBE BBO” refer to the CUBE BBO on the same or opposite side of the market as the Complex CUBE Order, respectively.
(3) The “initiating price” for a Complex CUBE Order is the less aggressive of the net debit/credit price of such order or the price that locks the contra-side CUBE BBO.

(4) The “range of permissible executions” of a Complex CUBE Order is all prices equal to or between the initiating price and the same-side CUBE BBO.

(A) If the CUBE BBO updates during the Auction (the “updated CUBE BBO”), the range of permissible executions will adjust in accordance with the updated CUBE BBO, unless the interest that updated the CUBE BBO would cause the Auction to conclude early pursuant to paragraph (c)(3) of this Rule.

(b) Complex CUBE Auction Eligibility Requirements. All options traded on the Exchange are eligible to be part of a Complex CUBE Order. An Auction will be initiated provided all of the following conditions are met:

(1) The Initiating Participant marks the Complex CUBE Order for Auction processing, and specifies one of the following means of guaranteeing the execution of the Complex CUBE Order:

(A) A single stop price. If an Initiating Participant specifies a single stop price, the stop price must be executable against the initiating price of the Auction. The Complex Contra Order may trade with the Complex CUBE Order at the stop price, pursuant to paragraph (c)(4) of this Rule. If the stop price crosses the same-side CUBE BBO, the Complex CUBE Order is not eligible to initiate an Auction and will be rejected along with the Complex Contra Order; or

(B) Auto-match limit price. If an Initiating Participant specifies an “auto-match limit price,” this price must be executable against the initiating price of the Auction. The Complex Contra Order may trade with the Complex CUBE Order at prices that are better than or equal to the initiating price until trading at the auto-match limit price, if applicable, pursuant to paragraph (c)(4) of this Rule. If the auto-match limit price crosses the same-side CUBE BBO, the Complex Contra Order will be priced back to lock the same-side CUBE BBO.

(2) A Complex CUBE Order that does not have a net debit/credit price that is equal to or better than the same-side CUBE BBO is not eligible to initiate an Auction and will be rejected, along with the Complex Contra Order.

(3) Complex CUBE Orders submitted before the opening of trading are not eligible to initiate an Auction and will be rejected, along with the Complex Contra Order.

(4) Complex CUBE Orders submitted during the final second of the trading session in the component series are not eligible to initiate an Auction and will be rejected, along with the Complex Contra Order.
(5) Complex CUBE Orders submitted during a trading halt are not eligible to initiate an Auction and will be rejected, along with the Complex Contra Order.

(c) Auction Process. The time at which the Auction is initiated will also be considered the time of execution for the Complex CUBE Order. Only one Auction may be conducted at a time in any given complex order strategy and, once commenced, the Complex CUBE Order (as well as the Complex Contra Order) may not be cancelled or modified.

1) Complex CUBE Auction Request for Responses (“RFR”) and Response Time Interval

(A) Upon receipt of a Complex CUBE Order, the Exchange will send an RFR to all ATP Holders who subscribe to receive RFR messages. The RFR will identify the complex order strategy, the side and size of the Complex CUBE Order, and the initiating price.

(B) The “Response Time Interval” means the period of time during which responses to the RFR may be entered. The Response Time Interval will last for a random period of time within parameters determined by the Exchange and announced by Trader Update. The minimum/maximum parameters for the Response Time Interval will be no less than 100 milliseconds and no more than one (1) second.

(C) Any ATP Holder may respond to the RFR, provided such response is properly marked specifying price, size and side of the market (“RFR Response”). Any RFR Response that crosses the same-side CUBE BBO will be eligible to trade in the Auction at a price that locks the same-side CUBE BBO. The Auction will accept RFR Responses as follows:

(i) Complex GTX Order - A Complex GTX Order is an Electronic Complex Order, as defined in Rule 980NY, with a time-in-force contingency for the Response Time Interval, which must specify price, size and side of the market.

(a) Complex GTX Orders will not be displayed on the Consolidated Book or disseminated to any participants. A Complex GTX Order that is not fully executed as provided for in paragraphs (c)(3) and (4) of this Rule will be cancelled at the conclusion of the Auction.

(b) GTX Orders with a size greater than the size of the Complex CUBE Order will be capped at the size of the Complex CUBE Order.

(c) Complex GTX Orders may be cancelled or modified.

(d) Complex GTX Orders on the same side of the market as the Complex CUBE Order will be rejected.
(ii) Unrelated Electronic Complex Orders - Electronic Complex Orders, as defined in Rule 980NY (including if designated as COA-eligible orders), on the opposite side of the market as the Complex CUBE Order that are received during the Response Time Interval will be considered RFR Responses (even though not marked as Complex GTX Orders), provided such orders can participate within the range of permissible executions specified for the Auction pursuant to paragraph (a)(4) of this Rule.

(2) Conclusion of Auction. The Auction will conclude at the end of the Response Time Interval. The Auction will conclude earlier than the end of the Response Time Interval if there is a trading halt in any of the component series or if there is an early conclusion event pursuant to paragraph (c)(3) of this Rule. If there is a trading halt in any of the component series, the Complex CUBE Order will execute pursuant to paragraph (c)(4) of this Rule. Any RFR Responses that do not execute in the Auction will execute in accordance with Rule 980NY, Complex Order Trading, and any remaining balance of Complex GTX Orders will cancel.

(3) Early Conclusion of Auction. An Auction will conclude before the end of the Response Time Interval as described in paragraphs (c)(3)(A)-(F) of this Rule. When the Auction concludes, the Complex CUBE Order will execute pursuant to paragraph (c)(4) of this Rule. An Auction will conclude early if, during the Response Time Interval, the Exchange receives:

(A) A new Complex CUBE Order in the same complex order strategy that meets the conditions of paragraph (b) of this Rule;

(B) Any interest that adjusts the same-side CUBE BBO to be better than the initiating price;

(C) Any interest that adjusts the same-side CUBE BBO to cross any RFR Response(s);

(D) Any interest that adjusts the same-side CUBE BBO to cross the single stop price specified by the Initiating Participant;

(E) Any interest that crosses the same-side CUBE BBO;

(F) Interest in the leg market that causes the contra-side CUBE BBO to be better than the stop price or auto-match limit price.

(4) Order Allocation. When the Auction concludes, any RFR Response that exceeds the size of the Complex CUBE Order will be capped at the Complex CUBE Order size for purposes of size pro rata allocation of the Complex CUBE Order per Rule 964NY(b)(3), and the Complex CUBE Order will be allocated at the best price(s) as follows:
(A) At each price level, any Customer orders that arrived during the Auction as RFR Responses will have first priority to execute and be allocated on a size pro rata allocation pursuant to Rule 964NY(b)(3).

(B) After Customer interest at a particular price level has been satisfied, any remaining size will be allocated among the Complex Contra Order and RFR Responses as follows:

(i) **Single stop price**: A Complex CUBE Order for which an Initiating Participant specifies a single stop price will trade with interest received during the Auction as follows:

   (a) First to RFR Responses priced better than the stop price, beginning with the most aggressive price within the range of permissible executions, pursuant to the size pro rata algorithm set forth in Rule 964NY(b)(3) at each price point.

   (b) Any remaining size of the Complex CUBE Order will execute at the stop price. At the stop price, if there is sufficient size of the Complex CUBE Order still available after executing at prices better than the stop price or against Customer interest, the Complex Contra Order will receive an allocation of the greater of 40% of the original Complex CUBE Order size or one contract (or the greater of 50% of the original Complex CUBE Order size or one contract if there is only one RFR Response). Any remaining size of the Complex CUBE Order at the stop price will be allocated among remaining RFR Responses pursuant to the size pro rata algorithm set forth in Rule 964NY(b)(3). If all RFR Responses are filled, any remaining size of the Complex CUBE Order will be allocated to the Complex Contra Order.

   (c) If there are no RFR Responses, the Complex CUBE Order will execute against the Complex Contra Order at the stop price.

(ii) **Auto-match limit price**: A Complex CUBE Order for which an Initiating Participant specifies an “auto-match limit price” will trade with interest received during the Auction as follows:

   (a) First, to RFR Responses at each price level priced better than the auto-match limit price (if any) within the range of permissible executions, beginning with the most aggressive price, pursuant to the size pro rata algorithm set forth in Rule 964NY(b)(3) at each price point.

   (b) Next, to RFR Responses at a price equal to the price of the Complex Contra Order’s auto-match limit price, and if volume remains, to prices worse than the auto-match limit price. At each price point equal to or worse than the auto-match limit price, the Complex Contra Order will receive an allocation equal to the aggregate size of all other RFR Responses starting with the best price at which an execution against an RFR Response occurs within the
range of permissible executions until a price point is reached where the balance of the CUBE Order can be fully executed (the “clean-up price”). At the clean-up price, if there is sufficient size of the Complex CUBE Order still available after executing at better prices or against Customer interest, the Complex Contra Order will be allocated additional volume required to achieve an allocation of the greater of 40% of the original Complex CUBE Order size or one contract (or the greater of 50% of the original Complex CUBE Order size or one contract if there is only one RFR Response). If the Complex Contra Order meets its allocation guarantee at a price better than the clean-up price, it will cease matching RFR Responses that may be priced worse than the price at which the Complex Contra Order received its allocation guarantee. If there are other RFR Responses at the clean-up price, the remaining size of the Complex CUBE Order will be allocated to such interest pursuant to the size pro rata algorithm set forth in Rule 964NY(b)(3). Any remaining portion of the Complex CUBE Order will be allocated to the Complex Contra Order at the initiating price.

(c) If there are no RFR Responses, the Complex CUBE Order will execute against the Complex Contra Order at the initiating price.

(C) After the Complex CUBE Order has been executed, any remaining RFR Responses not marked Complex GTX will be processed in accordance with Rule 980NY, Electronic Complex Order Trading.

(D) A single RFR Response will not be allocated a volume that is greater than its size.

**Commentary:**

.01 The following conduct will be considered conduct inconsistent with just and equitable principles of trade:

(a) An ATP Holder entering RFR Responses to an Auction for which the ATP Holder is the Initiating Participant.

(b) Engaging in a pattern and practice of trading or quoting activity for the purpose of causing an Auction to conclude before the end of the Response Interval Time.

(c) An Initiating Participant that breaks up an agency order into separate Complex CUBE Orders for the purpose of gaining a higher allocation percentage than the Initiating Participant would have otherwise received in accordance with the allocation procedures contained in paragraph (c)(5) of this Rule.

(d) Engaging in a pattern and practice of sending multiple RFR Responses at the same price that in the aggregate exceed the size of the Complex CUBE Order.
.02 Definitions. For purposes of this Rule, the following terms mean:

(a) Better-priced or more aggressive interest means lower-priced net debit/credit interest on each side of the Consolidated Book for the same complex order strategy. Inversely, higher-priced interest is worse-priced or less aggressive than lower-priced interest.

(b) Interest improves the BBO if it is priced lower than either the same-side Complex or Derived BBO.

(c) Interest locks when it is priced at the exact inverse price of any contra-side interest.

(d) Interest crosses when it is priced lower than the exact inverse price of any contra-side interest.

(e) A Complex Order is executable against contra-side interest priced at the exact inverse value or lower.

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Rule 980NY. Electronic Complex Order Trading

For purposes of this Rule, an “Electronic Complex Order” means any Complex Order as defined in Rule 900.3NY (e) that is entered into the System.

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(e) Electronic Complex Order Auction (“COA”) Process. Upon entry into the System, Electronic Complex Orders may be immediately executed, in full (or in a permissible ratio), as provided in paragraph (c)(ii) above, or may be subject to a COA as described below.

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(2) Immediate Execution of COA-eligible orders. Upon entry of a COA-eligible order into the System, it will trade immediately, in full (or in a permissible ratio), with any Electronic Complex Orders resting in the Consolidated Book that are priced better than the contra-side Complex BBO. The COA-eligible order may trade with any Electronic Complex Orders resting in the Consolidated Book priced equal to the contra-side [Complex]Derived BBO, unless each leg of the contra-side [Complex]Derived BBO includes Customer interest. Any portion of the COA-eligible order that does not trade immediately upon entry into the System may start a COA.
(3) Initiation of a COA. Any portion of the COA-eligible order that does not execute immediately pursuant to paragraph (e)(2) of this Rule, will start a COA, provided the limit price of the COA-eligible order to buy (sell):

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(ii) is within a given number of ticks away from the current, contra-side market as determined by the Exchange.

A COA-eligible order will reside on the Consolidate Book until it meets the requirements of paragraph (3)(i)-(ii) and can initiate a COA. The Exchange will initiate the COA by sending a request for response (“RFR”) message to all ATP Holders that subscribe to RFR messages. RFR messages will identify the component series, the size and side of the market of the order and any contingencies. Only one COA may be conducted at a time in any given complex order strategy. At the time the COA is initiated, the Exchange will record the [Complex]Derived BBO (the “initial [Complex]Derived BBO”) for purposes of determining whether the COA should end early pursuant to paragraph (e)(6) of this Rule.

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(6) Impact of Electronic Complex Orders, COA-Eligible Orders and Updated Leg Markets Received During the Response Time Interval of a COA.

(A) Incoming Electronic Complex Orders (including Complex CUBE Orders) or COA-eligible orders on the Opposite Side of the Market as the initiating COA-eligible order.

(i) Incoming Electronic Complex Orders or COA-eligible orders that lock or cross the initial [Complex]Derived BBO will cause the COA to end early. If such incoming Electronic Complex Order or COA-eligible order is also executable against the limit price of the initiating COA-eligible order, it will be ranked with RFR Responses to trade with the COA-eligible order pursuant to paragraph (e)(7) of this Rule.

(ii) Incoming Electronic Complex Orders or COA-eligible orders that are executable against the limit price of the COA-eligible order, but do not lock or cross the initial [Complex]Derived BBO, will not cause the COA to end early and will be ranked with RFR Responses to trade with the COA-eligible order pursuant to paragraph (e)(7) of this Rule.

(iii) Incoming Electronic Complex Orders or COA-eligible orders that are either not executable on arrival against the limit price of the initiating COA-eligible order or do not lock or cross the initial [Complex]Derived BBO will not cause the COA to end early.
(B) Incoming Electronic Complex Orders (including Complex CUBE Orders) or COA-eligible orders on the Same Side of the Market as the initiating COA-eligible order. When a COA ends early, or at the end of the Response Time Interval, the initiating COA-eligible order will execute pursuant to paragraph (e)(7) of this Rule ahead of any interest that arrived during the COA.

(ii) An incoming Electronic Complex Order or COA-eligible order that is priced equal to or lower (higher) than the initiating COA-eligible order to buy (sell), and also locks or crosses the contra-side initial [Complex]Derived BBO, will cause the COA to end early.

(iii) Incoming Electronic Complex Orders or COA-eligible orders that are priced equal to or lower (higher) than the initiating COA-eligible order to buy (sell), but do not lock or cross the contra-side initial [Complex]Derived BBO, will not cause the COA to end early.

(C) Updated Leg Markets on the Same or Opposite Side of the Market as the initiating COA-eligible order.

(i) Updates to the leg markets that cause the same-side [Complex]Derived BBO to lock or cross any RFR Response(s) and/or Electronic Complex Order(s) received during the Response Time Interval, or any Electronic Complex Order(s) resting in the Consolidated Book, will cause the COA to end early.

(ii) Updates to the leg markets that cause the same-side [Complex]Derived BBO to be priced higher (lower) than the COA-eligible order to buy (sell), but do not lock or cross any RFR Response(s) and/or Electronic Complex Order(s) received during the Response Time Interval, or any Electronic Complex Order(s) resting in the Consolidated Book, will not cause the COA to end early.

(iii) Updates to the leg markets that cause the contra-side Complex BBO to lock or cross the same-side initial [Complex]Derived BBO will cause the COA to end early.

(iv) Updates to the leg markets that cause the contra-side Complex BB (BO) to improve (i.e., become higher (lower)), but not lock or cross the same-side initial [Complex]Derived BBO, will not cause the COA to end early.
(7) Allocation of COA-Eligible Orders: When a COA ends early or at the end of the Response Time Interval, a COA-eligible order will be executed against the contra-side interest received during the COA as described below, and any unexecuted portion of the COA-eligible order will be ranked in the Consolidated Book pursuant to (b) above:

(A) RFR Responses and Electronic Complex Orders to buy (sell) that are priced higher (lower) than the initial [Complex]Derived BBO will be eligible to trade first with the COA-eligible order, beginning with the highest (lowest), at each price point, on a Size Pro Rata basis pursuant to Rule 964NY(b)(3), provided that Electronic Complex Orders on behalf of Customers will have priority over same priced Electronic Complex Orders for non-Customers.

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Commentary:

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.02 Electronic Complex Order Priority. When executing an Electronic Complex Order, if each leg of the contra-side [Complex]Derived BBO for the components of the Electronic Complex Order includes Customer interest, the price of at least one leg of the order must:

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