

Additions underlined
 Deletions [bracketed]

NYSE AMERICAN RULES

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Trading of Option Contacts

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Section 6. Comparison and Clearance of Exchange Option Transactions

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Rule 961. Authorizing Give Up of a Clearing Member

(a) General. For each transaction in which an ATP Holder (other than a Market Maker) participates, the ATP Holder may indicate, at the time of the trade, any Options Clearing Corporation (“OCC”) number of a Clearing Member through which a transaction will be cleared (“Give Up”), provided the Clearing Member has not elected to Opt In, as defined and described in paragraph (b) below, and restricted the OCC number (“Restricted OCC Number”). An ATP Holder may Give Up a Restricted OCC Number provided the ATP Holder has written authorization as described in paragraph (b)(ii) below (“Authorized ATP Holder”).

(b) Opt In. Clearing Members may request the Exchange restrict one or more of their OCC clearing numbers (“Opt In”) as described in subparagraph (i) below. If a Clearing Member Opts In, the Exchange will require written authorization from the Clearing Member permitting an ATP Holder to Give Up a Clearing Member’s Restricted OCC Number. An Opt In would remain in effect until the Clearing Member terminates the Opt In as described in subparagraph (iii) below. If a Clearing Member does not Opt In, that Clearing Member’s OCC number would be subject to Give Up by any ATP Holder (other than a Market Maker).

(i) Clearing Member Process to Opt In. A Clearing Member may Opt In by sending a completed “Clearing Member Restriction Form” listing all Restricted OCC Numbers. A Clearing Member may elect to restrict one or more OCC clearing numbers that are registered in its name at OCC. The Clearing Member would be required to submit the Clearing Member Restriction Form to the Exchange’s Client Relationship Services (“CRS”) department as described on the form. Once submitted, the Exchange requires ninety days before a Restricted OCC Number is effective within the System.

(ii) ATP Holder Give Up Process for Restricted OCC Numbers. An ATP Holder desiring to Give Up a Restricted OCC Number must become an Authorized ATP Holder. The Clearing Member will be required to authorize an ATP Holder by submitting a completed “Authorized ATP Holder Form” to the Exchange’s CRS department, unless the Restricted OCC Number is already subject to a Letter of Guarantee to which an ATP Holder is a party, as set forth in paragraph (c) below.

(iii) Amendments to Authorized ATP Holders or Restricted OCC Numbers. A Clearing Member may amend its Authorized ATP Holders or Restricted OCC Numbers by submitting a new Authorized ATP Holder Form or a Clearing Member Restriction Form to the Exchange’s CRS department indicating the amendment as described on the form. Once a Restricted OCC Number is effective pursuant to paragraph (i) above, the Exchange may permit the Clearing Member to authorize, or remove authorization for, an ATP Holder to Give Up the Restricted OCC Number intra-day only in unusual circumstances, and on the next business day in all regular circumstances. The Exchange will promptly notify ATP Holders if they are no longer authorized to Give Up a Clearing Member’s Restricted OCC Number. If a Clearing Member removes a Restricted OCC Number, any ATP Holder (other than a Market Maker) may Give Up that OCC clearing number once the removal has become effective on or before the next business day.

[(a) *General.* For each transaction in which an ATP Holder participates, the ATP Holder must give up the name of the Clearing Member through which the transaction will be cleared ("give up"). The Clearing Member that is given up must be a Designated Give Up or a Guarantor of the ATP Holder as set forth in paragraph (b) below. If a Designated Give Up determines to reject a trade in accordance with this Rule, the Guarantor for the executing ATP Holder will become the give up on the trade, unless another Clearing Member agrees to accept the trade, in accordance with paragraph (f) below.

(b) *Designated Give Ups.*

(1) *Definition of Designated Give Up.* For purposes of this Rule, a “Designated Give Up” of an ATP Holder refers to a Clearing Member identified to the Exchange by that ATP Holder as a Clearing Member the ATP Holder requests the ability to give up and that has been processed by the Exchange as a Designated Give Up.

(2)](c) [*Definition of] Guarantors and Market Makers.*

(i) For purposes of this Rule, a “Guarantor” of an [executing]ATP Holder refers to a Clearing Member that has issued a Letter of Guarantee or Letter of Authorization for the [executing] ATP Holder under the Rules of the Exchange that is in effect at the time of the execution of the applicable trade. A Guarantor for an ATP Holder will be enabled to be given up for that ATP Holder without

any further action by the ATP Holder such that a clearing arrangement subject to a Letter of Guarantee or Letter of Authorization would immediately permit the Give Up of a Restricted OCC Number by the ATP Holder that is party to the arrangement.

[(3) *Identification of Designated Give Up.* Every ATP Holder (other than a Market Maker) must identify, in a form and manner prescribed by the Exchange and in advance of giving up any Clearing Member that is not a Guarantor for the ATP Holder, any Designated Give Ups. An ATP Holder will only give up a Clearing Member that has previously been identified and processed by the Exchange as a Designated Give Up for that ATP Holder; a Guarantor for that ATP Holder; or another Clearing Member that agrees to accept a trade in accordance with paragraph (f) below.

(4) *Non Market Makers.* Any ATP Holder (other than a Market Maker) may designate, pursuant to subparagraph (b)(3) above, any Clearing Member other than its Guarantor, as a Designated Give Up. The Exchange will accept any instructions, and will not give effect to any previous instructions, from a Clearing Member not to permit an ATP Holder to designate the Clearing Member as a Designated Give Up.]

[(5)](ii) [*Market Makers.*] For each transaction in which a Market Maker participates, a Guarantor of the Market Maker shall be the Clearing Member through which the transaction will be cleared.

[(6) *Guarantors.* A Guarantor for an ATP Holder will be enabled to be given up for that ATP Holder without any further action by the ATP Holder.

(7) *Removal of Designated Give Up.* If an ATP Holder (other than a Market Maker) no longer wants the ability to give up a particular Designated Give Up, the ATP Holder must notify the Exchange, in a form and manner prescribed by the Exchange.]

[(c)](d) *System.* For any Restricted OCC Number, [T]the Exchange's trading systems will only accept orders for that number from an Authorized ATP Holder. [that identify an effective Designated Give Up or a Guarantor. The Exchange's trading systems will reject any order entered by an ATP Holder which designates a give up that is not at the time a Designated Give Up Holder or Guarantor of the ATP Holder.]

[(d) *Notice to Clearing Members.* The Exchange will notify a Clearing Member, in writing and as soon as practicable, of each ATP Holder that has identified the Clearing Member as a Designated Give Up pursuant to subparagraph (b)(3) above.]

(e) *Acceptance of a Trade.*

(1) [*Designated Give Ups.*]Authorized ATP Holder. A [Designated Give Up]Clearing Member may determine in accordance with the provisions of this Rule not to accept a trade for which its name was given up if it believes in good faith that it has a valid

reason not to accept the trade and follows the procedures set forth in paragraph (f) below.

- (2) *Guarantors.* A Guarantor must accept a trade for which its name was given up in relation to an ATP Holder (other than a Market Maker) for which it is a Guarantor unless (A) another Clearing Member agrees to be the give up on the subject trade, (B) the Clearing Member has notified the Exchange and the [executing] ATP Holder in writing of its intent to accept the trade, and (C) the give up is changed to the Clearing Member that has agreed to accept the trade in accordance with the procedures in paragraph (i) below. A Guarantor for an ATP Holder that is a Market Maker must accept a trade for which its name was given up in relation to a Market Maker trade by that ATP Holder.

(f) *Procedures to Reject a Trade:*

- (1) A [Designated Give Up]Clearing Member can only change the give up to:
- (A) another Clearing Member that has agreed to be the give up on the subject trade, provided such Clearing Member has notified the Exchange and the [executing] ATP Holder in writing of its intent to accept the trade; or
 - (B) a Guarantor for the [executing] ATP Holder, provided the [Designated Give Up]Clearing Member has notified the Guarantor in writing that the [Designated Give Up]Clearing Member is changing the give up on the trade to the Guarantor.
- (2) A Guarantor can only change the give up to another Clearing Member that has agreed to be the give up on the subject trade, provided such Clearing Member has notified the Exchange and the [executing] ATP Holder in writing of its intent to accept the trade.
- (3) In the event a [Designated Give Up]Clearing Member determines to reject a trade, or another Clearing Member agrees to be the give up on a trade for which a Guarantor's name was given up, the following procedures shall apply:
- (A) *Notification to ATP Holder.* If a [Designated Give Up]Clearing Member decides to reject a trade, or another Clearing Member agrees to be the give up on a trade for which a Guarantor's name was given up, the rejecting [[Designated Give Up]Clearing Member or Guarantor must notify the [executing] ATP Holder or its designated agent as soon as possible and should attempt to resolve the disputed give up. The notification must be in writing. A [Designated Give Up]Clearing Member or Guarantor may contact the Exchange and request the identity and contact information of the [executing] ATP Holder or its designated agent for any trade it intends to reject.
 - (B) *Change of Give Up Made On Trade Date.* A [Designated Give Up]Clearing Member or Guarantor may, following notification to the ATP Holder pursuant to

subparagraph (f)(3)(A), contact the Exchange and request the ability to change the give up on the trade, in a form and manner prescribed by the Exchange. Upon such a request and so long as the Exchange is able to process the request prior to the trade input cutoff time established by the Options Clearing Corporation (or the applicable later time if the Exchange receives and is able to process a request to extend its time of final trade submission to the Options Clearing Corporation) (“Trade Date Cutoff Time”), the Exchange will provide the [Designated Give Up]Clearing Member or Guarantor the ability to change the give up on the trade until the Trade Date Cutoff Time, at which point the ability to change the give up on a trade will end.

(C) *Change of Give Up Made On T+1.* A [Designated Give Up]Clearing Member or Guarantor may, following notification to the ATP Holder pursuant to subparagraph (f)(3)(A), contact the Exchange and request the ability to reject the trade on the next trading day (“T+1”). Upon such a request, and provided the Exchange receives the request prior to 12:00 p.m. (ET) on T+1 (“T+1 Cutoff Time”), the Exchange will provide the [Designated Give Up]Clearing Member or Guarantor the ability to enter trade records into the Exchange's systems that will effect a transfer of the trade to another Clearing Member.

(D) *Expiring Options Series.* For transactions in an expiring options series that take place on the last trading day prior to its expiration, no changes can be made to the give up on T+1. A [Designated Give Up]Clearing Member or Guarantor may only reject these transactions on the trade date until the Trade Date Cutoff Time in accordance with subparagraph (f)(3)(B) above.

(E) *Notification of Change.* A [Designated Give Up]Clearing Member or Guarantor that changes the give up on a trade will immediately thereafter notify, in writing, the Exchange, the Clearing Member given up and all parties to the trade of the change.

(g) *Other Give Up Changes.*

(1) *Give Up Changes Made by [Executing] ATP Holder.* If the [executing] ATP Holder has the ability through an Exchange system to do so, the ATP Holder may change the give up on the trade to another [Designated Give Up]Clearing Member for whom they are an Authorized ATP Holder or to its Guarantor. The ability of an executing ATP Holder to make any give up change will end at the Trade Date Cutoff Time.

(2) *Give Up Changes Made by [Designated Give Up]Clearing Member to Affiliates and Back Office Agents.* If a [Designated Give Up]Clearing Member has the ability through an Exchange system to do so, the [Designated Give Up]Clearing Member may change the give up on a trade to (A) another affiliated Clearing Member [affiliated with the Designated Give Up] or (B) a Clearing Member that is a back office agent [for the Designated Give Up]. The ability to make such a change will

end at the Trade Date Cutoff Time. The procedures in paragraph (f) above will not apply to give up changes made pursuant to this subparagraph (g)(2).

- (3) *Give Up Changes Made by [Designated Give Ups or] Guarantors and Clearing Members on T+1.* If a [Designated Give Up] Clearing Member (or Guarantor) and a Clearing Member have the ability through an Exchange system to do so, the [Designated Give Up] Clearing Member (or Guarantor) and Clearing Member may each enter trade records into the Exchange's systems on T+1 that would effect a transfer of a trade in non-expired option series from that [Designated Give Up] Clearing Member (or Guarantor) to that Clearing Member. The ability to make such a change will end at the T+1 Cutoff Time. The [Designated Give Up] Clearing Member (or Guarantor) will notify the Exchange and all the parties to the trade, in writing, of any such change. The procedures in paragraph (f) above will not apply to give up changes made pursuant to this subparagraph (g)(3).

(h) *Responsibility:*

- (1) For purposes of the Rules of the Exchange, a Clearing Member will be financially responsible for all trades for which it is the give up at the Applicable Cutoff Time.

Nothing in this Rule will preclude a different party from being responsible for the trade outside of the Rules of the Exchange pursuant to the Rules of the Options Clearing Corporation, any agreement between the applicable parties, other applicable rules and regulations, arbitration, court proceedings or otherwise. In processing the request to provide a [Designated Give Up] Clearing Member the ability to change the give up or to reject a trade pursuant to this Rule, the Exchange will not, and has no obligation to, consider whether the [Designated Give Up] Clearing Member or any other party has satisfied the requirements of this Rule or any other Rule, including in relation to having a good faith belief that the [Designated Give Up] Clearing Member has a valid reason not to accept a trade or having notified the [executing] ATP Holder and attempted to resolve the disputed give up prior to changing the give up or rejecting the trade. This Rule does not preclude these factors from being considered in a different forum such as is noted in the preceding sentence or by the Exchange for regulatory and disciplinary purposes. The Exchange's action to process a request to provide a [Designated Give Up] Clearing Member or Guarantor the ability to change the give up pursuant to this Rule will not be subject to review, but an ATP Holder that violates the provisions of this Rule in taking such an action will be subject to discipline in accordance with the Rules.

- (2) For purposes of this paragraph (h), the "Applicable Cutoff Time" is:

- (A) For all trades in options, other than expiring options series that take place on the last trading day prior to their expiration, the T+1 Cutoff Time; and
- (B) For all trades in expiring options series that take place on the last trading day prior to their expiration the Trade Date Cutoff Time.

(i) An intentional misuse of this Rule is impermissible, and may be treated as a violation of Rule 995NY(b), Prohibited Conduct.

••• *Commentary* -----

.01 Nothing herein will be deemed to preclude the clearance of Exchange transactions by a non- ATP Holder pursuant to the By-Laws of the Options Clearing Corporation so long as a Clearing Member who is an ATP Holder is also designated as having responsibility under these Rules for the clearance and comparison of such transactions.

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Section 900NY. Rules Principally Applicable to Trading of Option Contracts

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Rule 933NY. Responsibilities of Floor Brokers

(a) - (e) No change.

(f) Floor Brokers who are required to establish and maintain error accounts may only use such error accounts for the purpose of correcting bona fide errors, as provided in Rule 960. However, it will not be a violation of this provision if a trade is transferred away from an error account through the CMTA process at OCC.

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Rule 995NY. Prohibited Conduct

(a) No change.

(b) [Reserved.] It shall be considered conduct inconsistent with just and equitable principles of trade for an ATP Holder or associated person of an ATP Holder to intentionally misuse Rule 961, Authorizing Give Up of a Clearing Member.

(c) - (f) No change.

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