

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 17	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2013 - * 02	Amendment No. (req. for Amendments *)
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Filing by NYSE MKT LLC.
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
Pilot <input type="checkbox"/> Extension of Time Period for Commission Action * <input type="checkbox"/> Date Expires * <input type="text"/>			Rule		
			<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 Section 806(e)(1) <input type="checkbox"/> Section 806(e)(2) <input type="checkbox"/>	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 Section 3C(b)(2) <input type="checkbox"/>
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Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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Description
Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Proposal to amend Rule 107C Equities to clarify that Retail Liquidity Providers may enter Retail Price Improvement Orders in a non RLP capacity for securities to which the RLP is not assigned

Contact Information
Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Brendon	Last Name * Weiss
Title * Vice President	
E-mail * bweiss@nyx.com	
Telephone * (202) 661-8979	Fax (202) 347-4372

Signature
Pursuant to the requirements of the Securities Exchange Act of 1934,
has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Title *)

Date 01/11/2013	Corporate Secretary
By Janet McGinness	<div style="border: 1px solid black; width: 100%; height: 20px;"></div>
(Name *)	<div style="border: 1px solid black; width: 100%; height: 20px; background-color: #cccccc;">Janet McGinness, jmcginness@nyx.com</div>

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

Form 19b-4 Information *

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

Add Remove View

Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

Add Remove View

Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

Add Remove View

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

- (a) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Exchange Act”),¹ and Rule 19b-4 thereunder,² NYSE MKT LLC (“NYSE MKT” or the “Exchange”) is proposing to amend Rule 107C - Equities to clarify that Retail Liquidity Providers (“RLPs”) may enter Retail Price Improvement Orders (“RPIs”) in a non-RLP capacity for securities to which the RLP is not assigned.

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1 and the text of the proposed rule change is attached as Exhibit 5.

- (b) The Exchange does not believe that the proposed rule change will have any direct effect, or any significant indirect effect, on any other Exchange rule in effect at the time of this filing.
- (c) Not applicable.

2. Procedures of the Self-Regulatory Organization

Senior management has approved the proposed rule change pursuant to authority delegated to it by the Board of the Exchange. No further action is required under the Exchange’s governing documents. Therefore, the Exchange’s internal procedures with respect to the proposed rule change are complete.

The person on the Exchange staff prepared to respond to questions and comments on the proposed rule change is:

Brendon Weiss
Vice President
NYSE Euronext
(202) 661-8979

3. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

- (a) Purpose

The Exchange is proposing an amendment to Rule 107C - Equities to clarify that RLPs may enter RPIs in a non-RLP capacity for securities to which the RLP is not assigned.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

Under current Rule 107C - Equities, a member organization that is registered as an RLP must submit RPIs for securities that are assigned to the RLP, with an RPI being required to be priced better than the PBBO by at least \$0.001 per share. For each assigned securities, an RLP must maintain RPIs that are better than the PBBO at least 5% of the trading day. If an RLP fails to meet this 5% quoting requirement in any assigned security for three consecutive months, the Exchange may: (1) revoke the assignment of any or all of the affected securities; (2) revoke the assignment of unaffected securities; or (3) disqualify the member organization to serve as a Retail Liquidity Provider. Under the Retail Liquidity Program, member organizations that are not RLPs are permitted to interact with Retail Orders within the Program by also submitting RPIs. Member organizations are not eligible for the lower execution fees available to RLPs who satisfy their quoting requirements.

The Exchange is proposing to amend Rule 107C - Equities to clarify that RLPs may act in a non-RLP capacity for those securities to which it is not assigned, and as a result, may submit RPIs for those securities. For securities to which it is not assigned, the RLP would not be required to satisfy the quoting requirements found in Rule 107C(f) - Equities, but would also not be eligible for the lower execution fees available to RLPs submitting RPIs for assigned securities.³ For assigned securities, the RLP would still be subject to the quoting requirements found in Rule 107C(f) - Equities, and failure to meet those requirements, could still result in the actions found in Rule 107C(g) - Equities.

(b) Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Securities Exchange Act of 1934 (the “Act”),⁴ in general, and furthers the objectives of Section 6(b)(5),⁵ in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and to remove impediments to and perfect the mechanism of a free and open market and a national market system. The Exchange believes the change proposed herein meets these requirements because it permits member organizations who have taken on the extra requirements of being an RLP in its assigned securities to still participate in the Program with other member organizations for those securities to which it is not assigned, which promotes just

³ Currently, RLPs who satisfy the applicable percentage requirement of Rule 107C – Equities are not charged a fee per share per execution of RPIs against a Retail Order. Non-RLP member organizations, unless they execute an average daily volume during the month of at least 500,000 shares of RPIs, would be charged a fee per share per execution of RPIs against Retail Orders of \$0.0003.

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(5).

and equitable principles of trade. Without such permission, an RLP would be effectively penalized for taking on the responsibilities of becoming an RLP in assigned securities by not being permitted to participate in the program in securities to which it is not assigned. The proposed rule change would rectify this disparate treatment between RLPs and non-RLP member organizations in non-assigned securities. Additionally, the proposed rule change will remove impediments to and perfect the mechanism of a free and open market and a national market system because it will allow RLPs to submit RPIs in both its assigned and non-assigned securities, thus creating a larger pool of liquidity for Retail Orders to interact with and stimulating further price competition for retail orders.

4. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that the amendment, by increasing the level of participation in the program, will increase the level of competition around executions such that retail investors would receive better prices than they currently do on the Exchange and potentially through bilateral internalization arrangements. The Exchange believes that the transparency and competitiveness of operating a program such as the Retail Liquidity Program on an exchange market would result in better prices for retail investors, and benefits retail investors by expanding the capabilities of Exchanges to encompass practices currently allowed on non-Exchange venues.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

The Exchange has neither solicited nor received written comments on the proposed rule change.

6. Extension of Time Period for Commission Action

The Exchange does not consent at this time to an extension of any time period for Commission action.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

The proposed rule change is effective upon filing pursuant to Section 19(b)(3)(A)⁶ of the Act and Rule 19b-4(f)(6)⁷ thereunder.

⁶ 15 U.S.C. 78s(b)(3)(A)(iii).

⁷ 17 C.F.R. 240.19b-4(f)(6)

The Exchange asserts that the proposed rule change will not (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest. Additionally, the Exchange provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of the filing, or such shorter time as designated by the Commission.

The Exchange believes the proposed rule change will not significantly affect the protection of investors or the public interest because the rule proposal is intended to clarify that RLPs may enter RPIs in a non-RLP capacity for securities to which the RLP is not assigned. This clarification will provide more transparency in the operation of the Retail Liquidity Program, and as previously stated, will increase liquidity and competition within the Program, thus benefiting retail investors with more opportunities for price improvement.

The Exchange further believes that the proposed rule change will not impose a burden on competition because the proposed amendment will actually increase competition within the program, thus providing retail investors with an opportunity to receive better prices than they currently do on the Exchange and potentially through bilateral internalization arrangements.

The Exchange respectfully requests a waiver of the 30-day operative delay. Such a waiver would permit the Exchange to implement the proposed rule change, which is designed to increase competition within the Retail Liquidity Program, without undue delay.

For the foregoing reasons, this rule filing qualifies for immediate effectiveness as a “non-controversial” rule change under (f)(6) of Rule 19b-4.⁸ At any time within 60 days of such filing of such proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

Not applicable.

⁸

Id.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advanced Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

Exhibit 1 – Form of Notice of Proposed Rule Change for Federal Register

Exhibit 5 – Text of Proposed Rule Change

SECURITIES AND EXCHANGE COMMISSION
 (Release No. 34- ; File No. SR-NYSEMKT-2013-02)

[Date]

Self-Regulatory Organizations; NYSE MKT LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Amending Rule 107C - Equities To Clarify That Retail Liquidity Providers May Enter Retail Price Improvement Orders In a Non-RLP Capacity for Securities To Which the RLP Is Not Assigned

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (the “Act”)² and Rule 19b-4 thereunder,³ notice is hereby given that on January 11, 2013, NYSE MKT LLC (the “Exchange” or “NYSE MKT”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend Rule 107C - Equities to clarify that Retail Liquidity Providers (“RLPs”) may enter Retail Price Improvement Orders (“RPIs”) in a non-RLP capacity for securities to which the RLP is not assigned. The text of the proposed rule change is available on the Exchange’s website at www.nyse.com, at the principal office of the Exchange, and at the Commission’s Public Reference Room.

¹ 15 U.S.C.78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange is proposing an amendment to Rule 107C - Equities to clarify that RLPs may enter RPIs in a non-RLP capacity for securities to which the RLP is not assigned.

Under current Rule 107C - Equities, a member organization that is registered as an RLP must submit RPIs for securities that are assigned to the RLP, with an RPI being required to be priced better than the PBBO by at least \$0.001 per share. For each assigned securities, an RLP must maintain RPIs that are better than the PBBO at least 5% of the trading day. If an RLP fails to meet this 5% quoting requirement in any assigned security for three consecutive months, the Exchange may: (1) revoke the assignment of any or all of the affected securities; (2) revoke the assignment of unaffected securities; or (3) disqualify the member organization to serve as a Retail Liquidity Provider. Under the Retail Liquidity Program, member organizations that are not RLPs are permitted to interact with Retail Orders within the Program by also submitting RPIs. Member

organizations are not eligible for the lower execution fees available to RLPs who satisfy their quoting requirements.

The Exchange is proposing to amend Rule 107C - Equities to clarify that RLPs may act in a non-RLP capacity for those securities to which it is not assigned, and as a result, may submit RPIs for those securities. For securities to which it is not assigned, the RLP would not be required to satisfy the quoting requirements found in Rule 107C(f) - Equities, but would also not be eligible for the lower execution fees available to RLPs submitting RPIs for assigned securities.⁴ For assigned securities, the RLP would still be subject to the quoting requirements found in Rule 107C(f) - Equities, and failure to meet those requirements, could still result in the actions found in Rule 107C(g) - Equities.

2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Securities Exchange Act of 1934 (the “Act”),⁵ in general, and furthers the objectives of Section 6(b)(5),⁶ in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and to remove impediments to and perfect the mechanism of a free and open market and a national market system. The Exchange believes the change proposed herein meets these requirements because it permits member organizations who have taken on the extra requirements of being an RLP in its assigned securities to still participate in the Program

⁴ Currently, RLPs who satisfy the applicable percentage requirement of Rule 107C – Equities are not charged a fee per share per execution of RPIs against a Retail Order. Non-RLP member organizations, unless they execute an average daily volume during the month of at least 500,000 shares of RPIs, would be charged a fee per share per execution of RPIs against Retail Orders of \$0.0003.

⁵ 15 U.S.C. 78f(b).

⁶ 15 U.S.C. 78f(b)(5).

with other member organizations for those securities to which it is not assigned, which promotes just and equitable principles of trade. Without such permission, an RLP would be effectively penalized for taking on the responsibilities of becoming an RLP in assigned securities by not being permitted to participate in the program in securities to which it is not assigned. The proposed rule change would rectify this disparate treatment between RLPs and non-RLP member organizations in non-assigned securities.

Additionally, the proposed rule change will remove impediments to and perfect the mechanism of a free and open market and a national market system because it will allow RLPs to submit RPIs in both its assigned and non-assigned securities, thus creating a larger pool of liquidity for Retail Orders to interact with and stimulating further price competition for retail orders.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that the amendment, by increasing the level of participation in the program, will increase the level of competition around executions such that retail investors would receive better prices than they currently do on the Exchange and potentially through bilateral internalization arrangements. The Exchange believes that the transparency and competitiveness of operating a program such as the Retail Liquidity Program on an exchange market would result in better prices for retail investors, and benefits retail investors by expanding the capabilities of Exchanges to encompass practices currently allowed on non-Exchange venues.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were solicited or received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act⁷ and Rule 19b-4(f)(6) thereunder.⁸ Because the proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6)(iii) thereunder.

A proposed rule change filed under Rule 19b-4(f)(6)⁹ normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),¹⁰ the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing.

At any time within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the

⁷ 15 U.S.C. 78s(b)(3)(A)(iii).

⁸ 17 CFR 240.19b-4(f)(6).

⁹ 17 CFR 240.19b-4(f)(6).

¹⁰ 17 CFR 240.19b-4(f)(6)(iii).

Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B)¹¹ of the Act to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-NYSEMKT-2013-02 on the subject line.

Paper comments:

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-NYSEMKT-2013-02. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent

¹¹ 15 U.S.C. 78s(b)(2)(B).

amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Section, 100 F Street, NE, Washington, DC 20549-1090. Copies of the filing will also be available for inspection and copying at the NYSE's principal office and on its Internet website at www.nyse.com. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-NYSEMKT-2013-02 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹²

Kevin M. O'Neill
Deputy Secretary

¹² 17 CFR 200.30-3(a)(12).

EXHIBIT 5

Additions underlined

Deletions [bracketed]

Rule 107C - Equities. Retail Liquidity Program**(a) Definitions.**

- (1) Retail Liquidity Provider. A "Retail Liquidity Provider" or "RLP" is a member organization that is approved by the Exchange under this Rule to act as such and that is required to submit Retail Price Improvement in accordance with this Rule.
- (2) Retail Member Organization. A "Retail Member Organization" or "RMO" is a member organization (or a division thereof) that has been approved by the Exchange under this Rule to submit Retail Orders.
- (3) Retail Order. A "Retail Order" is an agency order that originates from a natural person and is submitted to the Exchange by a Retail Member Organization, provided that no change is made to the terms of the order with respect to price or side of market and the order does not originate from a trading algorithm or any other computerized methodology.

A Retail Order is an Immediate or Cancel Order and shall operate in accordance with Rule 107C(k). A Retail Order may be an odd lot, round lot, or PRL.

- (4) Retail Price Improvement Order. A "Retail Price Improvement Order" or "RPI" consists of non-displayed interest in Exchange traded securities (including but not limited to Exchange-listed securities and securities listed on the Nasdaq Stock Market traded pursuant to unlisted trading privileges) that is priced better than the best protected bid ("PBB") or best protected offer ("PBO"), as such terms are defined in Regulation NMS Rule 600(b)(57), by at least \$0.001 and that is identified as such. Exchange systems will monitor whether RPI buy or sell interest, adjusted by any offset and subject to the ceiling or floor price, is eligible to interact with incoming Retail Orders. An RPI remains non-displayed in its entirety (the buy or sell interest, the offset, and the ceiling or floor). For securities to which it is assigned, an RLP shall only enter an RPI in their RLP capacity[for securities to which it is assigned as RLP]. An RLP is permitted, but not required, to submit RPIs for securities to which it is not assigned, and will be treated as a non-RLP member organization for those particular securities. Additionally, [M]member organizations other than RLPs are permitted, but not required, to submit RPIs. An RPI may be an odd lot, round lot, or PRL.

* * * *

(f) RLP Requirements.

- (1) An RLP may only enter a Retail Price Improvement Order electronically and directly into Exchange systems and facilities designated for this purpose and only in an RLP capacity for the securities to which it is assigned as RLP. An RLP entering RPIs in securities to which it is not assigned is not required to satisfy the requirements in this paragraph. An RLP must maintain:
 - (A) a Retail Price Improvement Order that is better than the PBB at least five percent of the trading day for each assigned security; and
 - (B) a Retail Price Improvement Order that is better than the PBO at least five percent of the trading day for each assigned security.
- (2) An RLP's five-percent requirements are calculated by determining the average percentage of time an RLP maintains a Retail Price Improvement Order in each of its RLP securities during the regular trading day on a daily and monthly basis. The Exchange shall determine whether an RLP has met this requirement by calculating the following:
 - (A) the "Daily Bid Percentage" is calculated by determining the percentage of time an RLP maintains a Retail Price Improvement Order with respect to the PBB during each trading day for a calendar month;
 - (B) the "Daily Offer Percentage" is calculated by determining the percentage of time an RLP maintains a Retail Price Improvement Order with respect to the PBO during each trading day for a calendar month;
 - (C) the "Monthly Average Bid Percentage" is calculated for each RLP security by summing the security's "Daily Bid 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; and
 - (D) the "Monthly Average Offer Percentage" is calculated for each RLP security by summing the security's "Daily Offer Percentage" for each trading day in a calendar month and then dividing the resulting sum by the total number of trading days in such calendar month.
 - (E) Only Retail Price Improvement Orders entered throughout the trading day shall be used when calculating whether an RLP is in compliance with its five-percent requirements.
- (3) The five-percent requirement shall not be applicable in the first two calendar months a member organization operates as an RLP. The requirement shall take

effect on the first day of the third consecutive calendar month the member organization operates as an RLP.