

NYSE AMEX OPTIONS

FAQ Brochure



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FAQ List for NYSE Amex Options

NOTE: The following answers to these Frequently Asked Questions are based in part on proposed NYSE Amex Options Rules. The proposed rules and corresponding answers may be subject to change, pending filing and SEC approval.

General Questions

1. Rule 900 can be found at the following link, under Trading of Option Contracts

[http://apps.nyse.com/commdata/pub19b4.nsf/docs/FBE8C0381E82CC5885257524007C909B/\\$FILE/NYSEALTR-2008-14.pdf](http://apps.nyse.com/commdata/pub19b4.nsf/docs/FBE8C0381E82CC5885257524007C909B/$FILE/NYSEALTR-2008-14.pdf)

The Text of this proposed rule may be subject to minor revisions, prior to February 9, 2009. You will be notified of any amendments.

2. FYI: Many questions may be answered by referencing the NYSE Amex Quick Resource Guide:

<http://www.nyse.com/pdfs/nyseamexoptionsguide.pdf>

3. What's the name of the Options exchange? Is it Amex or Alternext?

- Since the NYSE Euronext acquisition of the American Stock Exchange (Amex) and the resulting name change to NYSE Alternext US, we received feedback from industry participants, retained a marketing research group and determined the need to re-evaluate our global brand names. Based on the collective input, and pending SEC approval, the decision has been made to rename the SRO and equities trading platform NYSE Amex. This is the current name for our NYSE Amex options marketplace. This name unites two established brands and simplifies the naming structure of our NYSE Amex equities and options markets. We look forward to an ongoing partnership.

4. How do I identify the Exchange on my customer confirms?

- NYSE Amex Options will be an approved designation.

5. What is the dress code?

- The dress code is the same as the NYSE Equity Trading Floor (TF)

6. Will personal cell phone use be permitted on the Options Floor?

- Yes, in addition to the Exchange wireless phone system, personal cell phones will be permitted on the Options Floor. However, cell phones will not be permitted on the NYSE Equities Floor. ATP Holders will also be required to provide to the Exchange, detailed phone records for any phone, including personal cell phones, used on the Options floor.

Standards of Dress and Conduct on the NYSE AMEX Options Floor

1. The Exchange has in place Floor Conduct Policies which govern a variety of Floor-related conduct and activity. ATP Holders may be subject to monetary fines or sanctions for violations of the Floor Conduct Policies. In appropriate circumstances, substantial violations of the Floor Conduct Policies may be referred to the NYSE Enforcement Division for formal disciplinary action.
2. ATP Holders are also reminded that the Exchange Floor Conduct Policies require that all persons, while on the Options Floor, and on other premises under NYSE control, shall not engage in any act or practice that may be detrimental to the interest or welfare of the Exchange. The conduct and appearance of individuals on the Options Floor can significantly affect public investors' image of the Exchange's quality, fairness, and professionalism. ATP Holders and their guests are expected to conduct themselves in a manner that is appropriate to maintaining a professional and business-like atmosphere on the Floor. In particular, members and their guests should not:

- Engage in any act or practice which may be detrimental to the interest or welfare of the Exchange;
- Engage in any act or practice which may serve to disrupt or hinder the ordinary and efficient conduct of business;
- Engage in any act or practice which may serve to jeopardize the safety or welfare of any other individual;
- Engage in any unauthorized photography, video-recording, or audio-recording,
OR
- Display or circulate any written or other graphic images including among other things pictures and cartoons, which the Exchange may deem to be harassing, inappropriate, and/or lewd. This prohibition extends to include electronically displayed material, e.g. screen savers and other images displayed on computer screens.
- **Dress Code**

ATP Holders and their guests are reminded that while on the Floor they must conform to the NYSE's Code of Personal Appearance and Dress Code, which is part of the Floor Conduct Policies. The appearance of individuals on the Floor can significantly affect the public investor's image of the quality and professionalism of the NYSE Amex marketplace. Key portions of the Dress Code are summarized below;

Male Personnel

A dress shirt, buttoned at collar, with a dress tie knotted at the customary place, full

length dress trousers or slacks, a jacket with long sleeves must be worn. Jeans or other sports slacks are not permitted. An acceptable jacket shall include a suit, sport coat, blazer or solid color trading jacket.

Male Guests

A suit, sport coat or work jacket must be worn, but a tie is not required. A dress, collared golf/polo shirt or turtleneck is acceptable.

Female Personnel and Guests

Skirts and dresses should be worn at appropriate business lengths. Pants and slacks should be full length dress slacks. The following styles are not permitted: jeans, leggings, sport slacks, ¾ length and capri pants. When slacks are worn, a jacket with long sleeves must be worn. An acceptable jacket shall include a suit, sport coat, blazer or solid color trading jacket.

Footwear Requirements

Footwear should be of a kind that is comfortably heeled and considered safe in view of the traffic on the Floor. Shoes should also be of a style appropriate for a business-like environment (i.e., no “flip flops,” casual beach or boat shoes or other extreme styles are permitted). Shoes must be worn at all times on the Floor. Men must wear socks.

Be advised that violations of the above referenced guidelines regarding dress and conduct are subject to disciplinary action under the Rules of NYSE Alternext US LLC, which governs the trading and business operations on NYSE Amex Options Floor. Trading Officials will report possible violations and actions taken under the Floor Conduct Policies to the Floor Surveillance Unit (“FSU”). All violations of the Floor Conduct Policies will be investigated by the Options Surveillance Unit and may result in a monetary fine and/or other sanction.

Trading Officials are responsible for administering the guidelines and policies and are also available to answer questions regarding the applicability of such. Questions regarding the NYSE Amex standards of dress and conduct may also be directed to Jeff Jacobus, NYSE Amex Regulation or Jim Hyde, NYSE Amex Options.

NYSE Amex Options Communication

1. Where do I find general information on the NYSE Amex Options migration?

- There is a NYSE Amex Options Quick Reference Guide that can be downloaded in PDF format at:
<http://www.nyse.com/pdfs/nyseamexoptionsguide.pdf>

2. Do you have a migration email notification list I can join?

- Please email us to request to have your name added to the distribution list.

- If client is a black badge (senior floor official) on NYSE Amex Options today and is trading in any capacity, those names will be on the distribution list automatically.

Amex Trading Permit (ATP) process

1. Who do we contact with questions regarding becoming an ATP Holder on NYSE Amex Options?

- Client Relationship Services at or (415) 393-5946 or crs@nyx.com

2. If a company has a current trading license at AMEX and also an Arca OTP do they need to do any paperwork in preparation for the migration to the new platform and move to the new facilities at the NYSE in Feb of 2009?

- Yes, they will be required to complete the short conversion ATP form along with an NYSE Amex Options Connectivity application.

3. How many ATPs will my specialist book need?

- 1 ATP = 100 issues
- 2 ATPs = 250 issues
- 3 ATPs = 750 issues
- 4 ATPs = All issues

NOTE: Specialist Firms with 3 specialists and 200 products will need 3 ATPs (each specialist must have their own ATP). However there will be an additional 550 products the specialists could stream quotes to at no additional charge.

4. How do I get an NYSE Amex Options trading permit?

- There is a short conversion form for current '86 Trinity Permit' holders. For those who are not a current '86 Trinity Permit' holders there will be a separate application process. Contact Client Relationship Services crs@nyx.com for more details.

5. How soon do we need permits?

- All ATP conversion paperwork needs to be received by Client Relationship Services by Friday, January 9, 2009, so permits can be issued.

6. How much do the permits costs?

- The cost for a MM ATP is \$1000 per month per trading permit. The cost for brokers, routing firms and clearing firms is \$500 per month.

7. What is an ‘86 Trinity Permit’?

- ‘86 Trinity Permits’ were issued to Amex member firms as of the date of the NYSE Euronext acquisition, to enable member firms to continue their businesses on the Amex trading floor prior to the relocation to NYSE and NYSE Arca facilities.

8. Is there a ceiling to the number of ATPs that can be issued?

- No. The Exchange can issue an unlimited number of ATPs. For an individual ATP holder, there is no need to have more than 4, since 4 ATPs gives an individual the right to trade all option symbols listed on the exchange.

9. Do I get another badge number? What is the process?

- Yes it will be a new badge number.
- Clients need to contact CRS for a new badge number and will need to contact the connectivity team for a connectivity application.
- Please contact (888) 669-7739 (option 3) for assistance in getting a new badge assignment.

10. If I am Specialist on NYSE Amex can I be a market maker on another options exchange?

- Yes, subject to approval of the other exchange.

11. As a Market Maker (MM, RMM, and Specialists) do I have to quote during the Opening Auction?

- No. This is not an obligation that is currently part of the proposed NYSE Amex Options rules.
- There is no systemic requirement for any particular MM quote to be present in order to open a series.

NYSE Broker Questions

12. Can an NYSE member execute option orders?

- An ATP is required to execute option orders on NYSE Amex Options and an Options Trading Permit (OTP) for NYSE Arca Options.

13. Can I trade equities and options at the same time (on the same day)?

- Assuming you have all necessary permits and licenses, an NYSE Amex Options Floor Broker may execute both options and equities customer orders on the same day. However, there are a number of restrictions that will apply, including that options orders may not be entered from the equity floor of the NYSE. Moreover, any such trading must be consistent with the rules of each exchange and the federal securities laws, including but not limited to, front running, manipulation and insider trading.

14. Can I run an options business out of an Equity booth or vice versa?

- NYSE members conducting options business on the equities floor of the NYSE must do so in accordance with the Blue Line rules. All wireless devices used for trading options are not permitted on the NYSE Equities Floor. Violators will be subject to disciplinary actions.
- ATP Holders may conduct equities business from their booth located on the Options floor.

15. Do we need a separate trading permit if we are an NYSE member?

- Yes NYSE members will need an ATP in order to conduct options business either on the Floor, or through the electronic facilities of the Exchange.
- The process cannot be expedited. The same membership procedures are in place for all applicants.

16. How do I route via FIX to the on floor Floor Broker Workstations for open outcry representation?

- [For the LiquidPoint Order Entry FIX spec, please contact Mark Braumley at mb@liquidpoint.com](mailto:mb@liquidpoint.com)

17. Does getting an NYSE Amex options permit would require a 1017?

- If a firm is a waive-in FINRA member, then they would definitely need to do a 1017 process.
- If a firm is a full FINRA member, it should contact FINRA for a "materiality consult" of whether they will have a higher net capital requirement based on the proposed new activities.
- In either case, the Floor broker firm should reach out to their FINRA Finance Coordinator ASAP in order to start the process.

18. How long does the conversion membership process take for current 86 Trinity Permit Holders?

The conversion membership process should take up to 7 to 10 business days to complete.

19. How to become a Floor Broker at NYSE Amex Options

- Typically the process takes between 10 – 14 weeks

Step 1	Regulatory requirements (SEC)	Become a Broker or Dealer - file Form BD with the Securities and Exchange Commission and register with the NASD Central Registration Depository Web CRD®), including individual registration requirements
Step 2	Amex Trading Permits	Become an Amex Trading Permit (ATP) holder at NYSE Amex by submitting the relevant forms, including individual registration requirements, and acquire the number of ATPs you require
Step 3	Regulatory Requirements (DEA)	Complete Designated Examining Authority (DEA) requirements
Step 4	Examinations	Complete relevant examinations
Step 5	Network Connectivity	Establish Network Connectivity through SFTI & ServiceNet (where required)
Step 6	Trading Floor Access Badge	Acquire Trading Floor access badge for your firm brokers, clerks & tech support
Step 7	Trading Floor Installations	Install trading tools required on Trading Floor. (Booth workstations, Broker hand-helds, cell phones, turrets, etc).
Step 8	Application Connectivity	Load Liquidpoint application to proprietary workstations. Establish domain and test Fix session(s) (where required)
Step 9	Testing	

		Test end to end application connectivity from Trading Floor to Internet, Firm Back Office, Amex Options Trading Systems, Liquidpoint, etc.
Step 10	Go live!	

Contact Information:

For information about NYSE Amex Options please contact our Client Relationship Services team:

Email: CRS@nyx.com

Tel: +1 (415) 393-5946

Web: www.nyse.com/options

Connectivity / Networking

1. What methods exist for the entry of Market Maker/Specialist orders?

- Market Maker Direct for quotes
- FIX session (clearing firm or proprietary/third party) with appropriate FIX tags filled in appropriately
- ArcaDirect – with local or away market maker/specialist designated correctly
- Any questions, please e-mail connectivity@nyx.com

2. How does the API work?

- Market Maker Direct Spec (MMDirect) - NYSE Amex Options market makers will be able to quote into the Amex market via the MMDirect API utilizing their own proprietary applications or that of several certified Independent Software Vendors (ISVs). The API specs for NYSE Amex Options are an exact duplicate of NYSE Arca Options and are attached herein. A firm developing to the specifications will be able to test immediately with the NYSE Connectivity Group.

NOTE: For *Crowd Trades* between participants, there is a very simple FIX message that Proprietary and API applications must be developed to. It enables the participant to either report or acknowledge the trade based on his market responsibility. The specification can be found at

http://www.nyse.com/pdfs/Amex_MM_TNT_Specification.pdf

3. NYSE Amex Options System Application interfaces (API & FIX)?

- NYSE Amex Options can be accessed through the NYSE Arca Customer Gateways (CGW). CMS will not be an offered interface after February 27, 2009. Common Customer Gateway is only currently supporting NYSE Equities. Please see the NYSE Amex Options Quick Reference Guide, “Anticipated Application Connectivity” for all details.

4. If I send an order to NYSE Arca Options will it go to NYSE Amex Options?

- Only if NYSE Arca Options is not at the NBBO, and NYSE Amex Options is at the NBBO and ranked 1st in the routing table.
- Incoming orders to either Exchange will be populated with an Exchange ID that gives clients the power to choose where the order routes.

5. If a Market Maker on NYSE Arca would like to quote in NYSE Amex Options, what is the recommended network path/connection to take?

- NYSE Arca permit holders must obtain an NYSE Amex options ATP.
- Co-location is available in our New Jersey facility, and also access quoter via SFTI—currently this must go through MyTech, Savvis.

6. Where are the NYSE Amex Options connectivity specs located?

- **Arca FIX Gateway specification:** (NOTE: This application is for routing orders to both NYSE Arca and NYSE Amex options)

http://www.nyse.com/pdfs/FIX_Specification_and_API.pdf

- **ArcaDirect gateway specification:** (NOTE: This application is for sending quotes into the matching engines for both NYSE Arca and NYSE Amex Options)

http://www.nyse.com/pdfs/ArcaDirect_Specification_Equities_and_Options_3_2.pdf

- **ArcaBook Multicast specifications:** (NOTE: This is the market data application, including top of book, depth of booth, series status, auction imbalance messages etc)

http://www.nyse.com/pdfs/ArcaBook_Specification_for_Options.pdf
http://www.nyse.com/pdfs/ArcaTrade_Spec_Options.pdf

- **MMDirect specification for NYSE Arca 3.0 and NYSE Amex:**

http://www.nyse.com/pdfs/Market_Maker_Direct_Options_Spec_3.pdf

NOTE: The 3.0 Version of mmDirect is applicable for NYSE Amex Options. There are 2 versions of the spec on the website. For the 3.0 Version, please follow the link provided above.

- **To route via FIX for on floor open outcry representation (Floor Broker Workstation) you must connect using the LiquidPoint Order Entry FIX spec, please contact Mark Bromley at mb@liquidpoint.com**

7. Where is the MM TNT spec located?

http://www.nyse.com/pdfs/Amex_MM_TNT_Specification.pdf

NOTE: MM TNT is required for market makers who wish to trade in open outcry on NYSE Amex Options.

Any questions regarding connectivity may be directed to the Connectivity Help Desk at (888) 689-7739 (option 1) or via email at connectivity@nyx.com.

Development/Implementation Schedule

1. Can I move equipment to NYSE during the weekend of February 27th?

- All firms are expected to replace existing AMEX equipment and have it installed-running-and tested well ahead of March 2nd, thus avoiding last-minute installs

2. The remaining target dates are as follows:

- Dec. 13, 2008 Targeted date for 1st “mock trading session”
- January 5 start: Broker training available before, during, and after trading hours for interested Floor Broker and Booth clerk participants. Please contact Jim Hyde jhyde@nyx.com details.
- Jan. 24, 2009 Targeted date for 2nd “mock trading session”
- Jan 31, 2009 Targeted date for 3rd “mock trading session”
- Individual firm “mini mock” sessions a.m and p.m., please contact Tom Matteo to participate, tmatteo@nyx.com
- Feb. 27, 2009 Targeted last day of options trading at the 86 Trinity Place trading floor and Amex ANTE Trading System
- March 2, 2009 Targeted first day of trading on new NYSE Amex Options trading floor and NYSE Amex Options trading system

Electronic Order Book Functionality

33. How does the Opening Auction process work? How is an auction different from an Opening Rotation?

- NYSE Amex Options will open a series only when legal width market maker quotes, a legal width away exchange BBO, or the aggregate of market maker quotes and away exchange quotes that comprise a legal width market are present

in the matching engine for that series. This functionality is intended to assist our market makers in establishing a fair and orderly market for the opening auction.

- Unlike a traditional Opening Rotation that moves the opening price until all eligible trading interest is filled, the NYSE Amex Options opening auction process consists of three sequential processes that allow for the maximum number of contracts to be executed without distorting the price: pre-open, opening auction, and open sweep. These are followed immediately by core trading.

33. What is collar protection?

- If there are market orders remaining after the open with no MM quotes or away market quotes against which they can trade, Sweep Price ("collar") Protection will be applied. If there are limit orders remaining after the open with no MM quotes or away market quotes against which they can trade, and no market orders being held at a collar price, then limit orders will post at the auction price and trade against any refreshed quote, down to their limit price.

- **Sweep Processing**

Any remaining imbalance from auction will wait for a legal width NBBO, or in the absence of an NBBO with away exchange, one of the following:

- Contra side interest that is within the price protection collar (determined by legal width for a particular option premium)
- Same side interest that is more aggressively priced

Conditions to start Sweep Price Protection:

1. coming out of auction
2. processing new order and market is wide
3. by trading, market becomes wide

Conditions to end sweep price protection

1. Market is legal
2. Imbalance is exhausted
3. Trade Desk turns off sweep price protection

33. Who is required to quote for the auction?

- By rule and systemically we do not require a specific participant to quote for the Auction to take place. We require a legal width Market Maker quote or NBBO

market to open a series. See opening process doc and legal width quote doc posted for further information.

33. What happens when an options market is invalidly wide on the Auction?

- An auction will not be initiated on a wide market. The system will wait for a new valid quote or legal width NBBO market.

33. What will the Specialist-MM trade allocation be on the system?

- Electronically, the Specialist will receive an allocation of the greater of 40% guaranteed allocation or size pro rata if he/she is quoting at the NBBO at the time the incoming order arrives in the matching engine (after any customer volume at that price has been allocated).

33. Will the cross order exposure time be reduced to one (1) second to match the ISE?

- Yes, pending SEC approval.

33. Will NYSE Amex Options trade in dark pennies?

- Not initially. Dark penny functionality is coded for, but there are no current plans for the code to be live at the launch.

33. How will Directed Orders work on NYSE Amex Options?

- Directed orders are specified on the incoming order by populating Tag 128 (DeliverToCompID) with the desired MM recipient's MMID.
- Any market maker with an assignment in the option symbol may receive directed orders.
- To receive a directed order guarantee the assigned market maker must be quoting at the NBBO at time of the incoming directed order receipt in the matching engine.
- The directed market maker will receive a 40% participation guarantee in the contracts to be allocated once any customer interest in the book at that price has been satisfied.
- If the directed market maker is not quoting at the NBBO when the incoming directed order is received, the directed order will be processed as a regular limit or market order.
- A Directed Market Maker must provide continuous two-sided quotations throughout the trading day in issues for which it receives Directed Orders for 90% of the time the Exchange is open for trading in each issue. Such quotations must meet the legal quote width requirements of Rule 925NY. These obligations

will collectively apply to all of the issues for which the Directed Market Maker receives directed orders, rather than on an issue-by-issue basis. Compliance with this obligation will be determined on a monthly basis.

33. Will there be a crossing mechanism included in the system?

- Not at launch. Crossing will be handled via open outcry trading.

33. Is FLEX trading automated?

- No, FLEX trading will be handled manually via open outcry trading.

33. Is there an electronic spread book?

- Not at launch. Both multiple leg options only as well as option with stock orders will be handled via open outcry using the LiquidPoint application.
- Electronic spread book functionality is targeted for implementation during 2009.

33. What will I need as a Specialist or Market Maker to see orders in the book pre-market?

- Specialists will have to subscribe to ArcaBook. On a related note, the market will open once a valid width quote, consisting of the away markets, and/or NYSE Amex market maker quotes in the system, has been established. The system will not wait for a Specialist to have a quote in the system prior to opening. If a Specialist wants to have a chance to participate in the open they must have quotes in the system prior to 9:30 am ET.

33. Are there any special requirements that need to be met to get ArcaBook?

- Yes. A firm that has opted for the fat client technology solution (their servers / pc's on the trading floor) will be unable to access the full suite of ArcaBook. Firms wishing to access Top of Book/Depth of Book via ArcaBook as well as the other available AB subscriptions must be co-located (i.e.: thin client solution).
- Fat client firms will have access to Auction Imbalance, Symbol Status and Last Sale info from ArcaBook.

Routing/Linkage

1. How will Linkage work?

- Prior to June 26, 2009, the OLA Linkage hub will be available but Routing Broker will be used as the primary method for routing orders when NYSE Amex options is not at the NBBO
- After June 26, 2009, with the introduction of Distributive Linkage, NYSE Amex Options will use Private Routing Broker exclusively for the purposes of routing orders to other exchanges.
- With the advent of Distributive Linkage, the ISO order type will go live.

LiquidPoint/ Open Outcry Trading

20. Is there a license fee for LiquidPoint?

- Two costs will be associated with use of LiquidPoint for executing orders in open outcry on the AMEX floor.
 - FBHH
 - Booth login cost
- Additional services via LiquidPoint must be negotiated directly with LiquidPoint.

21. What are the recommended LiquidPoint PC specs to run the application?

- LiquidPoint has published a recommended PC specification. See the NYSE Amex Options Broker Systems Quick reference guide for exact specifications.

22. How will I execute and print a multi part trade including the options and equity pieces?

- The option leg will go marked as A for AMEX.
- No execution of the stock leg via CE is scheduled for launch.

23. How do customer orders get in to LiquidPoint on the floor for execution?

- Phone or IM to the broker booth for input into LiquidPoint will be the method for launch. FIX to LiquidPoint is a high priority phase 2 initiative.

24. Will any ANTE functionality such as Quick Trade carry over to the new market?

- No.

25. Can we use cell phones and electronic communications?

- Yes, cell phones and other forms of electronic communications, i.e. email and instant messaging will be allowed **on the Options Floor**. Any equipment to be installed must be approved by the Exchange- any lines, cable, etc., must be ordered through the Exchange.
- ATP Holders must maintain and produce, upon request, books and records of any communication system or device used on the Options Floor. This includes any cell phone used for business purposes while on the Options Floor.

26. Do Independent Market Makers need to pay for internet through ATS? How about small specialist firms who currently do not have SFTI?

- IMMs have a choice of access to Internet from ServiceNet.

- a) They can come through their back office connectivity to SFTI
- b) They can go through their clearing firm (MerrillPro and GSEC continue to support this).
- c) They can contract the SFTI Managed Service (Internet VBB) at 1Mb/month for \$125/month. (Of course, they can contract as many multiples as needed.)

27. How many monitors will be required for a typical options trader?

- The LiquidPoint application runs as a local executable not subject to physical display characteristics.

28. What type of market data will be incorporated?

- Although the Broker application will incorporate market data, it is recommended that you continue to utilize a third party Front End Market Data provider. ReutersTrader, ThomsonOne, TrackData and Bloomberg will be offered over ServiceNet. See the NYSE Amex Options Market Data Quick reference guide for contact information.

29. What access will be provided to away markets (and what associated fees will be charged)?

- Brokers can route orders to NYSE Amex Options from LiquidPoint and will be automatically routed to the best market if NYSE Amex Options is not the NBBO, or Brokers can contact LiquidPoint directly to set up the ability to route to another exchange directly via LiquidPoint and negotiate associated fees with them.

30. Is there a “names later” function in LiquidPoint?

- No, all post trade adjustments will be handled via the POPs clearing system. Firm trade checkers will have access to POPs in order to make these adjustments . Post trade adjustments will be subject to regulatory review.
 - Please contact Kim L Koppien kkoppien@nyx.com or Peter Fetiak pfetiak@nyx.com for further information.

31. Please confirm that inbound FIX orders will be supported.

- Inbound FIX orders will route only to the Consolidated Book. There is no current routing from the NYSE FIX Gateway to the Broker Booth similar to that of the CMS’s Line1A functionality.
- Inbound FIX to LiquidPoint is a phase 2 initiative and is planned to be supported sometime shortly after launch.

32. Do you have any screenshots or a demo?

- Yes. See the NYSE Amex Options Broker Systems Quick reference guide for exact specifications. In addition, Broker training began in November 2008, providing actual demonstration of the system.
- Demos of the software are currently available at Post 12 on the Trading Floor.

- Updated software will be available after February 17th.

33. Will all orders and executions flow through this system (i.e. more akin to BBSS where everything goes through the system vs. BARS)?

- No. Orders will come to NYSE Amex Options either through the FIX Gateways electronically or after having been entered into the Booth or Hand Held application by the Broker/Clerk.

34. What post trade reporting will be available (i.e. something like the MOL)?

- A secure FTP site will be available for participants from BNY's Data Center. Access to the site will be provided to each participant to retrieve Trade and Actions Taken logs.
- FIX execution reports and Online Extracts will be available for LiquidPoint trades.

35. When do clients need to have their new equipment available and who do they deliver to?

- No later than February 13th, 2009.
- Trading Floor Address:

(Firm Name)
c/o NYSE
6 New Street
B1 Vault
New York, NY 10005
attn: Hugh Howell

- Co-locations:

Fernando Malave
NYSE Euronext Network Engineering
300 Blvd East, Suite 110
Weehawken, NJ 07086
(201) 325-4057 Office
(551) 482-6342 Cell

36. Who are the available ISV participants

- Actant, MJT, Orc Software
1. Please refer to the Quick Reference Guide for Independent Software Vendors

37. What Ticker Plants are available

- Activ Financial, Please refer to the Quick Reference Guide for Market Data

38. I have heard about an NYSE supplied display. Are their specifications for this?

- Specs on PixelLink display Attached herein via .pdf “PixelinkSPEC01.pdf”

39. Do you have a floor layout for the new 11 Wall Trading Floor?

- Please refer to the Quick Reference Guide for Trading Floor Technology Specifications and Guidelines (subject to minor changes).

40. How can I get an overview of Data Communication for my firm?

- Please refer to the NYSE Amex Options quick reference guide for Networking Connectivity or contact Erich Umar (eumar@nyx.com) or Tim Kaminsky (tkaminsky@nyx.com).

41. How do I get Internet Access from the Trading Floor?

- SFTI offers Internet Service through the SFTI VBB. The price is \$125 per 1Mb of data upload/download for as many Mb as you wish to consume. If you are interested in this service, contact Advanced Trading Solutions Group (ATS). Internet can also be accessed through you back office connection to SFTI. Please see the NYSE Amex Options Quick Reference Guide “Internet Access from the Trading Floor”.

42. Can I still send orders to another Options Exchange from the NYSE Amex Options floor?

- Yes, via your proprietary applications, and subject to compliance with any applicable rules of both NYSE Amex Options and the away exchange.

43. Can an ATP Holder execute stock orders on the main NYSE floor?

- Yes, but to do so the ATP holder must either be an NYSE member or must send the orders through an NYSE member.

44. Can a Floor Broker (FB) execute an options order on the Floor for any ATP Holder?

- Floor brokers may execute orders on behalf of any ATP Holder, subject to compliance with rules regarding dual representation and consistent with Section 11 (a)(1) of the Exchange Act, and SEC Rule 11a2-2(T).

- There are no restrictions on sending an order to an away market from anywhere on the AMEX Options Floor.

45. Can a floor broker give up the name of any ATP Holder on the floor?

- Permission will be needed to execute and “give up” the name of an ATP Holder. The “give-up” must be established by a connectivity application. This will be an overnight change and cannot be done intraday.

No permission is needed to CMTA however there must be a valid CMTA agreement on file at the OCC.

- Floor Broker firms need to validate that all expected give ups are present in the Liquidpoint order entry GUI in the “Clearing Account” drop down menu.

46. What is the Specialist/MM trade allocation in Open Outcry trading?

- The Specialist will be entitled to a 40% allocation in open outcry of 40% of the contracts remaining after Customer Orders in the Consolidated Book are filled. If responding to a call for market with the best vocalized response price. The FB will call for a market, and call first, second, third, etc. in order. If the specialist is first, he/she can trade any amount up to the full size of the order. If the specialist is not first but responds with the same best price, the specialist gets 40%.

- For example, a FB with an order to buy 100 contracts calls for a market, and calls MM1 first, MM2 second, Specialist third. After taking out 20 Customer in the book, the FB offers the Specialist up to 32 contracts (40% of 80). If the Specialist takes the 32, the FB offers MM1 48. MM1 may take all or a part of the 48. Anything left after MM1 is offered to MM2.

- Now consider the same scenario, but the Specialist is first. The Specialist may take all or part of the contracts remaining after the Customers orders in the Consolidated Book have been satisfied. Any residual is offered to the other MMs in the order in which they made their responses.

- If the Specialist fails to respond, or is not at the best price, there is no Specialist entitlement. And there is no entitlement at the next price, either.

47. Will a Floor Market Maker be able to quote from off floor and how will it be counted?

- A FMM may stream quotes electronically into the issues in the electronic primary, and may do so while off the floor. Any electronic quotes will count towards the 60% quoting obligation, and any resultant trades will count towards the 75% in-primary requirement. The 75% in-primary requirement is a combination of electronic primary and open outcry trading zone executions.

48. What are the electronic quoting obligations for Specialists and Market Makers?

- All electronic quotes must be standard legal width for the opening auction, and no more than \$5 wide for rest of day.
- \$5 wide quotes must be submitted after the opening to be accepted and included for quote compliance.
- All electronic quotes must be a minimum of 1 contract.
- To request temporary quoting exemptions or for general questions related to quoting obligations please email: nyoptionssurveillance@nyx.com.

Additional Obligations:

- Specialists - Specialist must quote electronically 90% of the time, calculated by symbol, by month. $\{(\# \text{ of series}) \times (\text{amount of time quoting}) / (\text{total amount of time in month})\} > 90\%$
- FMMs and RMMs - must quote electronically 60% of the time, calculated by symbol, by month. $\{(\# \text{ of series}) \times (\text{amount of time quoting}) / (\text{total amount of time in month})\} > 60\%$
- A Directed Market Maker must provide continuous two-sided quotations throughout the trading day in issues for which it receives Directed Orders for 90% of the time the Exchange is open for trading in each issue. Such quotations must meet the legal quote width requirements of Rule 925NY. These obligations will collectively apply to all of the issues for which the Directed Market Maker receives directed orders, rather than on an issue-by-issue basis. Compliance with this obligation will be determined on a monthly basis.

49. What are the open outcry quoting obligations for Specialists and Market Makers?

- Specialists and FMMS must respond to a call for market when requested by a Floor Broker or when directed by a Trading Official.
- Open Outcry quotes must be standard legal width and at least one-up.

Bid Price of Series	Maximum Spread Width
< \$2.00	\$.25
2.00 - \$5.00	\$.40
\$5.01 - \$10.00	\$.50
\$10.01 - \$20.00	\$.80

> \$20.00	\$1.00
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49. Does a MM have to trade within a zone?

* FMMs must meet 75% in-primary volume requirement. All FMMs must select at least one issue in their electronic primary. Electronic primary carries a 60% quoting obligation. Electronic primary issues must be quoted with 1 up markets.

* The entire trading floor will comprise the open outcry trading zone. However, there is also a Trading Official ("TO") awareness requirement: The TO must be able to hear any trade, and further the TO may require it to be revocalized if in the TO's opinion it was not sufficiently loud.

Rule 933NY Commentary.02 Pursuant to Rule 933NY, a Floor Broker's use of due diligence in executing an order includes the use of a reasonable effort to make all persons in the trading crowd aware of the Floor Broker's request for a quotation. ***This includes the Trading Official at the post or in the Trading Crowd.***

· 75 % of contract volume for Floor Market Makers must be either electronic trades in their electronic primary or open outcry trades.

If a MM is streaming quotes in ABC, all electronic trades in ABC will count towards the 75%.

· Similarly, if the MM is not streaming quotes in XYZ, any executions from orders submitted by the MM to the system to trade electronically will NOT count towards the 75% requirement, but open outcry trades in XYZ will count.

50. Explain Citation/Summary Sanctions

- Regulatory staff may issue a written notice of a minor rule plan violation. The written statement will contain the determination of the rule violation; the amount of the monetary penalty, if any; a description of how to contest the notice; and the date by which the determination and monetary penalty are final, or must be contested in writing.
- A Trading Official may issue a citation for violations of floor decorum rules. A citation is the equivalent of written notice of a violation.
- Any monetary penalty imposed and not contested will not be publicly reported unless required by SEC Rule or another Regulatory organization.

51. What ArcaBook Feeds will be available on the trading floor for non co-location clients?

- Imbalance

- Last Sale
- Symbol Status (includes underlying open, series status, dark/light etc)
- Complex (placeholder)

52. When can I view the LiquidPoint Demo?

- Live demos will be available from Dec. 1st, in the training lab and on the 86 Trinity Trading floor..

53. Where is the training lab and how do I schedule training?

- Sixth Floor at 86 Trinity Place, contact Tom Matteo (212) 306-1070
- Mini mocks are also available in the Blue Room on request.

Trading Official (TO) Rules / Open Outcry Trading

- 1. General inquiries regarding TO responsibilities/procedures can be directed to Silvia Ramirez at sramirez@nyx.com**
- 2. If a specialist or market maker is solicited via phone for an indication of interest can that specialist or market maker put the TO on the phone - assuming it is an ATP Holder on the phone - to have the TO enter the order into the system prior to the ATP holders floor rep walking out to the crowd to trade?**
 - No. The firm who is soliciting the indication of interest will have to enter an order into the system or have a broker enter the order into the system on their behalf. Trading Officials will not be responsible for entering orders into the system.
- 3. What happens if the TO has not time stamped the order in the system and a broker vocalizes a trade in the trading crowd?**
 - A trade has not taken place. The order must be visible in the LiquidPoint system to the TO, the broker must vocalize the terms of the order in such a way that the crowd including the TO can hear it clearly, and then the TO will Release the order to the Broker by time stamping it in the LiquidPoint system at which time the trade can be executed.
 - Additionally, the TO will ensure that there is no customer interest entitled to participate in the trade. If there is such customer interest, the LiquidPoint application will send an IOC order to the Matching Engine to clean up the customer interest in the book before the trade can execute.
 - The process for an open outcry trade is as follows:
 1. Booth enters order into LiquidPoint system
 2. Booth routes order to Broker
 3. TO sees order on TO workstation
 4. Broker should make TO aware that they are in the crowd
 5. TO checks market and if ok releases the order

5a. Any cust orders with timestamp earlier than the TO timestamp will be cleared from the book with a LiquidPoint generated IOC order (sent WHEN the BROKER hits clear the book on LiquidPoint)

5b. Any cust orders with timestamp later than the TO timestamp are Out. Any improvement to the NBBO After the TO timestamp will not affect the ability for the Broker to put up a print

5c. The timer starts from the TO timestamp (90 seconds to Late, 180 seconds to lockdown -- 180 seconds is a configurable parameter)

4. Continuing the above scenario - if a broker has communicated to their customer that they are filled but in fact a trade has been deemed not to have taken place whose error is it?

- This is the broker's responsibility and it would be the broker's error. The broker must wait for the TO to release the order to him. Only after the TO has released the order is it possible for a trade to take place.

5. What happens if a TO fails to release your order in a timely manner?

- The Trading Official will write an Unusual Activity Report (UAR) to explain the trade-through or to explain the Broker's failure to execute the order in timely manner, and to mark the trade "late".

6. What if the market has moved and the broker has given the customer a report?

- The Broker is responsible for ensuring that the client has **not** been given a report until he/she has satisfied the open-out-cry trading rules.

7. Will a TO have the right to tell a client that he/she cannot trade with another Market Maker or broker?

- The TO will have the right to ensure that Brokers or any party to an open outcry trade will execute orders in accordance to Section 900NY; he/she may prevent the release of an order if it is deemed the order has not met the terms and conditions of open-out-cry trading rules.

8. How can a client "Bust" a trade that was traded in the crowd?

- If a mutual agreement to bust the trade is reached, the TO will have the ability to take down the trade upon the Broker's or any participants' request, by calling the trade desk/and or by busting the trade in LiquidPoint and the Global Trade Manager (GTM). Any execution that is taken down after the fact will be subject to regulatory review.

9. Can a clerk trade or assist in trading for a broker in the trading crowd?

- A clerk may assist in "quoting, entering, and assisting" the broker, but may not vocalize or act as a broker at any time.

10. Does a TO have the right to issue a Citation?

- Trading Officials are authorized to issue citations for any violation of trading rules and floor decorum violations in accordance with the minor rule plan.

Billing

1. How does Payment for Order Flow (PFOF) work in conjunction with Directed Orders?
 - Any electronic customer order that is directed to a market maker (includes Specialists, Floor Market Makers and Remote Market Makers) that has an assignment in the option will result in the collection of a marketing charge from any market maker that trades with the order. Those marketing charges will be pooled on a monthly basis and will be disbursed at the direction of the market maker that was receiving the directed order. Any unpaid monies in any PFOF pool will be refunded periodically. Any electronic customer order that is not directed to a particular market maker will result in the collection of marketing charges from any market maker that trades with the order. Those marketing charges will be pooled on a monthly basis and disbursed at the direction of the Specialist assigned to that option. Any unpaid monies in any PFOF pool will be refunded periodically.
 - If an NYSE Amex Options execution has a directed recipient who received a guaranteed % of the order, then NYSE Amex Options will generate the collection of a marketing charge and the party to whom the PFOF is assigned will be the directed recipient.
 - If an NYSE Amex Options execution has no directed recipient yet it qualifies for the marketing fee collection, NYSE Amex Options will generate the collection of that marketing charge and the Specialist will be the responsible party for purposes of assigning the PFOF.

VOLUME BASED FEES UPON NEW SYSTEM ROLLOUT AT NYSE AMEX OPTIONS:

PLEASE NOTE, these fees have not been filed with the SEC and are subject to change. Most fees will be collected via an electronic debit to the clearing firm.

1. What volume based fees do I pay as a retail customer?

- Per Contract Charges
- Transaction Charges \$0.00.
- Royalty Fees: RUT, MNX, NDX: \$0.00
- Premium Products (ETF, HOLDR): \$0.00

2. What volume based fees do I pay as a registered market maker?

- Per Contract Charges
- Transaction Charges \$0.17
- Royalty Fees: MNX, NDX: \$0.16, RUT : \$0.15
- Marketing Charges: \$0.65 non pp / \$0.25 pp on all electronic MM executions where a customer is on the contra-side.

3. What volume based fees do I pay as a Specialist

- Per Contract Charges
- Transaction Charges \$0.10
- Royalty Fees: MNX, NDX: \$0.16, RUT: \$0.15
- Marketing Charges: \$0.65 non pp / \$0.25 pp on all electronic MM executions where a customer is on the contra-side.

4. What volume based fees do I pay as a market maker that receives directed orders

- Per Contract Charges
- Transaction Charges \$0.15
- Royalty Fees: MNX, NDX: \$0.16, RUT: \$0.15
- Marketing Charges: \$0.65 non pp / \$0.25 pp on all electronic MM executions where a customer is on the contra-side.

5. What volume based fees do I pay as a firm facilitating a trade

- A facilitation trade is a trade where a firm (clearance account “F”) trades against a customer (clearance account “C”) and has the same clearing firm root symbol on both sides of the trade.
- Per Contract Charges
- Transaction Charges \$0.15
- Royalty Fees: MNX, NDX: \$0.16, RUT: \$0.15

6. What volume based fees do I pay as a BD

- BD’s are either market makers (clearance account M) from a market center other than NYSE Amex, firms (clearance account “F”) that are not facilitating a trade or customers (clearance account “C”) trading in a non public customer capacity.
- Per contract charges if manual execution:
 - Transaction Charges \$0.26

- Royalty Fees: MNX, NDX: \$0.16, RUT: \$0.15
- Per contract charges if electronic execution:
 - Transaction Charges \$0.50
 - Royalty Fees: MNX, NDX: \$0.16, RUT: \$0.15

FIXED FEES UPON NEW SYSTEM ROLLOUT AT NYSE AMEX OPTIONS:
 PLEASE NOTE, these fees have not been filed with the SEC and are subject to change.
 Most fees will be collected via an electronic debit to the clearing firm.

1. What is a rights fee?

- Rights fees are assessed on market makers that act in a specialist, e-specialist or directed market making capacity. The fee is based on the franchise value of the issue. Specifically, customer volumes for the industry are tabulated over a three month period. A base rate is assigned according to the tier. The base rate is then allocated on a monthly basis according to executed Specialist, e-Specialist, and Directed Market Maker volume.
- Where multiple participants of these identified types trade a single issue, the Base Rate fee will be shared at a percentage of volume in that issue, done by each participant.

The table below details the tiers and base rate:

<u>Avg Daily Industry Cust Contracts per Issue</u>	<u>Base Rate</u>
0 to 2,000	\$150
2,001 to 5,000	\$400
5,001 to 15,000	\$750
15,001 to 100,000	\$1,500
Over 100,000	\$3,000

2. Will there be a technology fee (\$500 under AMEX)?

- No

3. Will there be a \$200 facility fee (\$200 per month under AMEX)?

- No

4. Will there be member dues?

- Member dues will be replaced by trading permits.
- For Market Makers the cost per trading permit will be \$1,000 per month. For all other trading participants the cost will be \$500 per month.

Clearing / POPS

1. What is the difference between the POPS Online Extract and drop copies?

- Drop copies come from the matching engines and show original trade details only for executions on the platform. The POPS Online Extract records come from the clearing system and show any post-trade adjustments made to the executed trades (e.g., the addition of CMTA information, optional data changes, etc.) It also includes trades added or deleted manually via the clearing system.

2. How do I get access to POPS for trade checking?

- Firms with representation on the options trading floor will be given local trade check access.

3. Can I have access to POPS offsite?

- Yes, remote trade checking access is available. It requires that the user obtain a POPS user account and install a third party application used to provide 3270 terminal emulation on a PC at the remote site. For information about this service, contact Kim Koppien – kkoppien@nyx.com or Peter Fetiak – pfetiak@nyx.com

4. Can I have access to OFR (Online Floor Reports) offsite?

- Yes, offsite access can be provided. It requires that the user obtain an OFR user log-in from the Exchange, at which point the link will be provided to access the reports. For information about this service, contact Kim Koppien – kkoppien@nyx.com or Peter Fetiak – pfetiak@nyx.com

5. Can I submit a file of CMTA changes to the Exchange for automatic updates to existing trades?

- No, this functionality does not currently exist.

6. How will we be alerted to problems with POPS?

- Appropriate announcements will be made on the trading floor during any POPS problems that prevent online extract reports from being sent and trades being reported to OCC. Additionally, when appropriate, an e-mail will be sent to a group distribution address that includes trade checkers and back-office technical support personnel.

Trading Desk

1. How to get trades reviewed/adjusted?

- Call trade desk (877) 729-7291

2. How to have quotes pulled during periods of electronic communication problems?

- Call trade desk (877) 729-7291

3. How will I be notified of problems that affect trading?

- Notification will be by e-mail and through announcements on the Trading Floor