

Amendments underscored  
Deletions [bracketed]

### **Rule 2A – NYSE Amex Equities. Jurisdiction**

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(c) The Exchange shall have general supervision over members, principal executives, member organizations, employees of member organizations and over approved persons in connection with their conduct of the business of member organizations. The Exchange shall have general supervision over other broker-dealers that choose to be regulated by the Exchange. The Exchange may examine into the business conduct and financial condition of members, principal executives, member organizations, employees of member organizations, approved persons and other broker-dealers that choose to be regulated by the Exchange. It shall have supervision over partnership and corporate arrangements and over all offices of such members and member organizations, whether foreign or domestic, and over all persons employed by such members organizations, and other broker-dealers that choose to be regulated by the Exchange and may adopt such rules with respect to the employment, compensation and duties of such employees as it may deem appropriate. It shall have supervision over all matters relating to the collection, dissemination and use of quotations and of reports of prices on the Exchange. It shall have the power to approve or disapprove any connection or means of communication with the floor and may require the discontinuance of any such connection or means of communication. It may disapprove any member acting as a DMM, SLP, or odd-lot dealer.

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### **Rule 107B – NYSE Amex Equities. Supplemental Liquidity Providers**

(a) For purposes of this Rule, a Supplemental Liquidity Provider ("SLP") is a member organization that electronically enters proprietary orders from off the Floor of the Exchange into the systems and facilities of the Exchange and is obligated to maintain a bid or an offer at the National Best Bid ("NBB") or the National Best Offer ("NBO") in each assigned security in round lots averaging at least 5% of the trading day (see Section (f) below). This pilot program will end on March 30, 2010.

(b) Financial Rebates for Executed Transactions. When an SLP posts liquidity on the Exchange and such liquidity is executed against an inbound order, the SLP will receive a financial rebate for that executed transaction in an amount that will be published in the Exchange's Price List (see the NYSE Amex Equities Price List on the Exchange's website), subject to the non-regulatory penalty provision described in subsection (i) of this Rule ("Non-Regulatory Penalties").

(1) The SLP will receive credit towards the financial rebate for executions of displayed and non-displayed liquidity (e.g., reserve and dark orders) posted in round lots in their SLP assigned securities only.

(c) Qualifications of a Supplemental Liquidity Provider. To qualify as an SLP, a member organization must have:

(1) adequate technology to support electronic trading through the systems and facilities of the Exchange and report qualifying trading activity to Exchange systems utilizing unique mnemonics specifically dedicated to SLP trading activity;

(2) adequate trading infrastructure to support SLP trading activity, which includes support staff to maintain operational efficiencies in the SLP program and adequate administrative staff to manage the member organization's SLP program;

(3) quoting performance that demonstrates an ability to meet the 5% average quoting requirement in each assigned security;

(4) a disciplinary history that is consistent with just and equitable business practices; and

(5) the business unit of the member organization acting as an SLP must have in place adequate information barriers between the SLP unit and the member organization's customer, research and investment banking business.

(d) Application Process.

(1) For purposes of this Rule, an "SLP Liaison Committee" shall consist of NYSE Euronext employees of the Operations Division and the U.S. Markets Division. The Head of the U.S. Markets Division or a designee shall designate the members of the SLP Liaison Committee. Among other responsibilities described in this Rule, the SLP Liaison Committee will determine whether an applicant is qualified to become an SLP.

(2) To become an SLP, a member organization must submit an SLP application form with all supporting documentation to the SLP Liaison Committee. The processing of SLP applications will be suspended when the SLP quota has been reached as provided in Section (g)(2) of this Rule.

(3) The SLP Liaison Committee will determine whether an applicant is qualified to become an SLP based on the qualifications described above in Section (c) of this Rule ("Qualifications of a Supplemental Liquidity Provider").

(4) After an applicant submits an SLP application to the SLP Liaison Committee, with supporting documentation, the SLP Liaison Committee shall notify the applicant member organization of its decision.

(5) If an applicant is approved by the SLP Liaison Committee to receive SLP status, such applicant must establish connectivity with relevant Exchange systems before such applicant will be permitted to trade as an SLP on the Exchange.

(6) In the event an applicant is disapproved or disqualified (see Section (i)(2) below) by the SLP Liaison Committee, such applicant may request an appeal of such disapproval or disqualification by the SLP Panel as provided in Section (j)("Appeal of Non-Regulatory Penalties") of this Rule, and/or reapply for SLP status three (3) months after the month in which the applicant received disapproval or disqualification notice from the Exchange.

(e) Voluntary Withdrawal of SLP Status. An SLP may withdraw from the status of an SLP by giving notice to the SLP Liaison Committee, the Market Surveillance Division of NYSE Regulation, Inc. and the Operations Division. Such withdrawal shall become effective when those securities assigned to the withdrawing SLP are reassigned to another SLP. After the SLP Liaison Committee, the Market Surveillance Division and the Operations Division receive the notice of withdrawal from the withdrawing SLP, the SLP Liaison Committee will reassign such securities as soon as practicable but no later than 30 days of the date said notice is received by the SLP Liaison Committee, the Market Surveillance Division and the Operations Division. In the event the reassignment of securities takes longer than the 30-day period, the withdrawing SLP will have no obligations under this Rule 107B – NYSE Amex Equities and will not be held responsible for any matters concerning its previously assigned SLP securities upon termination of this 30-day period.

(f) Calculation of Quoting Requirements:

(1) The SLP's 5% quoting requirement is calculated by determining the average percentage of time the SLP is at the NBB or the NBO in each assigned security during the regular hours of the Exchange on a daily and monthly basis. The SLP Liaison Committee will determine whether an SLP has met its quoting requirement by calculating the following:

(A) the "Daily NBB Quoting Percentage", for purposes of this Rule, is calculated by determining the percentage of time an SLP has at least one round lot of displayed interest in each assigned security in an Exchange bid at the National Best Bid during each trading day for a calendar month;

- (B) the "Daily NBO Quoting Percentage," for purposes of this Rule, is calculated by determining the percentage of time an SLP has at least one round lot of displayed interest in each assigned security in an Exchange offer at the National Best Offer during each trading day for a calendar month;
- (C) the "Average Daily NBBO Quoting Percentage", for purposes of this Rule, is calculated for each trading day by summing the "Daily NBB Quoting Percentage" and the "Daily NBO Quoting Percentage" in each assigned security then dividing such sum by two; and
- (D) the "Monthly Average NBBO Quoting Percentage", for purposes of this Rule, is calculated for each assigned security by summing the security's "Average Daily NBBO Quoting Percentages" for each Trading Day in a calendar month then dividing the resulting sum by the total number of Trading Days in such calendar month.
- (i) For purposes of calculating whether an SLP is in compliance with its 5% quoting requirement, the SLP must post displayed liquidity in round lots in its assigned securities at the NBB or the NBO.
- (ii) An SLP may post non-displayed liquidity; however, such liquidity will not be counted as credit towards the 5% quoting requirement.
- (iii) Tick sensitive orders (i.e., "Sell Plus", "Buy Minus" (see Rule 13 – NYSE Amex Equities) and "Buy Minus Zero Plus") will not be counted as credit towards the 5% quoting requirement.
- (2) The SLP shall not be subject to any minimum or maximum quoting size requirement in assigned securities apart from the requirement that an order be for at least one round lot. The quoting requirement will be measured by utilizing the SLP's unique mnemonics dedicated to SLP trading activity.
- (3) The 5% quoting requirement will not be in effect in the first calendar month a member organization operates as an SLP. Therefore, the quoting requirement will take effect on the first day of the second consecutive calendar month the member organization operates as an SLP.
- (4) SLP orders will be in the "Book Participant" category for purposes of parity pursuant to Rule 72 – NYSE Amex Equities.
- (g) Assignment of Securities.
- (1) The SLP Liaison Committee in its discretion, will assign to the SLP, a group of securities consisting of NYSE Amex-listed or traded equities securities for SLP trading purposes. The SLP Liaison Committee shall

determine the number of Exchange-listed or traded securities within the group of securities assigned to each SLP.

(2) The SLP Liaison Committee, in its discretion, will assign one (1) or more SLPs to each security, depending upon the trading activity of the security.

(A) A member organization shall not act as a Designated Market Maker ("DMM") on the Floor of the Exchange and also act as an SLP in the same security.

(h) Entry of Orders by SLPs. SLPs may only enter orders electronically from off the Floor of the Exchange and may only enter such orders directly into Exchange systems and facilities designated for this purpose. All SLP orders must only be for the proprietary account of the SLP member organization.

(i) Non-Regulatory Penalties.

(1) If an SLP fails to meet the 5% quoting requirement, the following non-regulatory penalties may be imposed by the Exchange:

(A) If, in any given calendar month, an SLP maintains a quote at the NBB or NBO averaging at least 3% of the regular trading day but less than 5% of the trading day in any assigned security, such SLP will receive a financial rebate for that calendar month for all executed transactions as described in Section (b) ("Financial Rebates for Executed Transactions") of this Rule. Notwithstanding the SLP's eligibility to receive a financial rebate pursuant to Section (b) of this Rule, failure to meet the 5% quoting requirement for each assigned security will be counted towards the three (3) month disqualification period described below in paragraph (C) of this section.

(B) If, in any calendar month, an SLP maintains a quote at the NBB or the NBO averaging less than 3% of the regular trading day in an assigned security, the SLP will not receive a financial rebate for that month for executed transactions in that particular assigned security as described in Section (b) ("Financial Rebates for Executed Transactions") of this Rule. Failure to meet the 5% quoting requirement for any assigned security will be counted towards the three (3) month disqualification period provided below in paragraph (C) of this section; and

(C) If an SLP fails to meet the 5% quoting requirement for three (3) consecutive calendar months in any assigned security, the SLP will be at risk of losing its SLP status, and the SLP Liaison Committee may, in its discretion, take the following non-regulatory actions:

(i) revoke the assignment of the affected security(ies) from the SLP; and

(ii) each time the SLP Liaison Committee revokes the assignment of an affected security for non-compliance with the 5% quoting requirement, as described in Section (i)(1)(C)(i) above, the SLP Liaison Committee reserves the right to revoke the assignment of an additional unaffected security from an SLP when there is a failure to comply with such quoting requirements; or

(iii) disqualify a member organization's status as an SLP.

(2) Disqualification Determinations. The SLP Liaison Committee shall determine if and when a member organization is disqualified from its status as an SLP. One calendar month prior to any such determination, the SLP Liaison Committee will notify the SLP of such impending disqualification in writing. If the SLP fails to meet the 5% average quoting requirement (for a third consecutive month) in a particular security, the SLP may be disqualified from SLP status. When disqualification determinations are made, the SLP Liaison Committee will provide a disqualification notice to the member organization informing such member organization that it has been disqualified as an SLP.

(3) Re-application for SLP Status: In the event a member organization is disapproved pursuant to Section (d)(6) or disqualified from its status as an SLP pursuant to Section (i)(1)(C)(iii), such member organization may re-apply for SLP status in accordance with Section (d) ("Application Process") of this Rule. Such application process shall occur at least three (3) calendar months following the month in which such member organization received its disapproval or disqualification notice.

(j) Appeal of Non-Regulatory Penalties

(1) In the event a member organization disputes the SLP Liaison Committee's decision to impose any non-regulatory penalties described above in Section (i) (Non-Regulatory Penalties) of this Rule, such member organization ("appellant") may request, within five (5) business days of receiving notice of the decision to impose such non-regulatory penalties, the Supplemental Liquidity Provider Panel ("SLP Panel") to review all such decisions to determine if such decisions were correct.

(A) In the event a member organization is disqualified from its status as an SLP pursuant to Section (i)(1)(C)(iii) of this Rule, the SLP Liaison Committee shall not reassign the appellant's assigned securities to a different SLP until the SLP Panel has informed the appellant of its ruling.

- (2) The SLP Panel shall consist of the Exchange's Chief Regulatory Officer ("CRO"), or a designee of the CRO, and two (2) officers of the Exchange designated by the Head of the U.S. Markets Division.
- (3) The SLP Panel shall review the facts and render a decision within the time frame prescribed by the Exchange.
- (4) The SLP Panel may overturn or modify an action taken by the SLP Liaison Committee under this Rule. All determinations by the SLP Panel shall constitute final action by the Exchange on the matter at issue.

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